



**RESPONSIBLE
COMMODITIES**
SOURCING INITIATIVE

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

Responsible Commodities Sourcing Initiative

Incorporated on 28 February 2012
THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION OF

RESPONSIBLE COMMODITIES SOURCING INITIATIVE (the Company)

Company Number: 7968009

1 Objects

The Company is a global, not-for-profit membership-based organisation set up to advance continuous improvement of corporate social responsibility, including social, environmental and ethical practices, in commodities supply chains. The vision of the Company is to pave the way for environmentally and socially conscious supply chain management by cultivating a network of forward-thinking organisations dedicated to actively improving responsible commodity sourcing and supply chain management.

- 1.1 The objects of the Company include the continuous improvement of corporate responsibility in commodities supply chains,
 - 1.1.1 by improving business practices;
 - 1.1.2 by engaging with stakeholders;

1.1.3 by establishing and promoting a shared set of standards.

2 Interpretation

2.1 In these articles unless the context requires otherwise:

Articles means the Company's articles of association;

Associate means a company or organisation admitted as an associate of the Company in accordance with Article 6;

Board means the board of Directors from time to time;

Chair means the chair of the Directors;

Chair of the meeting means the person in the chair at the meeting in question;

Director means a Director of the Company, who shall be a Director of the Company for the purposes of the Companies Act 2006;

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

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

Executive Director means the chief executive of the Company from time to time;

Independent Director means a Director who is not an employee or officer of a Member, Associate or a Participant;

Member has the meaning given in section 112 of the Companies Act 2006;

Membership Code means the policy which covers matters including but not limited to the admissions criteria, the admission process, code of conduct, obligations and responsibilities, membership fees for Members, Associates and Participants adopted by Members and reviewed in accordance with Article 8.2;

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

"Participant" means a company or incorporated body admitted as a participant of the Company in accordance with Article 7;

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

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



Three-year term of office means in relation to a Director the period commencing on the date of their appointment or last reappointment as a Director and terminating at the end of the third annual general meeting held after such appointment or reappointment (as the case may be);

Written Resolution refers to an ordinary resolution or a special resolution which is in writing; and

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

2.2 Companies are “affiliated companies” if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

2.3 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.

2.4 References in these Articles to any Act are references to that Act as amended or re-enacted from time to time and to any relevant subordinate legislation made under it.

2.5 Unless the context otherwise requires:

2.5.1 words in the singular include the plural and vice-versa;

2.5.2 words importing any gender include all genders;

2.5.3 a reference to a person includes a reference to a body corporate;

2.5.4 the headings are inserted for convenience only and do not affect the construction of these Articles; and

2.5.5 a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.

2.6 The model articles for private companies limited by guarantee in schedule 2 to The Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) are excluded from applying to this Company.

3 Directors’ General Authority and Members’ Reserve Power

3.1 The Directors of the Company have control over the affairs and property of the Company and are responsible for management of the Company’s business. The Directors have authority to exercise any powers of the Company that are necessary and/or incidental to the promotion of any or all of the objects of the Company set out at Article 1.



3.2 The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action. No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

4 **Liability Of Members**

4.1 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 it is a Member or within one year after it ceases to be a Member, for -

4.1.1 payment of the Company's debts and liabilities contracted before it ceases to be a Member;

4.1.2 payment of the costs, charges and expenses of winding up; and

4.1.3 adjustment of the rights of the contributories among the Members.

5 **Members**

5.1 The Members are such companies or incorporated bodies involved in commodities supply chains who support the Company's objects, who are admitted as Members of the Company from time to time.

5.2 No company or incorporated body ("the Applicant") shall become a Member unless:

5.2.1 the Applicant has completed an application for membership in a form approved by the Directors which shall include a binding commitment, signed by a duly authorised officer on behalf of the Applicant, to comply with the rights and obligations of Members as set out in the Membership Code; and

5.2.2 the Directors have approved the application.

5.3 On admission to the membership of the Company, each Member shall be categorised by the Directors into one of the following stakeholder groups:

5.3.1 **Downstream Members:** Companies or incorporated bodies who use commodities in their processes (power production, steel or cement manufacturing, other industrial uses etc.) and are committed to responsible sourcing. Downstream members who also have upstream operations (e.g., produces coal – lignite, subbituminous coal, bituminous coal, anthracite – and/or gas) will have additional requirements, as detailed in the Membership Code, and are committed to responsible production.

