

Company Number: 09725580

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

PERSONA CARE AND SUPPORT LIMITED

(the "Company")

WRITTEN RESOLUTION OF THE MEMBERS

Circulation Date: 1 NOVEMBER 2017

Date Passed: 1 NOVEMBER 2017

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose and recommend that the following resolution be hereby passed as a special resolution of the members of the Company (together the "**Resolutions**");

SPECIAL RESOLUTION

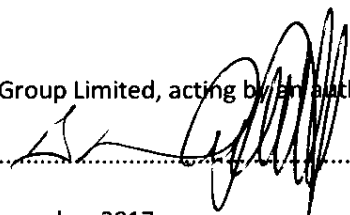
1. THAT the regulations annexed to this resolution be hereby adopted as the new Articles of Association of the Company in substitution for all existing regulations.

Agreement: Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being the sole member of the Company entitled to vote on the Resolution on the Circulation Date set out above, hereby irrevocably agrees to the passing of the Resolution.

Signed on behalf of Persona Group Limited, acting by an authorised director

Signature:

.....

Date:

1 November 2017



Company Number: 09725580

Notes:

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document above and then return it to the Company by delivering it by hand to or posting it to Persona Care and Support Limited at Grundy, Wellington Road, Bury, Lancashire, BL9 9AH.
2. If you do not agree to the Resolution you do not need to do anything: you will not be deemed to have agreed to the Resolutions by failing to reply.
3. Once you have indicated your agreement to the Resolution you may not revoke that agreement.
4. Unless within 28 days of the Circulation Date noted at the beginning of this document sufficient agreement has been received for the Resolutions to pass, the Resolutions will lapse. If you do agree to the Resolutions, please ensure that this document, duly signed and dated as explained in Note 1 above, is received by Persona Care and Support Limited at Grundy, Wellington Road, Bury, Lancashire, BL9 9AH. within 28 days of the Circulation Date.
5. If you are signing this document on behalf of a person under a power of attorney or other similar authority, you must send a certified copy of that power of attorney or other authority when returning this document.

Company No 09725580

THE COMPANIES ACTS 1985 AND 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PERSONA CARE AND SUPPORT LIMITED

Incorporated 10 August 2015

(Adopted by special resolution passed on 1 NOVEMBER 2017)

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ARTICLES OF ASSOCIATION
OF
PERSONA CARE & SUPPORT LIMITED (CRN: 09725580)
(THE "COMPANY")

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

In the articles, unless the context requires otherwise:-

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| "articles" | means the company's articles of association for the time being in force; |
| "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; |
| "chairman" | has the meaning given in article 14; |
| "chairman of the meeting" | has the meaning given in article 50; |
| "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; |
| "Consent" | any requirement for the consent or agreement of the shareholder or the Local Authority Member shall be in writing and consent may also be construed from any Business Plan or any similar such document for the Company where these have been approved by the Local Authority Member; |
| "director" | means a director of the company, and includes any person occupying the position of director, by whatever name called; |

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| "distribution recipient" | has the meaning given in article 39.2; |
| "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; |
| "equity securities" | has the same meaning as in section 560 of the Companies Act 2006; |
| "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 person whose name is entered in the register as the holder of the shares; |
| "instrument" | means a document in hard copy form; |
| "Local Authority Member" | means the Council of the Metropolitan Borough of Bury as a shareholder of the Company or shareholder of any holding company with shares in the company; |
| "managing director" | means any person regardless of title or description appointed by the Company for the purposes of managing the operations of the Company and who need not be a director; |
| "ordinary resolution" | has the meaning given in section 282 of the Companies Act 2006; |
| "paid" | means paid or credited as paid; |
| "participate" | in relation to a directors' meeting, has the meaning given in article 12; |
| "Permitted Value" | is a total value of no more than £250,000 (two hundred and fifty thousand pounds) or such other figure as may be approved by the Local Authority Member;; |

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| “proxy notice” | has the meaning given in article 57; |
| “Relevant Agreements” | mean the shareholder agreement entered into between the Company and the Local Authority Member; |
| “secretary” | means the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company including a joint assistant or deputy Secretary; |
| “shareholder” | means a person who is the holder of a share; |
| “shares” | means shares in the company; |
| “special resolution” | has the meaning given in section 283 of the Companies Act 2006; |
| “Staff” | means a person currently employed by the Company who has successfully completed their probationary period and had their appointment confirmed. |
| “Staff Forum” | means the forum for Staff established in accordance with Article 25. |
| “Stakeholder Forum” | means the forum for stakeholders established in accordance with Article 26. |
| “subsidiary” | has the meaning given in section 1159 of the Companies Act 2006; |
| “transmittee” | means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and |
| “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. Words denoting the singular shall include the plural and vice versa as the context shall permit references to statutes or regulations include references to any statutes or regulations amending re-enacting or replacing the same. |

Subject as aforesaid words or expressions contained in these Articles shall unless the context requires otherwise bear the same meaning as in the Act.

2. Objects

The Company's Objects are to carry on any commercial business and activity.

