

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
ip&e Limited

1	Defined terms	1
2	Objects	2
3	Liability of shareholders	2
4	Directors' general authority	3
5	Shareholders' reserve power.....	3
6	Directors may delegate	3
7	Committees	3
8	Directors to take decisions collectively	4
9	Unanimous decisions	4
10	Calling a directors' meetings	4
11	Participation in directors' meetings	5
12	Quorum for directors' meetings	5
13	Chairing of directors' meetings	5
14	Casting vote	5
15	Appointment of alternate directors	5
16	Alternate directors' participation in board meetings	6
17	Alternate director responsible for own acts	6
18	Interests of alternate director	6
19	Revocation of alternate director	6
20	Conflicts of interest – transactions or arrangements with the company	7
21	Conflicts of interest requiring board authorisation	7
22	Directors may vote when interested	9
23	Records of decisions to be kept	9
24	Directors' discretion to make further rules	9
25	Methods of appointing directors	9
26	Termination of director's appointment	9
27	Directors' remuneration	10
28	Directors' expenses	10

29	All shares to be fully paid up	11
30	Powers to issue different classes of share	11
31	Company not bound by less than absolute interests	11
32	Share certificates	11
33	Replacement share certificates	12
34	Share transfers	12
35	Procedure for declaring dividends	12
36	Payment of dividends and other distributions	13
37	No interest on distributions	13
38	Unclaimed distributions.....	14
39	Non-cash distributions	14
40	Waiver of distributions	14
41	Decision-making by shareholders	15
42	Notices etc by controlling shareholder	15
43	Means of communication to be used	15
44	Right to inspect accounts and other records	16
45	Indemnity	16
46	Insurance	16

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms

1.1 In the articles, unless the context requires otherwise:

"articles" means the company's articles of association;

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

"Board" means the board of directors of the company;

"chairman" has the meaning given in article 13;

"chairman of the meeting" has the meaning given in article 13;

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

"Company" means the company governed by these articles;

"Conflict" has the meaning given in article 21;

"Controlling Shareholder" means a member registered as the holder of not less than 90% of the issued shares of the company;

"Councillor Director" has the meaning given in article 25.2;

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

"distribution recipient" has the meaning given in article 36.2;

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

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

"fully paid" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

"group company" means, in relation to a company, a subsidiary undertaking or parent undertaking of the company or a subsidiary undertaking of any parent undertaking of the company, provided that the definition of "undertaking" in section 1161 of the Companies Act 2006 shall for these purposes also include any person (incorporated or unincorporated) created by statute;

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006;

"holder" in relation to shares means the person whose name is entered in the register of shareholders as the holder of the shares;

"instrument" means a document in hard copy form;

"Officer Director" has the meaning given in article 25.2;

"**ordinary resolution**" has the meaning given in section 282 of the Companies Act 2006;

"**paid**" means paid or credited as paid;

"**participate**", in relation to a directors' meeting, has the meaning given in article 10;

"**Permitted Situation**" has the meaning given in article 21;

"**public body**" means a contracting authority as such term is defined in the Public Contracts Regulations 2006 (as may be amended from time to time) and "**public bodies**" shall be construed accordingly;

"**relevant director**" has the meaning given in article 51;

"**shareholder**" means a person who is the holder of a share;

"**shares**" means shares in the company;

"**special resolution**" has the meaning given in section 283 of the Companies Act 2006;

"**subsidiary**" has the meaning given in section 1159 of the Companies Act 2006; 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.

- 1.2 The articles constituting Schedule 1 to the Companies (Model Articles) Regulations 2008 ('Schedule 1') shall apply to the company except in so far as they are excluded or varied by these articles
- 1.3 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.
- 1.4 References to a "**person**" shall be construed so as to include any individual, firm, corporation, government, state or agency of a state or any joint venture, trust, association or partnership (whether or not having separate legal personality).

2 Objects

- 2.1 The object of the company is to provide services:
 - 2.1.1 to public bodies; and
 - 2.1.2 other customers (whether public bodies or not) as considered appropriate by the shareholders from time to time provided services to non-public bodies shall always remain incidental to the primary aim of providing services to public bodies.

3 Liability of shareholders

- 3.1 The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them.

