

**Cabinet Agenda Item 5**Date: **29 June 2020**Report Title: **Fenland Future Limited****1. Summary**

For Cabinet to approve the Articles of Association and Reserved Matters under its terms of reference 1.1(e) and 1.1(g).

**2. Key Issues**

Following the successful incorporation Cabinet are required to agree the Articles of Association and Reserved Matters for adoption at the first Board meeting of Fenland Future Limited.

**3. Recommendation**

It is recommended that Cabinet approve the Articles of Association to include the Reserved Matters at Appendix 1 of this Report for adoption by Fenland Future Limited and delegates authority to the Leader in consultation with the Monitoring Officer to give shareholder consent to these documents on behalf of the Council and to sign and complete and resolutions and/or other documentation required to bring them into effect.

Wards Affected	All Wards
Portfolio Holders	Cllr Chris Boden, Leader of the Council and Portfolio Holder for Finance
Report Originator	Paul Medd, Chief Executive Peter Catchpole, Corporate Director and s.151 Officer Carol Pilson, Corporate Director and Monitoring Officer Amy Brown, Chief Solicitor and Deputy Monitoring Officer
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Background Papers	Minutes of Council Meeting on 9th January 2020 confirming revised delegations to Cabinet in relation to the Council's companies and partnerships.

## **2 Articles of Association and Reserved Matters**

Following the successful incorporation of Fenland Future Limited on 10 June 2020 arrangements are now being made to facilitate the first meeting of the Investment Board and subsequently the first meeting of Fenland Future Limited's Board of Directors. As part of this process, Fenland Future Limited will need to adopt Articles of Association and agree the Reserved Matters which first fall for determination by Cabinet under their revised terms of reference.

All limited companies must have Articles of Association. These set out the rules which company officers must follow when running their companies and are agreed with shareholders.

Fenland Future Limited has been incorporated with "model" Articles of Association which are the standard default articles a company can use as prescribed by the Companies Act 2006. It is customary for those model articles to be amended to suit the requirements of each company and as sole shareholder, the Council intends that Fenland Future Limited's Articles of Association be amended and the form of Articles appended hereto, incorporating the Reserved Matters, be adopted in their place. In addition, the appended form of Articles include references to and amendments reflective of the role of the Investment Board as well as the minimum and maximum number of Directors.

## **3. Alignment with Corporate Priorities**

This Report and the incorporation of Fenland Future Limited align with the Council's corporate priorities in relation to the Economy.

## **4. Consultation**

There are no consultation requirements associated with this Report.

## **5. Alternative Options Considered**

There are none.

## **6. Implications**

### **6.1 Financial Implications**

There are no financial implications to this Report.

### **6.2 Legal Implications**

The legal implications are set out in the main body of the Report.

### **6.3 Equality Implications**

There are no equality implication to this Report.

**COMPANY NUMBER 12659496**

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
FENLAND FUTURE LIMITED**

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**FENLAND FUTURE LIMITED**

**PART 1 – INTERPRETATION**

**1 DEFINED TERMS**

1.1 In the Articles, unless the context requires otherwise:

**Accounting Reference Date** means 31 March

**Articles** means the Company's articles of association as amended from time to time

**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

**Board** means the board of Directors of the Company or such of them as are present at a duly convened and quorate meeting of the Directors

**Business** has the meaning given in Article 6.1

**Business Plan** means the operational business plan and budget of the Company as adopted and amended in accordance with Article

**Chair** has the meaning given in Article 13

**Chair of the Meeting** has the meaning given in Article 45

**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

**Company** means the company governed by the Articles

**Conflict** has the meaning given in Article 15

**Council** means Fenland District Council, Fenland Hall, County Road, March, Cambs, PE15 8NQ and any statutory successor and for the purpose of its decision making includes meetings of its cabinet and committees in accordance with the delegations comprised within the Constitution operating at the material time.

**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 35.2

**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

**Eligible Director** means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a meeting of the Directors

**Financial Year** means each accounting reference period of 12 months ending on the Accounting Reference Date other than the First Accounting Reference Period or such longer or shorter period as the Council shall from time to time determine.