5.3.2 **Business Members:** Companies or incorporated bodies which have commercial links to commodities production or use, such as transport or storage (but not trading), or provide technical or financial services to commodities supply chains and are committed to the principles of a responsible commodities supply chain.



5.4 All admissions of companies or incorporated bodies as Members and all cessations of membership (for whatever reason) shall be in accordance with the Membership Code and shall be recorded in the Register of Members of the Company in accordance with the requirements of the Companies Act 2006.

6 **Associates**

6.1 Associates are companies or organisations that support the Company's objects set out in Article 1 who are existing Associates or who do not meet the criteria for membership of the Company, who are admitted as Associates of the Company from time to time.

6.2 No person ("the Associate Applicant") shall become an Associate unless:

6.2.1 the Associate Applicant has completed an application in a form approved by the Directors which shall include a binding commitment, signed by the Associate Applicant or a duly authorised officer on behalf of the Associate Applicant, to comply with the rights and obligations of Associates as set out in the Membership Code; and

6.2.2 the Directors have approved the application.

6.3 The admissions and termination of an Associate's membership (for whatever reason) is at the absolute discretion of the Directors and shall be carried out in accordance with the Membership Code.

6.4 Associates shall have such rights and privileges as set out in the Membership Code but shall not be liable to contribute to the assets of the Company under Article 4. An Associate is not a Member and references in these Articles to an Associate's "membership" shall be read accordingly.

7 **Participants**

7.1 Participants are companies or organisations that support the Company's objects set out in Article 1, who are admitted as Participants of the Company from time to time.

7.2 No person ("the Participant Applicant") shall become a Participant unless:

7.2.1 the Participant Applicant has completed an application in a form approved by the Directors which shall include a binding commitment, signed by the Participant Applicant or a duly authorised officer on behalf of the Participant Applicant, to comply with the rights and obligations of Participants as set out in the Membership Code; and

7.2.2 the Directors have approved the application.



7.3 The admissions and termination of a Participant's membership (for whatever reason) is at the absolute discretion of the Directors and shall be carried out in accordance with the Membership Code.

7.4 Participants shall have such rights and privileges as set out in the Membership Code but shall not be liable to contribute to the assets of the Company under Article 4. A Participant is not a Member and references in these Articles to a Participant's "membership" shall be read accordingly.

8 **Membership Fees and Membership Code**

8.1 Members and Associates are required to pay an annual membership fee as set out in or prescribed by the Membership Code. The annual membership fee shall be reviewed annually by the Directors and adjusted with the approval of the Members. Participants are not required to pay an annual membership fee.

8.2 The Membership Code shall be reviewed annually by the Directors. Any amendments which effect the benefits and obligations of Members, Associates or Participants shall be approved by the Members by ordinary resolution. All other administrative changes or minor drafting amendments to the Membership Code which do not affect the benefits and obligations of Members, Associates or Participants may be approved by the Directors.

9 **Suspension And Termination of a Member**

9.1 A Member's membership of the Company shall not be transferable and a Member shall automatically cease to be a Member:

9.1.1 on resignation, subject to the provisions of Article 9.3;

9.1.2 on completion of winding up or any other dissolution of the Members' corporate identity;

9.1.3 on being removed as a Member in accordance with Article 9.2;

9.1.4 on becoming bankrupt or insolvent or compounding or making any arrangement with or for the benefit of its creditors or having a petition for its compulsory winding up presented to the court or on passing a resolution to wind up the company;

9.1.5 if the Member no longer meets the membership eligibility criteria as defined in these Articles, the Membership Code or the Company's rules and byelaws.

9.2 Any Member who in the opinion of a two-thirds majority of the Directors eligible to vote has committed a violation of any provision of these Articles, the Membership Code or the rules or byelaws of the Company for the time being in force that would risk actual or potential injury to the reputation of the Company may be expelled from the membership of the Company by the Directors in accordance with any procedure set out in the Membership Code.