3. Liability of members

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

4. Directors' general authority

- 4.1. 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.
- 4.2. The directors shall only exercise their powers of management of the Company strictly in accordance with these articles and shall immediately put in effect the directions and requirements of the Local Authority Member as notified to the directors.

5. Shareholders' reserve power

- 5.1. The shareholder may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 5.2. No such special resolution invalidates anything which the directors have done before the passing of the resolution.

6. Directors may delegate

- 6.1. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:-
 - 6.1.1. to such person or committee;
 - 6.1.2. by such means (including by power of attorney);

- 6.1.3. to such an extent;
- 6.1.4. in relation to such matters or territories; and
- 6.1.5. on such terms and conditions;

as they think fit.

6.2. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

6.3. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

7. Committees

7.1. 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.

DECISION-MAKING BY DIRECTORS

8. Directors to take decisions collectively

8.1. 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 9.

8.2. Subject to article 15 each Director shall have one (1) vote.

9. Unanimous decisions

9.1. A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

9.2. 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.

9.3. 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.

9.4. 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.

10. Validity of directors' decisions

10.1. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall be as valid notwithstanding the participation in any vote of a director

10.1.1. discovered afterwards that there was a defect in the appointment of any director, or

10.1.2. that any of them were disqualified from holding office, or

10.1.3. had vacated office, or

10.1.4. were not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise,

if without,

10.1.5. the vote of that director, and

10.1.6. that director being counted in the quorum;

the decision has been made by a majority of the directors at a quorate meeting.

10.2. Article 10.1 does not permit a director or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the directors or of a committee of directors if, but for article 10.1, the resolution would have been void, or if the director has not complied with article 16.

10.3. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors, shall be as valid and effective as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held. Such a resolution may consist of several documents in like form, each signed by one or more of the directors.

11. Calling a directors' meeting

11.1. Any director may call a directors' meeting by giving reasonable notice of the meeting to the directors or by authorising the company secretary to give such notice.

11.2. Notice of any directors' meeting must indicate:-

11.2.1. its proposed date and time,

- 11.2.2. where it is to take place, and
 - 11.2.3. 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;
 - 11.2.4. an agenda specifying in reasonable detail the matters to be raised at the meeting or the committee meeting; and
 - 11.2.5. copies of any papers to be discussed at the meeting or the committee meeting.
- 11.3. Notice of a directors' meeting must be given to each director, but need not be in writing.
- 11.4. 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.

12. Participation in directors' meetings

- 12.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:-
- 12.1.1. the meeting has been called and takes place in accordance with the articles, and
 - 12.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 12.3. 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.

13. Quorum for directors' meetings

- 13.1. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.2. The quorum for directors' meetings may be fixed from time to time by a decision of the directors but it must never be less than half of their number which shall include at least one non-executive director.

13.3. 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:-

13.3.1. to appoint further directors, or

13.3.2. to call a general meeting so as to enable the shareholders to appoint further directors.

13.4. If a quorum is not present within half an hour from the time appointed for the meeting or during a meeting a quorum ceases to be present the meeting shall be adjourned to such time and place as the directors may determine in accordance with these articles.

14. Chairing of directors' meetings

14.1. Subject to obtaining prior approval from the Local Authority Member, the directors may appoint a director to chair their meetings.

14.2. The person so appointed for the time being is known as the chairman.

14.3. The directors may terminate the chairman's appointment at any time.

14.4. If the chairman 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 themselves to chair it.

15. Casting vote

15.1. If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

15.2. But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

16. Declaration of director's interests

16.1. A director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the company or in any transaction or arrangement entered into by the company which has not previously been declared. A director must absent himself or herself from any discussions of the directors in which it is possible that

a conflict will arise between his or her duty to act solely in the interests of the company and any personal interest (including but not limited to any personal financial interest) unless the Articles permit otherwise.

17. Conflicts of interest

17.1. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested or a person connected with the director, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

17.2. But if article 17.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

17.3. This article applies when:-

17.3.1. the company by special resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,

17.3.2. the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

17.3.3. the director's conflict of interest arises from a permitted cause.

17.4. For the purposes of this article, the following are permitted causes:-

17.4.1. 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;

17.4.2. 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;

17.4.3. 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;

- 17.4.4. as an employee, director, a shareholder, an agent or representative of the Local Authority Member or one of its subsidiary companies except where the conflict of interest in that particular case is likely to lead to unlawful conduct or legal challenge; and
 - 17.4.5. contracts or arrangements with the Local Authority Member which, in that particular case, do not contravene the Local Authority Member's policies, procedures and rules or that could lead to unlawful conduct or legal challenge.
- 17.5. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 17.6. Subject to article 17.7, 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, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 17.7. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- For the purposes of articles 16 and 17 an interest of a person who is, for any purpose of the Act, connected with a director shall be treated as an interest of the director.
- 17.8. Subject to the provisions of the Act and provided that he/she has disclosed to the directors the nature and extent of any material interest of his/hers a director notwithstanding his/her office:-
- 17.8.1. may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 17.8.2. may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and

17.8.3. shall not, by reason of his/her office, be accountable to the Company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

17.9. Where any of the situations referred to in article 17.4 (permitted causes) applies:

17.9.1. the directors may (whether at the relevant time or subsequently) (i) require that the director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Directors or otherwise) related to the Conflict or Permitted Causes; and (ii) impose upon the director such other terms for the purpose of dealing with the Conflict as they may determine;

17.9.2. the director will be obliged to conduct himself in accordance with any terms imposed by the board in relation to the Permitted Causes; and

17.9.3. the other directors may provide that where the director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence.