**First Accounting Reference Period** means the period which shall run on and from the date of incorporation of the Company to and including the Accounting Reference Date in the calendar year following the date of this Agreement

**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

**Group Company** means, in relation to a company:

- (a) any subsidiary of the Company;
- (b) any parent undertaking or undertakings of the Company; and
- (c) any subsidiary of any such parent undertakings

**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 of members as the holder of the Shares

**Instrument** means a Document in Hard Copy Form

**Investment Board** means the person(s) nominated by the Council from time to time to act as its authorised representative(s) and on its behalf (including as Shareholder) which shall be determined by the Council in accordance with its constitution from time to time and notified to the Company in writing. References to the Investment Board shall be deemed to include any members thereof

**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 11

**Proxy Notice** has the meaning given in Article 51

**Reserved Matters** means the matter specified in Schedule 1

**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

**Transmittee** means a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law

**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

- 1.2 Unless the context otherwise requires, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Company.
- 1.3 A reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.6 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 A reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.
- 1.9 A reference to **writing** or **written** includes email but not fax.
- 1.10 A reference to any agreement or document (or any provision of it) referred to in the Articles is a reference to that agreement or document (or the relevant provision of it) as varied, amended or supplemented (in each case, other than in breach of the provisions of that agreement or document) from time to time.
- 1.11 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.12 A reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.13 A reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it.
- 1.14 References to a **month** shall be construed as a reference to a period starting on one day in a calendar month and ending on the day immediately preceding the numerically corresponding day in the next calendar month or, if there is no numerically corresponding day in the next calendar month, the last day in the next calendar month; and
- 1.15 The expressions **body corporate**, **holding company**, **subsidiary**, **parent undertaking**, **subsidiary undertaking** and **parent company** shall have the respective meanings given in the Companies Act 2006, and, for the purposes of sections 1159(1) and 1162(2)(b) and (d) of that Act, a company or undertaking (the **first person**) shall be treated as a member of another company or undertaking if:
- 1.15.1 any of the first person's subsidiaries or subsidiary undertakings is a member of that other company or undertaking; or
- 1.15.2 any shares or capital interests in that other company or undertaking are held by a person acting on behalf of the first person or any of its subsidiaries or subsidiary undertakings; or



- 1.15.3 any shares or capital interests in that other company or undertaking are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares or capital interests by the first person.

In the case of a limited liability partnership which is (or might constitute) a subsidiary or subsidiary undertaking of a company or another limited liability partnership, sections 1159 and 1162 of the Companies Act 2006 shall be amended so that:

- (a) references in sections 1159(1)(a) and (c) and 1162(2)(a) and (d) to "voting rights" are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and
- (b) references in sections 1159(1)(b) and 1162(2)(b) to the "right to appoint or remove a majority of its board of directors" is to the right: (i) to appoint or remove a majority of the directors (or equivalent) of that limited liability partnership; or (ii) if no such directors (or equivalent) exist by virtue of the constitution of that limited liability partnership, members holding a majority of the voting rights,

and unless the context otherwise requires, the application of the definitions of body corporate, holding company, subsidiary, parent undertaking, subsidiary undertaking and parent company shall apply as to the relevant company or undertaking as it is at that time.

## **PART 2 - DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **2 DIRECTORS' GENERAL AUTHORITY**

Subject to the Articles (including the Reserved Matters), the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

#### **3 RESERVED MATTERS**

- 3.1 Insofar as a matter is a Reserved Matter relating to the Company, the Company shall not make any decision in relation to, or undertake, that Reserved Matter except with the prior written consent of the Council and such consent shall be sought with the intention to facilitate decisions being given by the Council as quickly as reasonably practicable.

#### **4 DIRECTORS MAY DELEGATE**

- 4.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles as follows:

- 4.1.1 to such person or committee;
- 4.1.2 by such means (including by power of attorney);
- 4.1.3 to such an extent;
- 4.1.4 in relation to such matters or territories; and
- 4.1.5 on such terms and conditions,

as they think fit.

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

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

## **5 COMMITTEES**

5.1 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.

5.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

## **6 THE BUSINESS AND BUSINESS PLANNING**

6.1 The business of the Company (**Business**) shall be to acquire and/or manage and/or develop land and/or an interest in land and/or tangible and/or intangible property in accordance with any Business Plan then in force or as otherwise determined by the Shareholder from time to time.

6.2 The Company shall prepare in respect of each Financial Year a Business Plan to include:

6.2.1 a three year projected revenue plan and capital expenditure requirements (including details of funding sources);

6.2.2 a policy statement covering potential acquisitions and disposals including investment criteria and process;

6.2.3 An annual finance report;

6.2.4 A policy for the use of any surpluses made in each Financial Year including payments of dividends subject to the provisions of the Companies Act 2006;

6.2.5 such other content as the Council may require from time to time and notify to the Company in writing.

6.3 The Business Plan for a given Financial Year shall be:

6.3.1 prepared by the Board and circulated by the Board to the Council in draft form not less than two months prior to the end of the Financial Year preceding the Financial Year to which the draft Business Plan relates; and

6.3.2 considered and, if thought fit, approved as soon as possible by the Council and in any event within one month of the date of receipt of the draft Business Plan from the Board.