PART 2
DIRECTORS
DIRECTORS' POWERS AND RESPONSIBILITIES

4 Directors' general authority

- 4.1 Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

5 Shareholders' reserve power

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

6 Directors may delegate

- 6.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
- 6.1.1 to such person or committee;
 - 6.1.2 by such means (including by power of attorney);
 - 6.1.3 to such an extent;
 - 6.1.4 in relation to such matters or territories; and
 - 6.1.5 on such terms and conditions;
- as they decide.
- 6.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 6.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

7 Committees

- 7.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 7.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

8 Directors to take decisions collectively

- 8.1 Each director shall have one vote.
- 8.2 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken accordance with article 9.

9 Unanimous decisions

- 9.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 9.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 9.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 9.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

10 Calling a directors' meeting

- 10.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 10.2 Notice of any directors' meeting must indicate:
 - 10.2.1 its proposed date and time;
 - 10.2.2 where it is to take place;
 - 10.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting;
 - 10.2.4 an agenda specifying in reasonable detail the matters to be raised at the meeting or the committee meeting; and
 - 10.2.5 copies of any papers to be discussed at the meeting or the committee meeting.
- 10.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 10.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company

not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

11 Participation in directors' meetings

- 11.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - 11.1.1 the meeting has been called and takes place in accordance with the articles, and
 - 11.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 11.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

12 Quorum for directors' meetings

- 12.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 The quorum for the directors' meetings shall be four including the Councillor Director and Officer Director.
- 12.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision to call a general meeting so as to enable the shareholders to appoint further directors.

13 Chairing of directors' meetings

- 13.1 The shareholder may appoint a director to chair the directors' meetings and terminate that appointment at any time.
- 13.2 The person so appointed for the time being is known as the "**chairman**".
- 13.3 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

14 Casting vote

- 14.1 If the numbers of votes for and against a proposal are equal, the chairman or where relevant alternate director chairing the meeting shall have a second or casting vote.

15 Appointment of alternate directors

- 15.1 The Councillor Director and the Officer Director each may appoint any person (including another director) to be his alternate and may at his discretion remove an alternate director so appointed. Any appointment or removal of an alternate director

must be by written notice delivered to the shareholder or at an address specified by the company for the purposes of communication by electronic means. The appointment requires the prior written approval of the shareholder.

- 15.2 An alternate director must provide the particulars, and sign any form for public filing required by the Companies Acts relating to his appointment.

16 Alternate directors' participation in board meetings

- 16.1 Every alternate director is (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him (and, if applicable, an address in relation to which electronic communications may be received by him)) entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in his appointor's absence, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor. Each person acting as an alternate director shall have a separate vote at Board meetings for each director for whom he acts as alternate director in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 16.2 Signature by an alternate director of any resolution in writing of the Board or a committee of the Board will, unless the notice of his appointment provides otherwise, be as effective as signature by his appointor.

17 Alternate director responsible for own acts

- 17.1 Each person acting as an alternate director will be an officer of the company, will alone be responsible to the company for his own acts and defaults and will not be deemed to be the agent of the director appointing him.

18 Interests of alternate director

- 18.1 An alternate director is entitled to contract and be interested in and benefit from contracts or arrangements with the company, to be repaid expenses and to be indemnified to the same extent as if he were a director. However, he is not entitled to receive from the company any fees for his services as alternate.

19 Revocation of alternate director

- 19.1 An alternate director will cease to be an alternate director:
- 19.1.1 if his appointor revokes his appointment; or
 - 19.1.2 if he resigns his office by notice in writing to the company; or
 - 19.1.3 if his appointor ceases for any reason to be a director, provided that if any director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate director which was in force immediately before his retirement shall remain in force; or
 - 19.1.4 if any event happens in relation to him which, if he were a director otherwise appointed, would cause him to vacate his office.

20 Conflicts of interest – transactions or arrangements with the company

- 20.1 The relevant provisions of the Companies Act 2006 (including, without limitation, sections 177 and 182) shall apply in relation to declarations of interest in proposed and existing transactions or arrangements with the company.
- 20.2 Provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with and to the extent required by the Companies Acts, a director notwithstanding his office:
- 20.2.1 may be a party to, or otherwise interested in, any contract with the company or in which the company is otherwise interested;
 - 20.2.2 may be a director or other officer of, employed by, a party to any contract with or otherwise interested in any group company or in any body corporate promoted by the company or any group company or in which the company or any group company is interested; and
 - 20.2.3 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor).
- 20.3 For the purposes of this article 20:
- 20.3.1 a director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any group company; and
 - 20.3.2 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any contract in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such contract of the nature and extent so specified.
- 20.4 Where a director is a director or other officer of, or employed by, a group company (including a local authority), he:
- 20.4.1 may in exercising his independent judgment take into account the success of other group companies as well as the success of the company; and
 - 20.4.2 shall in the exercise of his duties, where that other group company is a parent company, have a duty of confidentiality to the parent company in relation to confidential information of the parent company, but he shall not be restricted by any duty of confidentiality to the company from providing information to any parent company.

