

APPENDIX B

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION of

MARKETING LEICESTER AND LEICESTERSHIRE LIMITED

A PRIVATE COMPANY LIMITED BY GUARANTEE, NOT HAVING
A SHARE CAPITAL

Company number: [] (the "Company")

(Adopted by special resolution passed on [DATE])

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PART 1 – PRELIMINARY

1. EXCLUSION OF THE MODEL ARTICLES

The model articles of association for private companies limited by guarantee contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "**Model Articles**") shall not apply to the Company.

2. MEMBERS' AGREEMENT

As at the date of the adoption of these Articles, the Members are Leicestershire County Council (**County**) and Leicester City Council (**City**).

County and City are party to a Members' Agreement which regulates the exercise of their rights in relation to the Company and sets out various matters in relation to the operation of the Company.

PART 2 – INTERPRETATION AND LIMITATION OF LIABILITY

3. INTERPRETATION

3.1 In these Articles, unless the context otherwise requires:

Appointor: has the meaning given in Article 15(1);

Articles: means the Company's articles of association for the time being in force;

bankruptcy: includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Chairman: has the meaning given in Article 13.23;

chairman of the meeting: has the meaning given in Article 26.10;

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;

City Directors: any director appointed by City;

Conflict: a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;

County Directors: any director appointed by County;

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

document: includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form: has the meaning given in section 1168 of the Act;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 11, any director whose vote is not to be counted in respect of the particular matter);

Interested Director: has the meaning given in Article 15.1.

LLEP Director: a director appointed to represent the Leicester and Leicestershire Enterprise Partnership (LLEP), who may also be an employee of City or County.

Local Authority Directors: the City Directors and the County Directors

Member: has the meaning given in section 112 of the Companies Act 2006 and **Membership** shall be construed accordingly.

Objects: the objects for which the Company is established as set out in Article 5, as the same may be amended by the Members from time to time.

ordinary resolution: has the meaning given in section 282 of the Act;

participate: in relation to a director's meeting, has the meaning given in Article 13.9;

proxy notice: has the meaning given in Article 31;

Regulation 12(4): regulation 12 (4) of the Public Contracts Regulations 2015;

secretary: means the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

special resolution: has the meaning given in section 283 of the Act;

subsidiary: has the meaning given in section 1159 of the Act;

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.

- 3.2 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa, references to one gender include all genders and references to persons include bodies corporate and unincorporated associations.
- 3.3 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.
- 3.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 3.5 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 3.6 Unless expressly provided otherwise, a reference to a statute or statutory provision shall be deemed to include a reference to any

statutory modification or re-enactment of that statute or statutory provision for the time being in force, and any subordinate legislation from time to time made under that statute or statutory provision.

- 3.7 Any word 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 preceding those terms.

4. **GUARANTEE AND LIABILITY OF MEMBERS**

The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for

- (a) payment of the Company's debts and liabilities contracted before he ceases to be a Member,
- (b) payment of the costs, charges and expenses of the winding up, and
- (c) adjustment of the rights of the contributories among themselves.

PART 3 – OBJECTS AND POWERS

5. **OBJECTS**

- 5.1 The objects for which the Company is established are to deliver tourism, place marketing and inward investment support services across Leicester and Leicestershire (**Objects**).

- 5.2 Consistent with Regulation 12(4):

- (a) more than 80% of the activities of the Company shall be carried out in the performance of tasks which are entrusted to it by the Members or by other legal persons which are controlled by the Members;
- (b) the Members shall jointly exert decisive influence over the strategic objectives of the Company; and
- (c) the Company shall not pursue any interests which are contrary to those of the Members.

6. POWERS

In pursuance of the Objects, the Company has the power to:

- (a) buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- (b) borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- (c) invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
- (d) subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- (e) lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any Company, firm or person including any holding Company or subsidiary;
- (f) lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the Objects in any way;

- (g) pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or Company to pay the same;
- (h) enter into contracts to provide services to or on behalf of other bodies;
- (i) provide and assist in the provision of money, materials or other help;.
- (j) open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- (k) incorporate subsidiary companies to carry on any trade; and
- (l) do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

7. INCOME

- 7.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Objects.
- 7.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:
 - (a) reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - (b) any interest on money lent by any Member or any director at a reasonable and proper rate;
 - (c) reasonable and proper rent for premises demised or let by any Member or director; or
 - (d) reasonable out-of-pocket expenses properly incurred by any director.

8. WINDING UP

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that

remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Company. Such body to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the directors at or before the time of winding up or dissolution.

PART 4 – DIRECTORS

9. DIRECTORS' GENERAL AUTHORITY

9.1 Subject to the Members' Agreement and these Articles, and in particular Article 9.2, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

9.2 Consistent with Regulation 12(4), the Members shall jointly exert decisive influence over the significant decisions of the Company.

10. MEMBERS' RESERVE POWER

10.1 The Members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

10.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

11. DIRECTORS MAY DELEGATE

11.1 Subject to the Members' Agreement and these Articles, the directors may delegate any of the powers which are conferred on them under the Articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and

- (e) on such terms and conditions;
as they think fit.