6.4 The parties agree to work both together and with any third parties where required in good faith, to procure that each Business Plan is prepared and approved in accordance with articles 6.3 and 6.4 and that the business of the Company is carried out, where appropriate, to interface as seamlessly as possible with the operations and services of the Council.

## **7 PROVISION OF INFORMATION**

7.1 The Company shall provide to the Council:

7.1.1 draft annual accounts in accordance with a timetable as agreed with the Council;

7.1.2 final audited annual accounts by 31 July in each Financial Year;

7.1.3 minutes of all Board meetings within 20 Business Days after the relevant Board meeting to which they relate;

- 7.1.4 all information required to be provided pursuant to any other contractual commitments, within a timescale agreed with the Council; and
- 7.1.5 any other information reasonably required by the Council from time to time.
- 7.2 The Company shall respond promptly to all reasonable requests from the Council for clarification of any parts of the information and shall forthwith upon such request supply any additional information and/or evidence that the Council may require.
- 7.3 The Council and its authorised representatives shall have the right during the standard working hours of the Council (as prescribed by the Council's policies from time to time), on giving to the Company reasonable advance notice, and at the Council's own cost, to inspect the books and records of the Company from time to time and to be supplied with all information in such form as it or they may reasonably require to keep the Council properly informed about the business and affairs of the Company and shall have the right to take copies of any such books and records or parts thereof.
- 7.4 The Company agrees that it shall give notice of any Directors' meeting to the Council at the same time as it gives notice to the Directors.
- 7.5 The Company shall immediately notify the Council of any legal action (potential, threatened or actual) of which it becomes aware which has been commenced by or against the Company.

## **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 If only one Director is eligible to vote on any authorisation required under Article 15, the general rule does not apply and the Eligible Director may take decisions in relation to the relevant matter without regard to any of the provisions in the Articles relating to Directors' decision-making.
- 8.3 Each Director shall be entitled to cast one vote on any resolution put to the Directors.
- 8.4 If the numbers of votes for and against a proposal are equal, the Chair shall not have a casting 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 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 CALLING A DIRECTORS' MEETING**

- 10.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors and the Council in accordance with Article 10.2 or by authorising the company secretary (if any) to give such notice.
- 10.2 A meeting of the Directors must be called by at least seven days' notice unless either:
- 10.2.1 the Directors and the Council unanimously agree otherwise; or
- 10.2.2 urgent circumstances require shorter notice.

- 10.3 Notice of any Directors' meeting must include:
- 10.3.1 its proposed date and time;
  - 10.3.2 where it is to take place;
  - 10.3.3 if it is anticipated that persons 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;
  - 10.3.4 an agenda specifying in reasonable detail the matters to be raised at the meeting or the committee meeting; and
  - 10.3.5 copies of any papers to be discussed at the meeting or the committee meeting.
- 10.4 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.

## **11 PARTICIPATION IN DIRECTORS' MEETINGS**

- 11.1 Subject to the Articles, Directors **participate** in a Directors' meeting, or part of a Directors' meeting, when:
- 11.1.1 the meeting has been called and takes place in accordance with the Articles; and
  - 11.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 11.3 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.
- 11.4 The Investment Board and any senior Council officers (not appointed as Directors) shall have the right to attend and receive notice of (but not vote at) any Board meetings and receive papers in relation to such meetings at the same time as those papers are given to the Directors.

## **12 QUORUM FOR DIRECTORS' MEETINGS**

- 12.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 Subject to Article 8.2, the quorum for a Directors' meeting shall be two Directors.
- 12.3 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:
- 12.3.1 to appoint further Directors; or
  - 12.3.2 to call a general meeting so as to enable the Shareholders to appoint further Directors.
- 12.4 If a quorum is not present with 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 the Articles.

### **13 CHAIRING OF DIRECTORS' MEETINGS**

- 13.1 The person appointed pursuant to Article 13.2 or Article 13.3 (as the case may be) shall be known as the Chair.
- 13.2 With the prior written consent of the Council, the Directors may:
- 13.2.1 appoint a person chair of the Directors;
  - 13.2.2 determine the period for which he is to hold office; and
  - 13.2.3 at any time remove him from office.
- 13.3 If at the date and time of a meeting of the Directors no person has been appointed as Chair pursuant to Article 11.2, then the participating Directors at that meeting may appoint a Director present to chair the meeting. The participating Directors may also terminate the appointment of a person as Chair made under this Article 11.3 at any time during the meeting at which he is appointed.