21 Conflicts of interest requiring board authorisation

- 21.1 The directors may, subject to the quorum and voting requirements set out in the articles, authorise any matter which would otherwise involve a director ("relevant director") breaching his duty under the Companies Acts to avoid conflicts of interest (a "**Conflict**").

- 21.2 Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and decided upon by the directors under the provisions of the articles save that the relevant director shall not count towards the quorum nor vote on any resolution giving such authority and save further that if there are insufficient directors eligible to vote and therefore to form a quorum, article 21.3 will apply.
- 21.3 Where the directors give authority in relation to a Conflict:
- 21.3.1 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- 21.3.2 the directors may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.
- 21.4 A Conflict in relation to a director arising solely as a result of him being a director, officer or employee of any group company (including a local authority) shall be deemed to have been authorised for the purposes of this article 21 and section 175 of the Companies Act 2006.
- 21.5 Where article 21.4 above applies or the directors otherwise give authority in relation to a Conflict, or where any of the situations referred to in article 20 (a "**Permitted Situation**") applies:
- 21.5.1 the directors may (whether at the relevant time or subsequently) (i) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the directors or otherwise) related to the Conflict or Permitted Situation; and (ii) impose upon the relevant director such other terms for the purpose of dealing with the Conflict as they may determine;
- 21.5.2 the relevant director will be obliged to conduct himself in accordance with any terms imposed by the board in relation to the Conflict or Permitted Situation; and
- 21.5.3 the directors may provide that where the relevant director obtains (otherwise than through his position as a director of the company) information that is confidential to a third party, the director will not be obliged to disclose that information to the company, or to use or apply the information in relation to the company's affairs, where to do so would amount to a breach of that confidence.
- 21.6 A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the company or the shareholders for any remuneration, profit or other benefit realised by reason of his having any type of interest in a Conflict authorised under this article or in any Permitted Situation and no contract shall be liable to be avoided on the grounds of a director having any such interest.

22 Directors may vote when interested

- 22.1 Subject where applicable to disclosure in accordance with the Companies Acts or the articles and subject to any terms imposed by the directors in relation to any Conflict or Permitted Situation, a director shall be entitled to vote in respect of any matter in which he is interested directly or indirectly and if he shall do so his vote shall be counted and, whether or not he does, his presence at the meeting shall be taken into account in ascertaining whether a quorum is present.
- 22.2 Subject to article 22.3 below, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 22.3 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.

23 Records of decisions to be kept

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

24 Directors' discretion to make further rules

- 24.1 Subject to the articles, the directors may make any rule about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

25 Methods of appointing directors

- 25.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by ordinary resolution of the shareholder.
- 25.2 When complete, the board of directors shall comprise of eight directors including:
- 25.2.1 a councillor of Shropshire Council ("Councillor Director"); and
 - 25.2.2 an officer of Shropshire Council ("Officer Director").

26 Termination of director's appointment

- 26.1 A person ceases to be a director as soon as:
- 26.1.1 the shareholder who appointed the director notifies the company that the individual is to be removed as a director;

- 26.1.2 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 26.1.3 a bankruptcy order is made against that person;
- 26.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 26.1.5 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 26.1.6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- 26.1.7 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 26.1.8 in the case of a Councillor Director upon that person ceasing to be a councillor of Shropshire Council;
- 26.1.9 in the case of an Officer Director upon that person ceasing to be an officer of Shropshire Council.

27 Directors' remuneration

- 27.1 Any remuneration of directors shall be determined by the shareholders. Directors may undertake any services for the company that the directors decide.
- 27.2 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 27.3 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

28 Directors' expenses

- 28.1 Any expenses of directors shall be determined by the shareholders.