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

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

12. COMMITTEES

12.1 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 these Articles which govern the taking of decisions by directors and in any event shall be subject to the following provisions:

- (a) every committee must be chaired by a director;
- (b) a Member of a committee need not be a director or Member but, consistent with Regulation 12(4), if the committee is a decision making body then it must be composed of representatives of the Members;
- (c) each Local Authority Nominated Director shall be entitled to attend or nominate an attendee to any committee;
- (d) all proceedings of every committee must be reported promptly to the directors;
- (e) each committee must act in accordance with the terms of reference on which any function is delegated to it (but, subject to that, the proceedings of the committee will be governed by such of these Articles as govern the proceedings of the board so far as they are capable of applying), as determined by a majority decision of the directors.

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

13. MEETINGS OF DIRECTORS

Calling meetings

- 13.1 The directors shall meet at least once a quarter to be held at the offices of both the County and the City by rotation, so that a meeting at the County shall be followed by a meeting at the City, and vice versa, or at such other locations as County and City may agree.
- 13.2 A director may call a meeting of directors by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice.
- 13.3 Notice of any directors' meeting must indicate—
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place,
 - (d) how it is proposed that they should communicate with each other during the meeting.
- 13.4 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 13.5 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.
- 13.6 At least seven Business Days' notice of a meeting of directors must be given to all directors entitled to receive notice accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting or the committee meeting; and
 - (b) copies of any papers to be discussed at the meeting or the committee meeting.

- 13.7 A shorter period of notice of a meeting of directors may be given if at least one County Director and one City Director agree in writing.
- 13.8 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors present at the meeting agree to it being raised.

Participation in meetings

- 13.9 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with these Articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 13.10 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 13.11 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum and adjournments

- 13.12 The quorum at any meeting of directors (including adjourned meetings) is one Eligible City Director (or his alternate) and one Eligible County Director (or his alternate). For the purposes of any meeting (or part of a meeting) held pursuant to Article 14 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 13.13 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to call a general meeting so as to enable the Members to appoint further directors.

- 13.14 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business.
- 13.15 If a quorum is not present within 30 minutes of the time specified for a directors' meeting in the notice of the meeting then it shall be adjourned for seven Business Days at the same time and place.
- 13.16 A meeting of directors shall be adjourned to another time or date at the request of all the City Directors or all the County Directors present at the meeting. No business may be conducted at a meeting after such a request has been made. No more than one such adjournment may be made in respect of a meeting.

Making decisions

- 13.17 Meetings of directors shall make decisions by passing resolutions. A resolution is passed if:
- (a) it is unanimous in accordance with Article 13.22; or
 - (b) more votes are cast for it than against it, and at least one Eligible City Director and one Eligible County Director have voted in favour of it.
- 13.18 Except as provided by Articles 13.19 and **Error! Reference source not found.** , at a meeting of directors, each director has one vote.
- 13.19 For so long as there are five directors (as anticipated by City and County as at the date of the adoption of these Articles, one being appointed by City, one being appointed by County, the LLEP Director and two others) the City Director and the County Director shall each have two votes on any matter that is required to be voted on by the directors; whereas the other three directors, including the LLEP Director, shall only have one vote each.

If at some point in the future City and County agree to appoint an additional director who is not a Local Authority Director, the voting rights of the City Director and the County Director shall be increased, equally between them, in such proportions as shall be necessary to

ensure that the City Director and the County Director can vote through any matter on which the City Director and the County Director agree.

- 13.20 If City and County are not represented at any meeting of the Board by an equal number of Eligible City Directors and Eligible County Directors (whether participating in person or by alternate), then one of the Eligible Directors so nominated by the party which is represented by fewer Eligible Directors shall be entitled at that meeting to such additional vote or votes as shall result in the Eligible Directors so participating representing each of City and County having in aggregate an equal number of votes as between them.
- 13.21 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 13.22 A decision of the directors is taken in accordance with this Article 13.2213.22 when all Eligible Directors indicate to each other by any means that they share a common view on a matter. 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. A decision may not be taken in accordance with this Article 13.22 if the Eligible Directors would not have formed a quorum at such a meeting.

Chairing meetings and no casting vote

- 13.23 The post of chairman shall be held in alternate years by a City Director or by a County Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the Board the party who appointed him shall be entitled to appoint another Director appointed by it to act as chairman at the meeting.

LLEP Director

- 13.24 The LLEP Director may be an employee of City or County but in serving as a director shall represent the interests of the LLEP as he or she thinks fit, subject to compliance with Articles 14 and 15.

14. DIRECTORS' CONFLICTS OF INTEREST

- 14.1 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, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 14.2 But if Article 14.3 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.
- 14.3 Article 14.3 applies when—
- (a) the Company by ordinary resolution disapplies the provision of these Articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) a Conflict is authorised pursuant to Article 15;
 - (c) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (d) the director's conflict of interest arises from a permitted cause.
- 14.4 For the purposes of Article 14.3(d), the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
 - (b) 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.
- 14.5 For the purposes of this Article 14, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

14.6 Subject to 14.7, 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.

14.7 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.