- 9.3 A Member desiring to resign from membership of the Company must give not less than six (6) months' advance written notice.
- 9.4 Termination of membership for any reason shall not relieve the Member from liability to pay in full any unpaid membership fee. No fees or other charges already paid will be refundable on termination.
- 10 **General Meetings**
- 10.1 The Directors shall convene in each calendar year a general meeting designated as the annual general meeting, to be held at such date, time and place as the Directors may determine and not more than 15 months shall elapse between the date of one annual general meeting and that of the next. The business of the annual general meeting may include (but not be limited to):
- 10.1.1 the election of Directors;
 - 10.1.2 the election of Auditors;
 - 10.1.3 changes to the articles of association (if any) by special resolution;
 - 10.1.4 the adoption of and changes to the standards developed by the sector-specific programmes (e.g., Bettercoal Code);
 - 10.1.5 by special resolution;
 - 10.1.6 changes to the Membership Code (if any) by ordinary resolution which affect the obligations or benefits of Members, Associates or Participants;
 - 10.1.7 the receipt of the financial statements;
 - 10.1.8 the approval of Membership fees;
 - 10.1.9 such other purposes as the Directors determine.

Notice Of General Meetings

- 10.2 General meetings shall be called by at least 14 clear days' written notice unless a longer period is required by the Companies Act 2006. A general meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than 90 per cent of the total voting rights at that meeting of all the Members.
- 10.3 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and comply with the requirements of the Companies Act 2006.



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

11 **Quorum At General Meetings**

11.1 A Member may be present by proxy appointed in accordance with Article 20 or authorised representative appointed in accordance with Article 21.

11.2 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as may otherwise be provided in these Articles, one-third of the total number of Members rounded up to the nearest whole number of Members shall be a quorum.

11.3 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened at the request of the Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine. The quorum at any adjourned meeting shall be three Members or one tenth of the total number of Members whichever is the greater.

12 **Chairing Of General Meetings**

12.1 The Chair or if there is no Chair, or if they are not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Vice-Chair, shall preside as chair at every general meeting of the Company. If neither the Chair nor the Vice-Chair is present within 15 minutes after the time appointed for the holding of the meeting or is willing to act, the Directors present shall elect one of their number to be chair of the meeting. If at any meeting no Director is willing to act as chair of the meeting or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of them to be chair of the meeting.

13 **Adjournment Of General Meetings**

13.1 The chair of the meeting may, with the consent of any meeting at which a quorum is present (and shall if directed by the meeting to do so), adjourn the meeting. The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

13.2 When adjourning a general meeting, the chair of the meeting must:

13.2.1 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

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



13.3 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

13.4 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

14 **Attendance And Speaking at General Meetings**

14.1 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.

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

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

14.2.2 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.

14.3 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 and to enable the votes of those persons to be counted, whether voting is conducted by show of hands or by poll and whether or not such persons are in the same place as each other.

14.4 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.

14.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that they can exercise their rights to speak and vote at that meeting.

15 **Attendance and Speaking at General Meetings by Directors Who Are Not Members**

15.1 Directors may attend and speak at general meetings, whether or not they are a proxy or authorised representative of a Member.

15.2 Associates and Participants may attend and speak at general meetings.

15.3 The chair of the meeting may permit other persons who are not Members to attend and speak at a general meeting.



16 **Voting At General Meetings**

- 16.1 Every Member shall have one vote on each resolution put to the vote at a general meeting, which may be exercised in person or by proxy or, in the case of a Member that is a corporate body, by its proxy or its authorised representative. Associates and Participants shall have no right to vote at any general meeting.
- 16.2 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.
- 16.3 All decisions at a general meeting shall be taken by ordinary resolution agreed by a simple majority of Members present and voting except where a special resolution is required by these Articles or law when the agreement of a majority of 75 percent of Members present and voting is required.

17 **Poll Votes**

- 17.1 A poll on a resolution may be demanded:
- 17.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 17.1.2 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.
- 17.2 A poll may be demanded by:
- 17.2.1 the chair of the meeting; or
 - 17.2.2 two or more persons having the right to vote on the resolution; or
 - 17.2.3 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.
- 17.3 A demand for a poll may be withdrawn if:
- 17.3.1 the poll has not yet been taken; and
 - 17.3.2 the chair of the meeting consents to the withdrawal.
- 17.4 Polls must be taken in such manner as the chair of the meeting directs.

18 **Written Resolutions**

- 18.1 Except where otherwise provided by the Articles or the Companies Act 2006, a Written Resolution (whether an ordinary resolution or a special resolution) is as valid as an equivalent resolution passed at a general meeting. For this purpose, the Written Resolution may be set

out in more than one document. Associates and Participants have no right to vote on any Written Resolution.