### **14 CONFLICTS OF INTEREST – TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

- 14.1 The relevant provisions of the Companies Act 2006 (including, without limitation, sections 177 and 182) shall apply in relation to declarations of interest in proposed and existing transactions or arrangements with the Company.
- 14.2 Provided that he has disclosed to the Directors the nature and extent of any interest of his in accordance with and to the extent required by the Companies Act 2006, a Director notwithstanding his office:
- 14.2.1 may be a party to, or otherwise interested in, any contract with the Company or a Group Company of the Company or in which either or both of them is/are otherwise interested;
  - 14.2.2 may be a director or other officer of, employed by, a party to any contract with, or otherwise interested in, the Council, any Group Company of the Company or in any body corporate promoted by the Company, the Council, or a Group Company of the Company, or in which any of them is/are interested; and
  - 14.2.3 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor).
- 14.3 For the purposes of this Article 14:
- 14.3.1 a Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of the Council or any Group Company of the Company; and
  - 14.3.2 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 contract 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 contract of the nature and extent so specified.
- 14.4 Where a Director is a director, officer, or employee of the Council or a Group Company of the Company, he:
- 14.4.1 may in exercising his independent judgment take into account the success of the Council or Group Company as well as the success of the Company; and

- 14.4.2 shall in the exercise of his duties have a duty of confidentiality to the Council or Group Company in relation to confidential information of that Shareholder or Group Company, but he shall not be restricted by any duty of confidentiality to the Company from providing information to the Council or Group Company except as may be imposed under Article 15.5.

## 15 CONFLICTS OF INTEREST REQUIRING BOARD AUTHORISATION

- 15.1 The Directors may authorise any matter which would otherwise involve a Director (a **Relevant Director**) breaching his duty under section 175 of the Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a **Conflict**).
- 15.2 Any Director (including the Relevant Director) may propose that the Relevant Director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the Directors shall be effected in the same way that any other matter may be proposed to and decided upon by the Directors under the Articles save that the Relevant Director (and any Director) shall not count towards the quorum nor vote on any resolution giving such authority.
- 15.3 Where the Directors give authority in relation to a Conflict:
- 15.3.1 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- 15.3.2 the Directors may revoke or vary such authority at any time but this will not affect anything done by the Relevant Director prior to such revocation in accordance with the terms of such authority.
- 15.4 A Conflict in relation to a Director arising solely as a result of him being a director, officer or employee of the Council or any Group Company of the Company shall be deemed to have been authorised for the purposes of this Article 15 and section 175 of the Companies Act 2006.
- 15.5 Where Article 15.4 above applies or the Directors otherwise gives authority in relation to a Conflict, or where any of the situations referred to in Article 14 (a **Permitted Situation**) applies:
- 15.5.1 the Directors may (whether at the relevant time or subsequently) (i) require that the Relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at Directors meetings or otherwise) related to the Conflict or Permitted Situation; and (ii) impose upon the Relevant Director such other terms for the purpose of dealing with the Conflict as they may determine;
- 15.5.2 the Relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict or Permitted Situation; and
- 15.5.3 the Directors may provide that where the Relevant 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.
- 15.6 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 Situation and no contract shall be liable to be avoided on the grounds of a Director having any such interest.

## **16 EFFECT OF DIRECTORS' INTERESTS ON QUORUM AND VOTING**

- 16.1 Subject where applicable to disclosure in accordance with the Articles and subject to any terms imposed by the Directors in relation to any Conflict or Permitted Situation, a Director shall be entitled to vote in respect of any matter in which he is interested directly or indirectly (where that interest arises by virtue of a Conflict which has been authorised or a Permitted Situation) and if he shall do so his vote shall be counted and, whether or not he does, his presence at the meeting shall be taken into account in ascertaining whether a quorum is present.
- 16.2 However, a Director shall not be entitled to vote in respect of any other matter in which he is interested directly or indirectly and his presence at the meeting shall not be taken into account in ascertaining whether a quorum is present.
- 16.3 Subject to Article 16.4 below, 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 Chair whose ruling in relation to any Director other than the Chair is to be final and conclusive.
- 16.4 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.

## **17 RECORDS OF DECISIONS TO BE KEPT**

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

## **18 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

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

## **APPOINTMENT OF DIRECTORS**

### **19 METHODS OF APPOINTING DIRECTORS**

- 19.1 The board of Directors shall comprise of a minimum of three Directors and a maximum of five Directors.
- 19.2 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed as a Director in accordance with these Articles.
- 19.3 Subject to the Articles, any appointment(s) or termination(s) of a Director made under this Article 19 shall be effected by the Council giving notice in writing to the Company, on the date on which the notice from the Council is received by the Company, or if a later date is specified in the notice, on that date.
- 19.4 The Council may at any time appoint any person to be a Director, whether as an additional Director or to fill a vacancy, and may remove from office any Director howsoever appointed and any alternate Director. Any such appointment or removal shall be effected by an ordinary resolution or otherwise by notice in writing to the Company by the Council. Any such appointment or removal shall take effect:
- 19.4.1 if it is effected by ordinary resolution, at the point the resolution is passed; and

19.4.2 if it is effected by notice in writing to the Company, when it is delivered to the registered office of the Company or, if it is produced at a meeting of the Directors, when it is so produced or, if sent by electronic means to an address generally used by the Company, when it is sent.