17.10. A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company or the shareholders for any remuneration, profit or other benefit realised by reason of his having any type of interest in a Conflict authorised under this article or in any Permitted Cause and no contract shall be liable to be avoided on the grounds of a director having any such interest.

17.11. For the purposes of article 16:-

17.11.1. a general notice given 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 is

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

- 17.11.2. an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.

18. Records of decisions to be kept

- 18.1. The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

19. Confidentiality

- 19.1. There shall be no duty of confidentiality appertaining to the directors in respect of company information or matters arising in the directors meetings when dealing with the Local Authority Member.

APPOINTMENT OF AND REMOVAL OF DIRECTORS

20. Directors' Appointment

- 20.1. Any person who is willing to act as a Director and is permitted by law to do so, may be appointed to be a Director by the Local Authority Member.
- 20.2. The company shall not have no less than 2 (two) directors.
- 20.3. The directors of the Company shall only be appointed with the express approval of the Local Authority Member.
- 20.4. Not less than twenty-one clear days before the date appointed for holding a general meeting notice shall be given to all persons who are entitled to receive notice of the meeting of any person who is recommended by the Local Authority Member for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him/her at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would if he/she were so appointed or reappointed be required to be included in the Company's register of directors.
- 20.5. The Local Authority Member may from time to time appoint:

- 20.5.1. one or more directors as a managing director, a finance director and operations director, or any other role under the Company in relation to the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.
 - 20.5.2. a non-executive Independent director to act as chairman;
 - 20.5.3. an elected member of the Council as a non-executive director;
 - 20.5.4. A staff representative as a director or such other appointments as it may from time to time determine; and
 - 20.5.5. one or more independent non-executive directors.
- 20.6. The directors may only with the Consent of the Local Authority Member enter into an agreement or arrangement with any director for his/her or her employment by the Company or for the provision by him or her of any services outside the scope of the ordinary duties of a director. Any appointment of a director to an executive office shall terminate if he/she ceases to be a director but without prejudice to any claims to damages for breach of the contract or service between the director and the Company.
- 20.7. No other directors shall be appointed other than as permitted by the articles.

21. Removal of Directors

- 21.1. A director may only be removed by or with the Consent of the Local Authority Member.
- 21.2. All non-executive directors shall retire from office on or after the third year of their appointment or until the first general meeting held on or after the third year of their appointment whichever is the later date.
- 21.3. All directors that retire shall be eligible for re-appointment by way of an ordinary resolution at a general meeting or written resolution of the Local Authority Member.

- 21.4. Members and Officers of the Local Authority Member acting as Directors of the Company shall retire on an annual basis on or after each year of their appointment at the first General Meeting held on or after their appointment

22. Termination of director's appointment

- 22.1. A person ceases to be a director as soon as:-

- 22.1.1. the Local Authority Member notifies the Company that the individual is to be removed as a director;
- 22.1.2. that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 22.1.3. a bankruptcy order is made against that person;
- 22.1.4. a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 22.1.5. 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;
- 22.1.6. 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;
- 22.1.7. 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;
- 22.1.8. is absent without the permission of the directors from all their meetings held within a period of six months and the directors resolve that his/her office be vacated; or
- 22.1.9. ceases to be a serving member or officer of the Local Authority Member who appointed him/her.

- 22.2. No director shall be removed other than as provided in these articles.

- 22.3. Any removal of a director shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of services between such director and the Company.

23. Directors' remuneration and expenses

- 23.1. Directors may undertake any services for the Company that the directors decide.
- 23.2. Subject to any other articles herein directors remuneration and any other financial benefits shall be determined by ordinary resolution at a general meeting by the Local Authority Member:-
- 23.2.1. for their services to the company as directors; and
 - 23.2.2. for any other service which they undertake for the company.
- 23.3. Subject to the articles, a director's remuneration may:-
- 23.3.1. take any form; and
 - 23.3.2. 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.
- 23.4. Provided that any directors who are members of the Local Authority Member and appointed by a Local Authority Member in accordance with Article 20.5 shall not be paid any remuneration or reimbursement of expenses greater than that to which he/she would have been entitled to in comparable circumstances had they been carrying out similar duties with the Local Authority Member.
- 23.5. Unless decided otherwise, directors' remuneration accrues from day to day.
- 23.6. Directors are 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.
- 23.7. The Local Authority Member may by ordinary resolution restrict or limit the remuneration and or the benefits to any director or non-director roles including senior level appointments such as a managing director, a finance director or operations director.