19 **Appointment Of Proxies and Proxy Notices**

19.1 Any Member of the Company entitled to attend a general meeting shall be entitled to appoint another person (whether a Member or not) as their proxy to attend instead of them and any proxy so appointed shall have the same rights as the Member who appointed them to speak, vote (whatever the voting method), join in the demand for a poll and otherwise participate in the meeting. A Member who chooses to make such an appointment remains entitled to attend, speak, vote and otherwise participate in the meeting if they decide to do so. If the Member who appointed the proxy does attend, that proxy's authority to participate in and, if applicable, vote at the meeting is terminated.

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

19.2.1 states the name and address of the Member appointing the proxy;

19.2.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

19.2.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

19.2.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which the proxy notice relates.

19.3 The Company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.

19.4 A proxy notice given by or on behalf of a Member may, but does not have to, specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions. Unless such a proxy notice indicates otherwise, it must be treated as:

19.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any resolutions put to the meeting; and

19.4.2 appointing that person as a proxy in relation to any adjournment of the meeting to which it relates as well as the meeting itself.

19.5 A proxy notice shall be delivered by such date as the Company may have specified in the notice of the meeting (provided that the date may not be more than 48 hours before the date of the meeting).

19.6 A proxy appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the Member on whose behalf the proxy was appointed.



The revocation is effective if delivered before the start of the meeting or any adjourned meeting to which it relates.

- 19.7 A proxy notice or revocation not executed by the Member appointing the proxy must be accompanied by written evidence of the authority of the person who executed it to do so on behalf of the appointing Member.

20 **Corporate Representatives**

- 20.1 Any company or corporate body which is a Member may appoint such person as it thinks fit to act as its representative at any meeting of the Company. Every appointment of a corporate representative under the powers conferred upon a Member by this Article shall take the form of:-

20.1.1 a document in hard copy form signed by the chief executive officer or any other person duly authorised to make such an appointment on behalf of the appointing Member; or

20.1.2 a document in electronic form authenticated in accordance with the provisions of section 1146 of the Companies Act 2006 by the chief executive officer, or any other person duly authorised to make such an appointment, on behalf of the appointing member, sent by electronic means to an address that the Company has specified to the members for this purpose;

such document to be delivered to the Company not less than 48 hours before the commencement of the general meeting for which it is made.

- 20.2 Every person so appointed shall be entitled to exercise the same powers on behalf of the corporate body which they represent as that corporate body could exercise if it were an individual Member.

21 **Directors And Officers**

- 21.1 The maximum number of Directors shall be twelve and the minimum number of Directors shall be six and shall include the Executive Director and up to two (2) Independent Directors. Should the number of Directors fall below the minimum requirement the Directors shall take reasonable steps to seek the election of additional Directors to meet the minimum requirement set out in this Article.

- 21.2 Other than the Executive Director, Directors are nominated by the Directors for election by the Members. The Board shall nominate Directors by following a formal nominations process, whereby nominations are solicited from Members, and candidates are selected from among the nominees. In making such appointments the Members shall ensure that the Directors collectively possesses the quality, skills, competencies and experience which they determine are needed by the Company from time to time.



- 21.3 The chief executive of the Company from time to time shall automatically be appointed as the Executive Director on their appointment as chief executive and shall remain in office as the Executive Director for the period of time they remain appointed as the chief executive of the Company.
- 21.4 Other than the Executive Director, the Directors shall be appointed for a three-year term of office unless a shorter term of office is set by the Members on appointment of a Director.
- 21.5 On expiry of a Director's three-year-term of office, a Director will cease to be a Director but may be re-elected by the Members for a further three-year term of office. A Director would not usually serve more than three, three-year-terms of office, but Members may re-elect a Director for further three-year-terms of office.

22 **Termination of Office of Director**

- 22.1 A Director shall automatically cease to hold office if:
- 22.1.1 their term of office expires and they are not re-elected by the Members for a further term of office;
 - 22.1.2 they resign;
 - 22.1.3 they die;
 - 22.1.4 they are adjudicated bankrupt;
 - 22.1.5 they are an employee of a Member at the time of their appointment and subsequently ceases to be an employee of a Member;
 - 22.1.6 they are disqualified from being a director of a company by virtue of any provision of law;
 - 22.1.7 a registered medical practitioner who is treating that person gives an opinion to the Company stating that the person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - 22.1.8 they are an employee of the Company and their contract of employment is terminated.