19.5 Any removal pursuant to this Article 19 shall be without prejudice to any claim that a director may have under any contract between him and the company.

## **20 TERMINATION OF A DIRECTOR'S APPOINTMENT**

20.1 A person ceases to be a Director as soon as:

20.1.1 the Council notifies the Company that the individual is to be removed as a Director;

20.1.2 the Council serves notice to remove the Director in accordance with Article 19.4, and such notice has taken effect in accordance with its terms;

20.1.3 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;

20.1.4 a bankruptcy order is made against that person;

20.1.5 a composition is made with that person's creditors generally in satisfaction of that person's debts;

20.1.6 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or

20.1.7 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.

## **21 DIRECTORS' REMUNERATION AND EXPENSES**

21.1 Any remuneration of the Directors shall require the prior approval of the Council.

21.2 Any policy regarding expenses of Directors (and alternate Directors) shall be determined by the Council.

## **PART 3 - SHARES AND DISTRIBUTIONS**

### **SHARES**

## **22 ROLE OF INVESTMENT BOARD**

22.1 Any notice to or from the Council shall be sent to or from the Investment Board. Where a consent or approval is expressed in these Articles to be required of the Council, it shall be given by the Investment Board. Such consent or approval shall be given in writing in advance of the decision or matter requiring consent or approval and the Council shall use its reasonable endeavours to communicate any such decision, consent or approval (including any decision not to give consent or approval) to the Company within a period of 30 days from receipt of the requests provided that the Council shall not be deemed to have made a decision or given its consent or approval by virtue of the fact that it has not communicated the same within that time limit. Where the Company requires the Council to make any decision or provide any consent or approval, the Company shall provide such material information as the Council may require to enable it to consider the decision, consent or approval in question.



- 22.2 Once a consent or approval is given in accordance with article 22.1 then, to the extent a special or an ordinary resolution is required pursuant to the Companies Acts or otherwise, the Company shall prepare and circulate to the Council a draft resolution for consideration and, if thought fit, approval by the Council.

## **23 APPOINTMENT OF SHAREHOLDERS**

- 23.1 The subscribers to the Memorandum are the first Shareholders.
- 23.2 No person shall be admitted as a Shareholder unless they are approved unanimously by the Shareholders.
- 23.3 The Directors or company secretary (if appointed) must keep a register of names and addresses of the Shareholders.

## **24 LIABILITY OF SHAREHOLDERS**

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

## **25 ALL SHARES TO BE FULLY PAID UP**

- 25.1 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.
- 25.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's Memorandum.

## **26 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 26.1 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.
- 26.2 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.

## **27 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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.

## **28 SHARE CERTIFICATES**

- 28.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 28.2 Every certificate must specify:
- 28.2.1 in respect of how many Shares, of what class, it is issued;
  - 28.2.2 the nominal value of those Shares;
  - 28.2.3 that the Shares are fully paid; and
  - 28.2.4 any distinguishing numbers assigned to them.

- 28.3 No certificate may be issued in respect of Shares of more than one class.
- 28.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 28.5 Certificates must be executed in accordance with the Companies Act 2006.

## **29 REPLACEMENT SHARE CERTIFICATES**

- 29.1 If a certificate issued in respect of a Shareholder's Shares is:
  - 29.1.1 damaged or defaced; or
  - 29.1.2 said to be lost, stolen or destroyed,that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 29.2 A Shareholder exercising the right to be issued with such a replacement certificate:
  - 29.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 29.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - 29.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

## **30 SHARE TRANSFERS**

- 30.1 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.
- 30.2 No fee may be charged for registering any Instrument of transfer or other Document relating to or affecting the title to any Share.
- 30.3 The Company may retain any Instrument of transfer which is registered.
- 30.4 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- 30.5 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.

## **31 TRANSMISSION OF SHARES**

- 31.1 If title to a Share passes to a Transmittee, the Company may only recognise the Transmittee as having any title to that Share.
- 31.2 A Transmittee who produces such evidence of entitlement to Shares as the Directors may properly require:
  - 31.2.1 may, subject to the Articles, choose either to become the Holder of those Shares or to have them transferred to another person; and
  - 31.2.2 subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the Holder had.