- 23.8. In any event , the Company is not permitted, without first obtaining the Consent of the Local Authority Member, to enter into any agreement, arrangement or otherwise where any person is to receive or could receive total remuneration, financial benefits, bonuses or any other benefits in kind including pension arrangements in any one year of a value exceeding £100,000.
- 23.9. Subject to the articles, the Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:-
- 23.9.1. meetings of directors or committees of directors;
 - 23.9.2. general meetings; or
 - 23.9.3. 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.

24. Delegation of Directors' Powers

- 24.1. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

25. Staff Forum

- 25.1. The directors may within the first six (6) months of operation establish a forum which shall represent the views and opinions of Staff (the **"Staff Forum"**).
- 25.2. The board of directors:
- 25.2.1. convenes the Staff Forum; and
 - 25.2.2. decides the frequency, date, time and place of any Staff Forum meetings.
- 25.3. Attendance is open to any member of Staff.
- 25.4. The functions/purpose of the Staff Forum shall include:

- 25.4.1. assisting the Company to understand the perspective and feedback of the Staff to enable their voice to be heard in the running of the Company's business;
- 25.4.2. to use the Staff Forum as a place to generate ideas and innovation from Staff in relation to the delivery of the Company's services; and
- 25.4.3. any other matters that the directors may from time to time determine.

Procedure at Staff Forums

25.5. It is the responsibility of the board of directors, the chairman of the meeting and the secretary to ensure that at any Staff Forum:

- 25.5.1. the issues to be decided are clearly explained;
- 25.5.2. sufficient information in an accessible format is provided to Staff Forum members to enable rational discussions to take place; and
- 25.5.3. where appropriate, experts in relevant fields are invited to address the meeting.

25.6. The chairman, or in their absence a director, shall chair a Staff Forum. If the chairman is not present, the directors present shall elect one of their numbers to be chair and if there is only one director present and willing to act they shall be chairman of the Staff Forum.

26. Stakeholder Forum

26.1. The directors may within the first twelve (12) months of its operations establish a forum which shall represent the views and opinions of its service users and carers ("**Stakeholder Forum**").

26.2. The board of directors:

- 26.2.1. convenes the Stakeholder Forum; and
- 26.2.2. decides the frequency, date, time and place of any Stakeholder Forum.

26.3. Attendance is open to any person who completes an application for attendance in the form required by the directors and who is entitled to be a Community Participant (as detailed below). A "**Community Participant**" may be each or all of the following:

- 26.3.1. a service-user (that is to say, a person who lives in the areas served by the Company and who receives, or is entitled to receive the social care services

provided by the Company), or has been a service-user within 6 months immediately prior to their application for membership;

26.3.2. a carer of a person who is or has been a service-user within 6 months immediately prior to their application for membership;

26.3.3. a registered volunteer; and/or

26.3.4. any other member from the community including representatives from any of health and social care agencies, CCGs, GPs, local community groups, the local healthwatch, voluntary sector organisations and local businesses; or

as otherwise determined by the directors

26.4. The functions/purpose of the Stakeholder Forum shall include:

26.4.1. assisting the Company to understand the perspective and feedback of the services users, the carers and the volunteers to enable the Company to provide services and carry on its business;

26.4.2. to work with the local community groups; and

26.4.3. such other matters as the directors may from time to time determine.

Procedure at Stakeholder Forum

26.5. It is the responsibility of the directors, the chairman of the meeting and the secretary to ensure that at any Stakeholder Forum:

26.5.1. the issues to be decided are clearly explained;

26.5.2. sufficient information in an accessible format is provided to Stakeholder Forum members to enable rational discussions to take place; and

26.5.3. where appropriate, experts in relevant fields are invited to address the meeting.

26.6. The chairman, or in their absence a director shall chair a Stakeholder Forum. If the chairman is not present, the directors present shall elect one of their number to be chairman and if there is only one director present and willing to act they shall be chairman of the Stakeholder Forum.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

27. All shares to be fully paid up

- 27.1. 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.
- 27.2. This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

28. Powers to issue different classes of share

- 28.1. 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 special resolution by the Local Authority Member.
- 28.2. The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Local Authority Member, and the Local Authority Member may determine the terms, conditions and manner of redemption of any such shares.

29. Company not bound by less than absolute interests

- 29.1. 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.

30. Share certificates

- 30.1. The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 30.2. Every certificate must specify:-
 - 30.2.1. in respect of how many shares, of what class, it is issued;
 - 30.2.2. the nominal value of those shares;
 - 30.2.3. that the shares are fully paid; and
 - 30.2.4. any distinguishing numbers assigned to them.

- 30.3. No certificate may be issued in respect of shares of more than one class.
- 30.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 30.5. Certificates must:-
 - 30.5.1. have affixed to them the Company's common seal, or
 - 30.5.2. be otherwise executed in accordance with the Companies Acts.

31. Replacement share certificates

- 31.1. If a certificate issued in respect of a shareholder's shares is:-
 - 31.1.1. damaged or defaced; or
 - 31.1.2. said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 31.2. A shareholder exercising the right to be issued with such a replacement certificate:-
 - 31.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 31.2.2. must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 31.2.3. must comply with such conditions as to evidence, indemnity and the payment of expenses reasonably incurred by the Company in investigating evidence as the directors may reasonably determine but otherwise free of charge.