23 **Chair And Vice-Chair**

- 23.1 The Directors shall appoint one of the Directors as Chair and a second Director as Vice-Chair for a three-year term until the end of the third annual general meeting held after their appointment unless a shorter term of office is set by the Members on the appointment of the Chair or Vice Chair.



23.2 The Chair and Vice Chair may at the expiry of such three-year term be re-appointed as Chair and Vice Chair (as applicable) for a further three-year term until the end of the third annual general meeting held after their re-appointment unless a shorter term of office is set by the Members on the re-appointment of the Chair or Vice Chair

23.3 The appointment of the Chair or Vice-Chair may be ended by the Directors at any time.

23.4 A serving Chair or Vice-Chair may resign from such office, whether or not they are also resigning as a Director but if the serving Chair or Vice-Chair ceases to be a Director they shall automatically cease to hold the office of Chair or Vice-Chair (as the case may be).

24 **Secretary**

24.1 The Directors may appoint a secretary for such term, at such remuneration and upon such conditions as the Directors think fit. A current appointment may be ended by the Directors at any time and they may fill any vacancy that arises.

25 **Chief Executive**

25.1 The Directors may appoint a chief executive of the Company for such term, at such remuneration and upon such conditions as the Directors think fit. The chief executive shall be responsible for implementing the strategy and policies of the Company as decided by the Directors. A current appointment may be ended by the Directors at any time and they may fill any vacancy that arises.

26 **Alternate Directors**

26.1 Any Director (the "appointor") who is an employee or officer of a Member may appoint as an alternate any other person who is an officer or employee of the same Member to:-

26.1.1 exercise that Director's powers; and

26.1.2 carry out that Director's responsibilities, in relation to the taking of decisions by the Directors in the absence of the alternate's appointor.

26.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors. 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 they are willing to act as the alternate of their appointor.



- 26.3 An alternate Director has the same rights to participate in any Directors' meeting or decision of the Directors reached in accordance with Article 29, as the alternate's appointor.
- 26.4 Except as these Articles specify otherwise, alternate Directors:-
- 26.4.1 are deemed for all purposes to be Directors;
 - 26.4.2 are liable for their own acts or omissions;
 - 26.4.3 are subject to the same restrictions as their appointors; and
 - 26.4.4 are not deemed to be agents of or for their appointors.
- 26.5 A person who is an alternate Director but not a Director:
- 26.5.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
 - 26.5.2 may sign or otherwise signify their agreement in writing to a written resolution in accordance with Article 29 (but only if that person's appointor has not signed or otherwise signified their agreement to such written resolution).
- 26.6 No alternate may be counted as more than one Director for such purposes.
- 26.7 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company.
- 26.8 An alternate Director's appointment as an alternate terminates:-
- 26.8.1 when their appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 26.8.2 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 office as Director;
 - 26.8.3 on the death of their appointor; or
 - 26.8.4 when their appointor's appointment as a Director terminates.
- 27 **Directors May Delegate**
- 27.1 Subject to these Articles, the Directors may delegate any functions and any of the powers which are conferred on them under these Articles or otherwise (but not the office of Director) to such person or committees by such means and on such terms and conditions as they

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

- 27.2 A committee of the Company shall consist of one or more Directors provided that:
- 27.2.1 a committee shall not have any expenditure authority unless authorised by the Directors; and
- 27.2.2 a committee must adhere to any budget set for it by the Directors and observe any financial controls and procedures the Directors think fit.
- 27.3 The Directors shall authorise the terms of reference of committees and may alter them from time to time.
- 27.4 The Directors may specify procedures for committees, otherwise the procedures for the Directors shall be followed by committees.
- 27.5 Committees shall report to the Directors at such times and in such manner as the Directors may require.

28 **Directors' Decisions**

- 28.1 The quorum for a Directors' meeting shall be a simple majority of the Directors holding office at the time of the meeting who are eligible to vote.
- 28.2 Directors may make decisions if a quorum is participating:-
- 28.2.1 by majority vote of those Directors attending and eligible to vote at a Directors' meeting; or
- 28.2.2 by unanimous written resolution, where each Director who would have been eligible to vote on the matter at a meeting has signed one or more copies of such written resolution.