PART 3
SHARES AND DISTRIBUTIONS
SHARES

29 All shares to be fully paid up

- 29.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- 29.2 This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

30 Powers to issue different classes of share

- 30.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by unanimous consent of the shareholders.
- 30.2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

31 Company not bound by less than absolute interests

- 31.1 Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

32 Share certificates

- 32.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 32.2 Every certificate must specify:
 - 32.2.1 in respect of how many shares, of what class, it is issued;
 - 32.2.2 the nominal value of those shares;
 - 32.2.3 that the shares are fully paid; and
 - 32.2.4 any distinguishing numbers assigned to them.
- 32.3 No certificate may be issued in respect of shares of more than one class.
- 32.4 If more than one person holds a share, only one certificate may be issued in respect of it.

32.5 Certificates must be executed in accordance with the Companies Acts.

33 Replacement share certificates

33.1 If a certificate issued in respect of a shareholder's shares is:

33.1.1 damaged or defaced, or

33.1.2 said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

33.2 A shareholder exercising the right to be issued with such a replacement certificate:

33.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

33.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and

33.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

34 Share transfers

34.1 Shares may only be transferred by shareholders to public bodies.

34.2 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

34.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

34.4 The company may retain any instrument of transfer which is registered.

34.5 The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it.

34.6 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

DIVIDENDS AND OTHER DISTRIBUTIONS

35 Procedure for declaring dividends

35.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

35.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

- 35.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 35.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 35.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 35.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 35.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

36 Payment of dividends and other distributions

- 36.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 36.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 36.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 36.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - 36.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 36.2 In the articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
- 36.2.1 the holder of the share; or
 - 36.2.2 if the holder is no longer entitled to the share by reason of bankruptcy, or otherwise by operation of law, the transmittee.

37 No interest on distributions

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

- 37.1.1 the terms on which the share was issued, or
- 37.1.2 the provisions of another agreement between the holder of that share and the company.

38 Unclaimed distributions

- 38.1 All dividends or other sums which are:
 - 38.1.1 payable in respect of shares, and
 - 38.1.2 unclaimed after having been declared or become payable,may be invested or otherwise made use of by the directors for the benefit of the company until claimed.
- 38.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 38.3 If:
 - 38.3.1 twelve (12) years have passed from the date on which a dividend or other sum became due for payment, and
 - 38.3.2 the distribution recipient has not claimed it,the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

39 Non-cash distributions

- 39.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 39.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
 - 39.2.1 fixing the value of any assets;
 - 39.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - 39.2.3 vesting any assets in trustees.

40 Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect.

PART 4
DECISION-MAKING BY SHAREHOLDERS
ORGANISATION OF GENERAL MEETINGS

41 Decision-making by shareholders

- 41.1 Notice of a general meeting of the company need not be sent to a director in his capacity as such and Section 310(1)(b) of the Companies Act shall be excluded accordingly.
- 41.2 One person entitled to vote shall be a quorum if that person is a duly authorised representative of the controlling shareholder.
- 41.3 At any time where the company has one shareholder:
 - 41.3.1 any decision that may be taken by the company in general meeting may be taken by that shareholder solely; and
 - 41.3.2 such a decision is effective as if agreed by the company in general meeting.
- 41.4 Where a sole shareholder takes a decision under article 41.3 he must (unless that decision is taken by way of a written resolution) provide the company with written details of that decision.
- 41.5 The signatory on behalf of the Council as sole shareholder will be the Corporate Head of Legal and Democratic Services.

PART 5
ADMINISTRATIVE ARRANGEMENTS

42 Notices etc by controlling shareholder

- 42.1 This article applies to:
 - 42.1.1 any notice given to the company by the controlling shareholder under these articles; and
 - 42.1.2 any consent given by the controlling shareholder under these articles.
- 42.2 Any notice or consent referred to in article 42.1 must be in writing and sent or supplied to the company in accordance with this Part 5.
- 42.3 Any notice or consent by the controlling shareholder must be duly signed by that shareholder.

43 Means of communication to be used

- 43.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006

provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

43.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

43.3 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.

44 Right to inspect accounts and other records

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

DIRECTORS' INDEMNITY AND INSURANCE

45 Indemnity

45.1 Subject to article 45.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:

45.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;

45.1.2 any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);

45.1.3 any other liability incurred by that director as an officer of the company or an associated company.

45.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

45.3 In this article:

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

45.3.2 a "**relevant director**" means any director or former director of the company or an associated company.

46 Insurance

46.1 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.

46.2 In this article:

- 46.2.1 a "**relevant director**" means any director or former director of the company or an associated company;
- 46.2.2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- 46.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.