32. Share transfers

- 32.1. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 32.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 32.3. The Company may retain any instrument of transfer which is registered.
- 32.4. The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

- 32.5. 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.

33. Transmission of shares

- 33.1. If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 33.2. A transmittee who produces such evidence of entitlement to shares as the directors may properly require:-
- 33.2.1. may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - 33.2.2. subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 33.3. 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.
- 33.4. Nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

34. Exercise of transmittees' rights

- 34.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 34.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 34.3. 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.

35. Transmittes bound by prior notices

- 35.1. If a notice is given to a shareholder in respect of shares and a transmittes is entitled to those shares, the transmittes is bound by the notice if it was given to the shareholder before the transmittes's name has been entered in the register of members.

36. Alteration of Share Capital

- 36.1. Subject to the articles, but without prejudice to any rights attached to any existing shares only, the Company may issue shares with such rights or restrictions as the Local Authority Member by special resolution determines.

- 36.2. The Local Authority Member may by special resolution:-

- 36.2.1. increase the Company's share capital by new shares of such amount as the resolution prescribes;
- 36.2.2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 36.2.3. subject to the Companies Acts, sub-divide its shares, or any of them, into shares of smaller amount, and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have preference or advantage as compared with others; and
- 36.2.4. cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 36.2.5. The Company is not permitted to alter the Share Capital without the approval of the Local Authority Member.

37. Pre-emption Rights

- 37.1. The Company must not allot equity securities to a person on any terms unless:-

- 37.1.1. it has made an offer of the whole to the Local Authority Member who holds ordinary shares in the company to allot to it on the same or more favourable terms those securities that is as nearly as practicable equal to the nominal value held by him of the ordinary share capital of the company, and

- 37.1.2. the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- 37.2. Securities that a company has offered to allot to a holder of ordinary shares may be allotted to him, or anyone in whose favour he has renounced its right to their allotment, without contravening article 37.1.1.
- 37.3. For the purpose of these articles section 561 of the Companies Act 2006 shall be modified so that the provisions of sections 564 to 566 (exceptions to pre-emption right) shall not apply.

DIVIDENDS AND OTHER DISTRIBUTIONS

38. Procedure for declaring dividends

- 38.1. The Company may by special resolution declare dividends, and subject to obtaining the Consent of the Local Authority Member, the directors may decide to pay interim dividends.
- 38.2. A dividend must not be declared without the Consent of the Local Authority Member and unless it appears to the directors that they are justified by the profits of the company available for distribution and have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 38.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 38.4. Unless the shareholders' 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 resolution or decision to declare or pay it.
- 38.5. 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.
- 38.6. Subject to the Consent of the Local Authority Member, 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.

- 38.7. 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.

39. Payment of dividends and other distributions

- 39.1. 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:-

- 39.1.1. transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 39.1.2. 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;
- 39.1.3. 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
- 39.1.4. 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.

- 39.2. In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:-

- 39.2.1. the holder of the share; or
- 39.2.2. if the share has two or more joint holders, whichever of them is named first in the register of members; or
- 39.2.3. if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

40. No Interest on distributions

- 40.1. The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:-

- 40.1.1. the terms on which the share was issued; or
- 40.1.2. the provisions of another agreement between the holder of that share and the Company.

41. Unclaimed distributions

41.1. All dividends or other sums which are:-

- 41.1.1. payable in respect of shares; and
- 41.1.2. 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.

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

41.3. If:-

- 41.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment, and
- 41.3.2. 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.

42. Non-cash distributions

42.1. Subject to the terms of issue of the share in question, the Company may, by special resolution of the Local Authority Member 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).

42.2. 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:-

- 42.2.1. fixing the value of any assets;
- 42.2.2. paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

- 42.2.3. vesting any assets in trustees.

43. Waiver of distributions

- 43.1. 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:-

- 43.1.1. the share has more than one holder; or
- 43.1.2. 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

44. Authority to capitalise and appropriation of capitalised sums

- 44.1. Subject to the articles, the directors may, if they are so authorised by a special resolution of the Local Authority Member:-

- 44.1.1. 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
- 44.1.2. 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.

- 44.2. Capitalised sums must be applied:-

- 44.2.1. on behalf of the persons entitled; and
- 44.2.2. in the same proportions as a dividend would have been distributed to them.

- 44.3. 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.

44.4. 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.

44.5. Subject to the articles the directors may:-

- 44.5.1. apply capitalised sums in accordance with paragraphs 44.3 and 44.4 partly in one way and partly in another;
- 44.5.2. 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
- 44.5.3. 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

45. Members

45.1. The Local Authority Member shall in accordance with its own procedures or constitution appoint (and may remove and replace) a duly authorised representative evidenced in writing signed by one of its officers and the person so authorised shall act at any meeting of the Company and shall be entitled to exercise the same powers on behalf of the Local Authority Member which he/she represents as the Local Authority Member could exercise if it were an individual member of the Company and the Local Authority Member shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present there at.