29 **Directors' Meetings**

- 29.1 The Directors may determine how often, when and where Directors' meetings may be held, provided that at least two Directors' meetings shall be held in each calendar year. They may also determine the rules for the conduct of such meetings to the extent that these Articles do not otherwise provide.
- 29.2 Notice of a Directors' meeting shall be given to every Director in such form and with such content as the Directors may decide. A Director may participate in a Directors' meeting by electronic communication provided that:



- 29.2.1 the Directors have agreed (for a specific meeting or for meetings of the Directors in general); and
- 29.2.2 all Directors participating in the meeting can communicate to the others any information or opinions they have on any items of business and can vote and their vote be known and recorded; and
- 29.2.3 any other rules for such participation made by the Directors are observed.

30 **Chair Casting Vote**

- 30.1 The Chair of a Directors meeting or of any general meeting shall have a casting vote.

31 **Chairing Of Directors' Meetings**

- 31.1 The Chair or if there is no Chair, or if they are not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Vice-Chair, shall preside as chair at every Directors' meeting. If neither the Chair nor the Vice-Chair is present within 15 minutes after the time appointed for the holding of the meeting or is willing to act, the Directors present shall elect one of their number to be chair of the Directors' meeting.

32 **Conflicts Of Interest**

- 32.1 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 unless authorised by the provisions of these Articles.
- 32.2 Subject to Article 33.3, 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.
- 32.3 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.
- 32.4 The Directors shall have the power to authorise any relationship, situation or other matter which would or might otherwise constitute or give rise to a breach by a Director of the duty to avoid conflicts of interest set out in the Companies Act 2006.



- 32.5 If the Directors propose to exercise their power under section 175(4)(b) of the Companies Act 2006 to authorise a Director's conflict of interest, the Director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 32.6 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) they have declared to the Directors the nature and extent of any direct or indirect interest of theirs, a Director, notwithstanding their office:-
- 32.6.1 may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 32.6.2 may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
 - 32.6.3 is not accountable to the Company for any remuneration or other benefits which they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.
- 32.7 If a Director receives or has received any information otherwise than by virtue of their position as a Director and in respect of which he/she owes a duty of confidentiality to another person, the director is under no obligation to:
- 32.7.1 disclose any such information to the Company, the Directors or any other employee of the Company; or
 - 32.7.2 use or apply any such information in connection with the performance of their duties as a Director;
 - 32.7.3 provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the Director of the duty to avoid conflicts of interest set out in section 175 of the Companies Act 2006, this Article shall apply only if such situation or relationship has been authorised by the Directors under Article 33.4
- 33 A Director shall not, save as otherwise agreed by him/her, be accountable to the Company for any benefit which he/she (or a person connected with them) derives from any matter authorised by the Directors under Article 32.4 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 34 **Records Of Directors' Decisions**
- 34.1 The Directors shall ensure records are made of their decisions and kept for at least 10 years in accordance with the Companies Act 2006.



35 **Directors' Remuneration**

- 35.1 Directors, other than Independent Directors, shall not be remunerated or otherwise paid for being a Director. Remuneration may be provided for Independent Directors but this shall be agreed and approved by Members upon their election as Independent Directors at an annual general meeting. This does not prohibit an Executive Director for receiving remuneration or other benefits in relation to their appointment as an employee of the Company.
- 35.2 Directors may nevertheless receive any fees, payments or other remuneration for providing any other specific services to the Company provided the Directors have deliberated and decided that such remuneration should be paid and the appropriate amount for such specific services.

36 **Directors' Expenses**

- 36.1 The Company may pay any reasonable expenses which the Directors and/or any alternate Directors properly incur in connection with their attendance at:
- 36.1.1 meetings of Directors or committees of Directors,
 - 36.1.2 general meetings, or
 - 36.1.3 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

37 **Records, Returns, Accounting and Reporting**

- 37.1 Records of general meetings and of all resolutions of the Members, whether passed at meetings or as written resolutions, shall be made and kept for at least ten years in accordance with the applicable provisions of the Companies Act 2006.
- 37.2 The Company shall make a company annual return to the Registrar of Companies each year as required by the Companies Act 2006 and applicable associated regulations.
- 37.3 The Company shall keep day to day accounting records as required by the Companies Act 2006 and applicable associated regulations.
- 37.4 Annual accounts and reports shall be prepared and approved by the Directors as required by the Companies Act 2006, and applicable associated regulations.
- 37.5 An auditor or auditors shall be appointed for each financial year of the Company. Subject to the provisions of section 485 of the Companies Act 2006, the auditor or auditors shall be appointed or reappointed at the annual general meeting in each year.
- 37.6 Copies of the annual accounts and reports shall be circulated to the Members and any other persons entitled to receive copies under the provisions of the Companies Act 2006.