- 31.3 However, 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.

## **32 EXERCISE OF TRANSMITEES' RIGHTS**

- 32.1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 32.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must execute an Instrument of transfer in respect of it.
- 32.3 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 Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

## **33 TRANSMITEES BOUND BY PRIOR NOTICES**

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **34 PROCEDURE FOR DECLARING DIVIDENDS**

- 34.1 The Company may by ordinary resolution declare dividends, and the Directors may subject to Article 3.3 decide to pay interim dividends.
- 34.2 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.
- 34.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 34.4 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.
- 34.5 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.
- 34.6 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.
- 34.7 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.

### **35 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 35.1 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:
- 35.1.1 transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the Directors may otherwise decide; or
- 35.1.2 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.

- 35.2 In the Articles, the **Distribution Recipient** means, in respect of a Share in respect of which a dividend or other sum is payable:
- 35.2.1 the Holder of the Share; or
  - 35.2.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or
  - 35.2.3 if the Holder is no longer entitled to the Share by reason of death or bankruptcy; or
  - 35.2.4 otherwise by operation of law, the Transmitter.

### **36 NO INTEREST ON DISTRIBUTIONS**

- 36.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:
- 36.1.1 the terms on which the Share was issued; or
  - 36.1.2 the provisions of another agreement between the Holder of that Share and the Company.

### **37 UNCLAIMED DISTRIBUTIONS**

- 37.1 All dividends or other sums which are:
- 37.1.1 payable in respect of Shares; and
  - 37.1.2 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.
- 37.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 37.3 If:
- 37.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
  - 37.3.2 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.

### **38 NON-CASH DISTRIBUTIONS**

- 38.1 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).
- 38.2 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:
- 38.2.1 fixing the value of any assets;
  - 38.2.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and

38.2.3 vesting any assets in trustees.

## **39 WAIVER OF DISTRIBUTIONS**

39.1 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:

39.1.1 the Share has more than one Holder; or

39.1.2 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**

### **40 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

40.1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution:

40.1.1 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

40.1.2 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.

40.2 Capitalised sums must be applied:

40.2.1 on behalf of the persons entitled; and

40.2.2 in the same proportions as a dividend would have been distributed to them.

40.3 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.

40.4 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.

40.5 Subject to the Articles, the Directors may:

40.5.1 apply capitalised sums in accordance with Articles 40.3 and 40.4 partly in one way and partly in another;

40.5.2 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

40.5.3 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**

### **41 WRITTEN RESOLUTIONS**

A resolution of the Shareholder (or class thereof) may be passed as a written resolution in accordance with Chapter 2 of Part 13 of the Companies Act 2006.

### **ORGANISATION OF GENERAL MEETINGS**

#### **42 GENERAL MEETINGS**

42.1 The Council shall appoint and may remove or replace, the Investment Board (or any member thereof) and shall give notice in writing to the Company, in accordance with section 323 of the Companies Act 2006, to act as the representative of the Council in accordance with the Articles.

42.2 Notice of a general meeting shall be given in Hard Copy Form, in Electronic Form or by means of a website, provided that the Company complies with any requirements relating to the giving of notice under the Companies Act 2006.

42.3 Any Director or the company secretary (if any) shall send notice of a general meeting to the Council, every Director and any other person required by law to be sent such notice.

42.4 Notice of a general meeting shall:

42.4.1 state the time, date and place of the meeting;

42.4.2 specify the general nature of the business to be dealt with at the meeting and set out the text of any special resolution to be voted upon at the meeting; and

42.4.3 be accompanied by a proxy form;

notice of a general meeting need not be in writing.

42.5 The accidental omission to give notice of a general meeting to, or the non-receipt of notice by, any person entitled to receive the notice; or a technical defect in the timing or manner of giving such notice of which the Directors are unaware shall not invalidate the proceedings of that meeting.

#### **43 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

43.1 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.

43.2 A person is able to exercise the right to vote at a general meeting when:

43.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

43.2.2 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.

43.3 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.

43.4 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.

43.5 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.

#### **44 QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the Chair of the Meeting is to be transacted at a general meeting unless an authorised representative of each Shareholder (or in the case of the Council the Investment Board or a member thereof) is present.

#### **45 CHAIRING GENERAL MEETINGS**

45.1 The person chairing a meeting in accordance with this Article is referred to as the **Chair of the Meeting**.

45.2 The Chair (if one is appointed under Article 13.2) shall chair general meetings if present and willing to do so.

45.3 If no Chair has been appointed under Article 13.2 or (if appointed) 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:

45.3.1 the Directors present; or

45.3.2 (if no Directors are present) the meeting,

must appoint a Director or Shareholder to chair the meeting, and the appointment of the Chair of the meeting must be the first business of the meeting.