46. General meetings

46.1. The Company shall hold an annual general meeting each year in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its

incorporation or in the following year. The annual general meeting shall be held at such times and places as the directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.

- 46.2. The directors may call general meetings and on the requisition of the Local Authority Member pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting any director or the Local Authority Member may call a general meeting.

47. Notice of general meetings

- 47.1. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is agreed:-

47.1.1. in the case of an annual general meeting by all the members entitled to attend and vote; and

47.1.2. in the case of any other meeting by a majority in number of members having a right to attend and vote being a majority together holding not less than 95 percent in nominal value of the shares giving that right.

- 47.2. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and in the case of an annual general meeting shall specify the meeting as such.

- 47.3. Subject to the provisions of the articles and to any restrictions imposed on shares the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

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

48. Attendance and speaking at general meetings

- 48.1. 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.
- 48.2. A person is able to exercise the right to vote at a general meeting when:-
 - 48.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 48.2.2. 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.
- 48.3. 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.
- 48.4. 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.
- 48.5. 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.

49. Quorum for general meetings

- 49.1. No business shall be transacted at any meeting unless a quorum of shareholders is present. One person entitled to vote upon the business to be transacted being a duly authorised representative of the Local Authority Member shall constitute a quorum.

50. Chairing general meetings

- 50.1. If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 50.2. If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:-
 - 50.2.1. the directors present, or

50.2.2. (If no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

50.3. The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

51. Attendance and speaking by directors and non-shareholders

51.1. *Directors may attend and speak at general meetings, whether or not they are shareholders.*

51.2. The chairman of the meeting may permit other persons who are not:-

51.2.1. shareholders of the company, or

51.2.2. otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

52. Adjournment

52.1. 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 chairman of the meeting must adjourn it.

52.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

52.2.1. the meeting consents to an adjournment, or

52.2.2. it appears to the chairman 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.

52.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

52.4. When adjourning a general meeting, the chairman of the meeting must:-

52.4.1. 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

52.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

52.5. 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):-

52.5.1. to the same persons to whom notice of the company's general meetings is required to be given; and

52.5.2. containing the same information which such notice is required to contain.

52.6. 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

53. Voting: general

53.1. 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.

53.2. A vote given or a poll demanded by a duly authorised representative of the Local Authority Member shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination of the authority was received by the Company at the office at least five hours before the commencement of the meeting or the adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

54. Votes of Members

54.1. Subject to any rights or restrictions attached to any shares and subject to Sub-Articles 55.2 below both on a show of hands and on a poll every shareholder who (being an individual) is present in person or (being a Local Authority Member) is present by a duly authorised representative not being him/herself a member entitled to vote shall have one vote and on a poll every member shall have one vote for every share of which he/she is a holder.

55. Errors and disputes

55.1. 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.

55.2. Any such objection must be referred to the chairman of the meeting, whose decision is final.

56. Poll votes

56.1. A poll on a resolution may be demanded:-

56.1.1. in advance of the general meeting where it is to be put to the vote; or

56.1.2. 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.

56.2. A poll may be demanded by:-

56.2.1. the chairman of the meeting;

56.2.2. the directors;

56.2.3. two or more persons having the right to vote on the resolution; or

56.2.4. 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.

56.3. A demand for a poll may be withdrawn if:-

56.3.1. the poll has not yet been taken; and

56.3.2. the chairman of the meeting consents to the withdrawal.

56.4. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

56.5. A vote given or poll demanded by the duly authorised representative of the Local Authority Member shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office before the commencement of the meeting or adjourned meeting at which the vote was given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

56.6. A poll shall be taken as the chairman directs and he/she may appoint scrutineers (who need not be members) and fix a time and place for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

57. Content of proxy notices

57.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:-

- 57.1.1. states the name and address of the shareholder appointing the proxy;
 - 57.1.2. identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 57.1.3. is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 57.1.4. 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.
- 57.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 57.3. 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.
- 57.4. Unless a proxy notice indicates otherwise, it must be treated as:-
- 57.4.1. 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
 - 57.4.2. 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.

58. Delivery of proxy notices

- 58.1. 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.
- 58.2. 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.
- 58.3. 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.

- 58.4. 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.

59. Resolutions

- 59.1. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 59.2. Subject to the provisions of the Companies Acts a resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he/she was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.
- 59.3. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
- 59.3.1. 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 chairman of the meeting may determine); and
 - 59.3.2. the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 59.4. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
- 59.4.1. the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 59.4.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

- 59.5. If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.
- 59.6. Where in England or elsewhere a guardian, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the directors may in their absolute discretion, upon or subject to the production of such evidence of the appointment as the directors may require permit such guardian, receiver or other person on behalf of such member to vote in person at any general meeting or to exercise any other right conferred by membership in relation to general meetings.