37.7 The annual accounts and reports shall be filed with the Registrar of Companies, and, within nine months of the end of the financial year.

38 **Means Of Communication to be Used**

38.1 Subject to the provisions of 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. Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the Company to a person by being made available on a website.

38.2 Subject to the provisions of 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.

38.3 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.

39 **Company Seal**

39.1 The Directors shall decide whether the Company adopts a seal. If it does adopt a seal, it may only be used by the authority of the Directors or a committee of the Directors.

39.2 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:-

39.2.1 one authorised person in the presence of a witness who attests the signature; or

39.2.2 two authorised persons.

39.3 For the purposes of this Article 40, an authorised person is:

39.3.1 any Director of the Company; or

39.3.2 the secretary of the Company (if any); or

39.3.3 any person authorised by the Directors for the purpose of signing either a specific document, or documents in general, to which the seal is applied.



40 No Right to Inspect Accounts and Other Records

40.1 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.

41 Directors' Indemnity

41.1 Subject to the Article 42.2, a relevant Director of the Company or an affiliated company may be indemnified out of the Company's assets against:

41.1.1 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 affiliated company;

41.1.2 any liability incurred by that Director in connection with the activities of the Company or an affiliated company in its capacity as a Director of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);

41.1.3 any other liability incurred by that Director as an officer of the Company or an affiliated company.

41.2 This Article 42 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act 2006 or by any other provision of law.

41.3 For the purposes of this Article 42:

41.3.1 companies are affiliated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

41.3.2 a "relevant Director" means any Director or former Director of the Company or an affiliated company.

42 Insurance For Directors

42.1 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. In this Article:

42.1.1 a "relevant Director" means any Director or former Director of the Company or an affiliated company;

42.1.2 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 affiliated company or any pension fund of the Company or affiliated company; and



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

43 **Rules And Byelaws**

43.1 Any rules or byelaws must be in accordance with any provisions of the Companies Act 2006 applicable to the Company and shall be supplementary but subsidiary to the provisions of these Articles. Any compulsory requirements of that Act and the provisions of these Articles shall always take precedence over any provision in any rules or byelaws that in any way conflicts or is inconsistent with those requirements or provisions.

43.2 Subject to the preceding Article, the Directors may make such rules and byelaws to deal with any matters they consider appropriate in relation to the Company. Any rules or byelaws of the Company and any alterations or revocations of them shall be notified to the Members by such means as the Directors decide. All Directors and all Members of the Company shall be bound by and observe the provisions and requirements of any such rules or byelaws as are in force from time to time.

43.3 Any rules or byelaws may be altered or revoked by decision of the Directors or by ordinary resolution at a general meeting of the Company.

44 **Restrictions On Application of Property and Distributions**

44.1 The income and property of the Company shall be applied solely towards the promotion of its objects as set out in Article 1 and no part of such property and income may be or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the Members.

44.2 Nothing in this Article 44 prevents any payment in good faith by the Company:

44.2.1 of reasonable remuneration (subject to Article 35) to any Member or Director who is an officer or employee of the Company or who otherwise provides any services to the Company;

44.2.2 of interest on money lent by any Member at a reasonable and proper rate per annum to be decided by the Directors;

44.2.3 of reasonable rent for premises demised or let by any Member;

44.2.4 of fees, remuneration or other benefit in money or money's worth to any company of which a Member may also be a member holding not more than 1% of the issued share capital of that company;

44.2.5 to any Director (or alternate Director) of expenses under Article 36; or

44.2.6 of any premium in respect of any such insurance as is permitted by Article 42.



45 **Winding Up**

45.1 If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members generally, but shall be given or transferred to:

45.1.1 a body or bodies having objects similar to the objects of the Company and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company by virtue of this Article 45;

45.1.2 if and so far as effect cannot be given to the provisions of Article 45.1.1 , then to a body or bodies the objects of which are the promotion of charity and anything incidental or conducive thereto;

such body or bodies to be determined by the Members at or before the time of dissolution (whether or not a recipient body is a Member).