#### **46 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

46.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

46.2 The Chair of the Meeting may permit other persons who are not:

46.2.1 Shareholders; or

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

#### **47 ADJOURNMENT**

47.1 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.

47.2 The Chair of the Meeting may adjourn a general meeting at which a quorum is present if:

47.2.1 the meeting consents to an adjournment; or

47.2.2 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.

47.3 The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

47.4 When adjourning a general meeting, the Chair of the meeting must:

47.4.1 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

- 47.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 47.5 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):
  - 47.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and
  - 47.5.2 containing the same information which such notice is required to contain.
- 47.6 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**

### **48 VOTING: GENERAL**

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.

### **49 ERRORS AND DISPUTES**

- 49.1 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.
- 49.2 Any such objection must be referred to the Chair of the Meeting, whose decision is final.

### **50 POLL VOTES**

- 50.1 A poll on a resolution may be demanded:
  - 50.1.1 in advance of the general meeting where it is to be put to the vote, or
  - 50.1.2 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.
- 50.2 A poll may be demanded by:
  - 50.2.1 the Chair of the Meeting;
  - 50.2.2 the Directors;
  - 50.2.3 two or more persons having the right to vote on the resolution; or
  - 50.2.4 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.
- 50.3 A demand for a poll may be withdrawn if:
  - 50.3.1 the poll has not yet been taken; and
  - 50.3.2 the Chair of the Meeting consents to the withdrawal.
- 50.4 Polls must be taken immediately and in such manner as the Chair of the Meeting directs.



## **51 CONTENT OF PROXY NOTICES**

- 51.1 Proxies may only validly be appointed by a notice in writing (a **Proxy Notice**) which:
- 51.1.1 states the name and address of the Shareholder appointing the proxy;
  - 51.1.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 51.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
  - 51.1.4 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.
- 51.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 51.3 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.
- 51.4 Unless a Proxy Notice indicates otherwise, it must be treated as:
- 51.4.1 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
  - 51.4.2 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.

## **52 DELIVERY OF PROXY NOTICES**

- 52.1 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.
- 52.2 An appointment under a Proxy Notice:
- 52.2.1 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; and
  - 52.2.2 shall be revoked if the person by whom or on whose behalf the Proxy Notice was given is present at the meeting or adjourned meeting to which it relates.
- 52.3 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.
- 52.4 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.

## **53 AMENDMENTS TO RESOLUTIONS**

- 53.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 53.1.1 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 Chair of the Meeting may determine); and

- 53.1.2 the proposed amendment does not, in the reasonable opinion of the Chair of the Meeting, materially alter the scope of the resolution.
- 53.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - 53.2.1 the Chair of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - 53.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 53.3 If the Chair of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair of the Meeting's error does not invalidate the vote on that resolution.

## **PART 5 - ADMINISTRATIVE ARRANGEMENTS**

### **54 MEANS OF COMMUNICATION TO BE USED**

- 54.1 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.
- 54.2 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.
- 54.3 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 48 hours.

### **55 COMPANY SEALS**

- 55.1 Any common seal may only be used by the authority of the Directors.
- 55.2 The Directors may decide by what means and in what form any common seal is to be used.
- 55.3 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.
- 55.4 For the purposes of this Article, an authorised person is:
  - 55.4.1 any Director;
  - 55.4.2 the company secretary (if any); or
  - 55.4.3 any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

### **56 RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Each Shareholder and its authorised representatives shall have the right on giving to the Company reasonable advance notice, during normal business hours to inspect the books and records of the Company.

### **57 APPOINTMENT OF COMPANY SECRETARY**

The Council may appoint (and remove) the company secretary by notice in writing to the Company.

## 58 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

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

## DIRECTORS' INDEMNITY AND INSURANCE

### 59 INDEMNITY

59.1 Subject to Article 59.2, a relevant Director of the Company or an associated Company may be indemnified out of the Company's assets against:

59.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated Company;

59.1.2 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); and

59.1.3 any other liability incurred by that Director as an officer of the Company or an associated Company.

59.2 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.

59.3 In this Article:

59.3.1 companies are **associated** if one is a Subsidiary of the other or both are subsidiaries of the same body corporate; and

59.3.2 a **relevant Director** means any Director or former Director of the Company or an associated Company.

### 60 INSURANCE

60.1 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.

60.2 In this Article:

60.2.1 a **relevant Director** means any Director or former Director of the Company or an associated Company;

60.2.2 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

60.2.3 companies are **associated** if one is a Subsidiary of the other or both are subsidiaries of the same body corporate.