15. AUTHORISATION OF CONFLICTS

15.1 The directors may, in accordance with the requirements set out in this Article 15, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty to avoid conflicts of interest under section 175 of the Act.

15.2 Any authorisation under this Article 15 shall be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of the Members' Agreement or these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

15.3 Any authorisation of a Conflict under this Article 15 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 15.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 15.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 15.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit

which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with the Members' Agreement or these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

15.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or

benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

- 15.8 A Local Authority Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer, employee or Member of a Local Authority shall be deemed to have been authorised for the purposes of these Articles and section 175 of the Act.

16. RECORDS OF DECISIONS TO BE KEPT

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.

17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the Members Agreement and these 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.

18. APPOINTMENT OF DIRECTORS

- 18.1 Only the Members can appoint directors of the Company and the Members can each appoint the same number of directors. As at the date of the adoption of these Articles:

- (a) there shall be a minimum number of two directors made up, of one City Director and one County Director; and
- (b) City and County anticipate that there shall also be an LLEP Director and that two additional directors will also be appointed, making a total of five directors..

- 18.2 City and County may appoint a director, and remove a director whom it appointed, by giving notice in writing to the Company and the other party, and to the director being removed, in the case of removal of a director. The appointment or removal

takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.

18.3 The party removing a director shall indemnify and keep indemnified the Company against any claim connected with the director's removal from office.

18.4 A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

18.5 If a person ceases to be a director pursuant to Article 18.4, the Member that has appointed him shall be entitled to appoint a replacement.

19. DIRECTORS' REMUNERATION AND EXPENSES

19.1 The directors shall not be entitled to receive any remuneration for acting in their capacity as directors.

19.2 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of 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.

20. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

20.1 Any director (other than an alternate director) (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the Appointor.

20.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

20.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

21. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

21.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the Appointor.

21.2 Except as the Articles specify otherwise, alternate directors are:

- (a) deemed for all purposes to be directors;

- (b) liable for their own acts and omissions;
- (c) subject to the same restrictions as their Appointors; and
- (d) not deemed to be agents of or for their Appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a Member.

21.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of Article 21.3(a).

21.4 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors (provided that an Appointor for whom he exercises a separate vote is an Eligible Director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

21.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

22. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate director's Appointor ceases to be a director for whatever reason.

23. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

PART 5 – MEMBERS**24. FIRST MEMBERS**

The first Members are:

- (a) Leicestershire County Council of County Hall, Glenfield, Leicestershire LE3 8RA (**County**);
- (b) Leicester City Council of City Hall, 115 Charles Street, Leicester LE1 1FZ (**City**); and

25. OTHER MEMBERS

The Company shall admit such other Members as may be first approved and resolved to be admitted as a Member by the unanimous approval of the existing Members.

26. ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

- 26.1 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.
- 26.2 A person is able to exercise the right to vote at a general meeting when—
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 26.3 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.
- 26.4 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.
- 26.5 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.

Quorum for general meetings

- 26.6 The quorum for a general meeting shall be County and City being present in person or by proxy.
- 26.7 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

- 26.8 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 26.9 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—
- (a) the directors present, or
 - (b) (if no directors are present), the meeting,
- must appoint a director or Member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 26.10 The person chairing a meeting in accordance with this Article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-Members

- 26.11 Directors may attend and speak at general meetings, whether or not they are Members.
- 26.12 The chairman of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

Adjournment

- 26.13 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.
- 26.14 The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
 - (b) it appears to the 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.

- 26.15 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 26.16 When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 26.17 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- 26.18 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.

27. VOTING AT GENERAL MEETINGS

Voting: general

- 27.1 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 these Articles.

Errors and disputes

- 27.2 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.

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

Poll votes

- 27.4 A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 27.5 A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 27.6 A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- 27.7 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 27.8 Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the Member appointing the proxy;
 - (b) identifies the person appointed to be that Member’s proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.
- 27.9 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 27.10 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.
- 27.11 Unless a proxy notice indicates otherwise, it must be treated as—
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 27.12 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.
- 27.13 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.
- 27.14 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.

- 27.15 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

- 27.16 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 27.17 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 27.18 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.

PART 6 – ADMINISTRATIVE ARRANGEMENTS

28. MEANS OF COMMUNICATION TO BE USED

- 28.1 Subject to these Articles, anything sent or supplied by or to the Company under these 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.

- 28.2 Subject to these 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.
- 28.3 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.

29. COMPANY SEALS

- 29.1 Any common seal may only be used by the authority of the directors.
- 29.2 The directors may decide by what means and in what form any common seal is to be used.
- 29.3 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.
- 29.4 For the purposes of this Article, an authorised person is—
- (a) any director of the Company;
 - (b) the Company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

30. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

31. 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.

32. DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 32.1 Subject to Article 32.2, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against—
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - (c) any other liability incurred by that director as an officer of the Company or an associated company.
- 32.2 This Article 32 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.
- 32.3 In this Article 32—
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the Company or an associated company.

Insurance

32.4 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.

32.5 In this Article 32 —

- (a) a “relevant director” means any director or former director of the Company or an associated company,
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.