PART 5

ADMINISTRATIVE ARRANGEMENTS

60. Notices

- 60.1. Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 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.
- 60.2. 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 asked to be sent or supplied with such notices or documents for the time being.
- 60.3. Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors):-
- 60.3.1. must be in writing; or
 - 60.3.2. must be given in electronic form.
- 60.4. The Company may give any notice to a member either
- 60.4.1. personally; or

- 60.4.2. by sending it by post in a prepaid envelope addressed to the member at his/her/its registered address; or
 - 60.4.3. by leaving it at that address of the member; or
 - 60.4.4. by giving it in electronic form to the member's address.
- 60.5. A member who does not register an address with the Company or who registers only an address that is not within the United Kingdom shall not be entitled to receive any notice from the Company.
- 60.6. A member present in person or (being a Local Authority Member) is present by a duly authorised representative at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called:-
- 60.6.1. proof that an envelope containing a notice was properly addressed prepaid and posted shall be conclusive evidence that the notice was given;
 - 60.6.2. proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent in accordance with section 1147 of the Companies Act 2006; or
 - 60.6.3. in accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
 - 60.6.3.1. at the expiration of 48 hours after the envelope containing it was posted; or
 - 60.6.3.2. in the case of an electronic form of communication, at the expiration of 48 hours after the time it was sent.
- 60.7. 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.

61. Company seals

- 61.1. Any common seal may only be used by the authority of the directors.
- 61.2. The directors may decide by what means and in what form any common seal is to be used.

61.3. 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.

61.4. For the purposes of this article, an authorised person is:-

61.4.1. any director of the Company;

61.4.2. the company secretary ; or

61.4.3. any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

62. Access to Information

62.1. Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person having an interest in the Company is entitled to inspect any of the Company's accounting or other records or documents.

62.2. The Company shall provide and instruct its auditors to provide to any Local Authority Member such information as it may reasonably require for the purpose of preparing and auditing the Local Authority Member's accounts or for investigating value for money or any other reasonable purpose.

62.3. The Company shall provide any member or officer of a Local Authority Member with such information about the activities of the Company which it may reasonably need for the discharge of its functions.

63. Secretary

63.1. Subject to the provisions of the Companies Acts and that the Consent of the Local Authority Member has been obtained the company secretary if required, shall be appointed by the directors for such term, at such remuneration (if not a director) and upon such conditions as they may think fit; and any secretary so appointed may be removed by them with the Consent of the Local Authority Member.

64. Minutes

64.1. The directors shall keep minutes in books kept for the purpose:-

64.1.1. of all appointments of officers made by the directors; and

- 64.1.2. of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors and of committees of directors including the names of the directors present at each such meeting.

65. Accounts

- 65.1. The directors must prepare for each financial year accounts as required by the Companies Acts.
- 65.2. The directors must keep accounting records as required by the Companies Acts.

DIRECTORS' INDEMNITY AND INSURANCE

66. Indemnity

- 66.1. Subject to article 66.2, a relevant director of the Company or other officer or an associated company may be indemnified out of the Company's assets against:-
- 66.1.1. any liability incurred by that director or other officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
 - 66.1.2. 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 Companies Act 2006);
 - 66.1.3. any other liability incurred by that director or other officer acting on behalf of and within the scope of the Company's instructions or an associated company.
- 66.2. 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.
- 66.3. In this article:-
- 66.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 66.3.2. a "relevant director" means any director or former director of the company or an associated company.

67. Insurance

67.1. The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director or officer of the Company or any other persons who the directors feel it is appropriate to insure in respect of any relevant loss.

67.2. In this article:-

67.2.1. a "relevant director" means any director or former director of the company or an associated company;

67.2.2. 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

67.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

MISCELLANEOUS

68. Local Government Considerations

68.1. The Company shall observe all of the legal requirements imposed on it by virtue of any of its members being a Local Authority. In particular without limiting the generality of the foregoing, the Company shall:-

68.1.1. not engage in activities for party political purposes or publish party political materials;

68.1.2. prepare and publish a statement of practice in respect of letting contracts and abide by it;

68.1.3. obtain appropriate competitive tenders prior to and exclude so far as a Local Authority would be required to, non-commercial matters when deciding the letting of contracts; and

68.1.4. not dispose of any land comprising either a freehold interest or a leasehold interest of more than seven years for less than the best consideration

reasonably obtainable unless approved by the Secretary of State or in accordance with the exemption pursuant to section 123 of the Local Government Act 1972.

- 68.2. The Company shall observe all legal requirements imposed on it by virtue of it being a controlled company as defined by section 68 of the Local Government and Housing Act 1989 and by virtue of the provisions of the Local Authorities (Companies) Order 1995 and any other regulations or orders made from time to time or the Local Government Act 2003 in relation to a Local Authority's interest in companies.
- 68.3. Any proposal by the directors to incur capital expenditure which if it were incurred by a Local Authority Member would count as capital expenditure under the Local Government Act 2003 and any proposed borrowing or other credit arrangements for capital purposes shall except where permitted by these articles require a special resolution passed at a general meeting of the Company or such other Consent as signified by the Local Authority Member.