**SCHEDULE 1**  
**FENLAND FUTURE LIMITED (the “Company”) LIST OF RESERVED MATTERS**

1. Admit any person as a new Shareholder of the Company.
2. Adopt any Business Plan of the Company which shall set out the intentions of the Company for the following financial year (“Business”).
3. Alter any of the provisions of the Business Plan after it has been adopted, the Articles or any rights attaching to the Shareholders’ interests in the Shares that they hold.
4. Make any capitalisation, repayment or other distribution of any amount standing to the credit of any reserve of the Company or declare any dividend or other distribution to Shareholders.
5. Create any encumbrance over the whole or any part of the undertaking or assets of the Company.
6. Extend the Company’s activities outside the scope of the Business Plan or over any Shareholder’s interest or cease to carry on any part of the Business.
7. Alter the Company’s accounting reference date.
8. Approve or sign the annual accounts of the Company.
9. Appoint or remove any Director of the Company otherwise than in accordance with the Articles.
10. Make any petition or resolution to wind up the Company (or any subsidiary) or any petition for an administration order or any order having similar effect in a different jurisdiction in relation to such company unless, in any case, such company is at the relevant time insolvent and the Directors reasonably consider (taking into account their fiduciary duties and other obligations under the Companies Act 2006) that it ought to be wound up.
11. Sell, lease (as lessor), license (as licensor), transfer or otherwise dispose of any of its assets at a total price per transaction exceeding £10,000, otherwise than in the ordinary course of the Business and to the extent provided for in the Business Plan.
12. Purchase, lease (as lessee), license (as licensee) or otherwise acquire any assets at a total cost to the Company per transaction exceeding £10,000 otherwise than in the ordinary course of the Business and to the extent provided for in the Business Plan.
13. Acquire or agree to acquire any freehold or leasehold interest in or licence over land.
14. Enter into or make any contract with a cost to the Company of more than £10,000 (a “Material Contract”) unless provided for in the Business Plan.
15. Give notice of termination of any Material Contract or make any variation of more than £10,000 (a “Material Variation”) to any contract.
16. Enter into any contracts or arrangements with any of the Shareholders or Directors or any person with whom any Shareholder or Director is connected, associated or interested (whether as Director, consultant, Shareholder or otherwise).
17. Change the registered or trading name of the Company or its registered office.
18. Form any subsidiary of the Company, or acquire any shares in any other company, whether through subscription or transfer, such that the company concerned becomes a subsidiary of the Company.
19. Enter into any contract which cannot be terminated within a 12 month period and under which the liability for such termination could exceed £10,000, otherwise than in the ordinary course of the Business and to the extent provided for in the Business Plan.
20. Give or take any loans, borrowing or credit (other than normal trade credit in the ordinary course of the Business) in excess of £10,000, or cause the aggregate indebtedness of the Company to exceed £10,000 other than to the extent provided for in the Business Plan.
21. Enter into any agreement not in the ordinary course of the Business and/or which is not on an arm’s length basis or amend its standard terms of business.
22. Give any guarantee, suretyship or indemnity to secure the liabilities of any person or assume the obligations of any person.
23. Incur any item or series of items of capital expenditure of more than £10,000 unless provided for in the Business Plan.
24. Recruit or dismiss any employee unless provided for in the Business Plan provided always that any employee may be dismissed for gross misconduct without the prior consent of the Shareholders. Save as provided for in the Articles, pay any fees, remuneration or other emoluments to any Director or vary any such fees, remuneration or emoluments. For the avoidance of doubt this paragraph 25 shall not apply to the payment or reimbursement of expenses properly incurred by any Director in the course of carrying out his or her duties in relation to the Company nor to any indemnity by the Company to which a Director is entitled pursuant to the Articles or under any relevant law.
25. Consolidate or amalgamate with any company, association, partnership or legal entity or acquire any business or undertaking of any other person (for the avoidance of doubt, excluding the consolidation of accounts with Fenland District Council).

26. Enter into any joint venture, partnership or profit sharing arrangement with any person.
27. Change any of the Company's accounting or reporting practices.
28. Create any share option, bonus or other incentive scheme.
29. Make an offer of employment or alter the remuneration or conditions of employment of any employee or any consultant of the Company unless provided for in the Business Plan or unless obliged to do so by statute.
30. Make any agreement with any revenue authorities or any other taxing authority, or make any claim, disclaimer, election or consent of a material nature for tax purposes in relation to the Company, its assets or undertakings, or the Business.
31. License, assign or otherwise dispose of intellectual property rights owned by the Company.
32. Commence, settle or defend any claim, proceedings or other litigation brought by or against the Company, except in relation to debt collection in respect of a sum not exceeding £10,000 in the ordinary course of the Business.