69. Rules

- 69.1. Subject to articles 71 and 72, the directors may from time to time make such rules or byelaws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company, and in particular but without prejudice to the generality of the foregoing, they may by such rules or byelaws regulate:-
- 69.1.1. the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
 - 69.1.2. the procedure at general meetings and meetings of the directors and committees of the directors in so far as such procedure is not regulated by the Articles; and
 - 69.1.3. generally, all such matters as are commonly the subject matter of company rules.
- 69.2. The Company in general meeting shall have power to alter, add to or repeal the rules or byelaws and the directors shall adopt such means as they think sufficient to bring to the notice of members of the Company all such rules or byelaws, which shall be binding on all members of the Company. Provided that no rule or byelaw shall be inconsistent with, or shall affect or repeal anything contained in, the memorandum or the articles of association of the Company.

69.3. The Company shall not without a special resolution:-

- 69.3.1. amend the memorandum or articles of association of the Company;
- 69.3.2. alter any rights or restrictions attaching to any class of share in the capital of the Company;
- 69.3.3. change the name of the Company;
- 69.3.4. pass any resolution or engage in any other matter which represents a substantial change in the nature of the business of the Company or in the manner in which such business is conducted; or
- 69.3.5. issue any additional shares.

70. Winding Up

- 70.1. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or difference classes of members.
- 70.2. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

71. Shareholder Controls for Management of the Company

- 71.1. The Company shall not without the prior Consent of the Local Authority Member or as may be permitted in accordance with an approved business plan or the Decision Making Framework (as defined in the Relevant Agreements) or similar approved document:-
 - 71.1.1. amend or make material variations in excess of £100,000 (one hundred thousand pounds) to the business plan for the Company;
 - 71.1.2. sign off or approve the final annual Company accounts and audit reports;
 - 71.1.3. borrow or raise money or enter into or give any guarantees (which shall include the entry into of any finance lease but exclude normal trade credit);

- 71.1.4. incur capital expenditure in excess of £200,000 (two hundred thousand pounds) in respect of any item or project;
- 71.1.5. approve expenditure not provided for in the Company's approved budget/business plan;
- 71.1.6. amend any of the standing orders, financial regulations, codes of conduct or delegation schemes applicable to the Company that may have been approved by the Local Authority Member;
- 71.1.7. approve the distribution of any surplus or dividend in the Company;
- 71.1.8. appoint the chairman to the board of directors;
- 71.1.9. change or amend the board members allowances that have been previously agreed with the Local Authority Member;
- 71.1.10. *implement or make any significant changes to policies of the Company;*
- 71.1.11. make any significant changes to terms and conditions for Staff;
- 71.1.12. undertake or implement and significant restructures of Staff;
- 71.1.13. approve or amend the remuneration of the managing director or directors or otherwise take any action in relation to any disciplinary action, suspension or dismissal of the directors or associated appeals;
- 71.1.14. enter into any partnership arrangements, profit sharing or joint venture agreement with other organisations;
- 71.1.15. amalgamate or merge with any other company or business undertaking;
- 71.1.16. sell, transfer, lease, assign or otherwise dispose of a part or the whole of the property and/or assets of the Company or any subsidiary (or any interest therein) or contract so to do whether or not for valuable consideration;
- 71.1.17. take major decisions relating to the conduct (including the settlement) of legal proceedings or otherwise instigate or defend any legal proceedings;
- 71.1.18. terminate any existing contractual arrangement (unless authorised in the business plan) or enter into any contract, transaction or obligations except up to the Permitted Value whether as separate transactions or in aggregate

in any one year provided that such transactions below the Permitted Value are in the ordinary and proper course of its business on arm's length terms and upon commercial terms as would could be expected in the market for similar activity;

- 71.1.19. changing the nature of the Company's business, including changing its name or the location from which it operates;
- 71.1.20. grant any rights (by license or otherwise) in or over any intellectual property owned or used by the Company
- 71.1.21. do or permit or suffer to be done any act or thing whereby the Company may be wound up (whether voluntarily or compulsorily) save as otherwise expressly provided for in these articles or unless the company is insolvent;
- 71.1.22. approval of any pensions scheme other than the Local Government Pension Scheme;
- 71.1.23. vary its issued share capital or loan capital or create or grant any options or other rights to subscribe for shares or covert into shares;
- 71.1.24. create or acquire a subsidiary; and
- 71.1.25. give a guarantee or indemnity to secure the liabilities or obligations of any person other than in the normal course of the business.

72. Relevant Agreements

- 72.1. In addition to the provisions of these articles, the directors shall be obliged (except to the extent, if any, prohibited by law) to give effect to all Relevant Agreements in force at the relevant time to which they are a party or by which they are otherwise bound.
- 72.2. The Local Authority Member shall procure that every director appointed by the Local Authority Member shall act in all respects in relation to the Company so as to give effect to all Relevant Agreements for the time being binding on the Local Authority Member.
- 72.3. If and to the extent that any Relevant Agreement contains provisions appointing or deeming in any circumstances to be appointed any agent(s) or attorney(s) to act on behalf of the Local Authority Member for any purpose in relation to the shares held by the Local Authority Member or otherwise in relation to the Company, any transferee acquiring shares from the

Local Authority Member shall so long as it holds any of those shares be deemed to have appointed the same persons or class or persons as its agent(s) or attorney(s) for the same purposes.