

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY GUARANTEE  
ARTICLES OF ASSOCIATION  
OF  
SUNDERLAND BID LIMITED (the Company )  
(adopted on incorporation)**

**1 INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

**Act** means the Companies Act 2006;

**AGM** means an Annual General Meeting of the Company;

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

**BID Levy** means the business improvement district levy raised in accordance with part 4 of the Local Government Act 2003 (as may be amended) and collected against non-domestic ratepayers within the Sunderland business improvement district;

**BID Levy Director** has the meaning ascribed to it in article 14.1.2;

**Bid Levy Payers** means non-domestic rate-payers responsible for paying the BID Levy;

**BID Members** means BID Levy Payers who have completed and submitted to the Company an application for membership in accordance with these Articles;

**Board** means the board of directors of the Company from time to time;

**Business Day** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

**Conflict** means 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;

**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);

**Member** means a member of the Company;

**Model Articles** means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered **Model Article** is a reference to that article of the Model Articles; and

**Non BID Levy Director** has the meaning ascribed to it in article 14.1.2;

**Sector Director** has the meaning ascribed to it in article 14.1.1;

**Subscriber** means a person who has subscribed to the memorandum of association of the Company on its incorporation, so becoming a Member on incorporation of the Company.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Model Articles 2, 8, 9(1) and (3), 11 (2) and (3), 13, 14(1), (2), (3) and (4), 17(1), 17(2), 18(e), 22(2) and (3), 30(2), 35, 38 and 39 shall not apply to the Company.
- 1.9 Model Article 7 shall be amended by:
- 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Model Article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

## **2 OBJECTS**

- 2.1 The objects for which the Company is established are:
- 2.1.1 to promote, facilitate or advance Sunderland city centre as a better place to invest, work, do business, visit and live;
- 2.1.2 to promote or advance, directly or indirectly, the regeneration and economic well-being of Sunderland city centre;
- 2.1.3 directly or indirectly, to improve environmental standards, reduce crime, increase investment and enhance investment performance in and in relation to Sunderland city centre;
- 2.1.4 to promote schemes to improve the environmental quality of Sunderland city centre;
- 2.1.5 to support redevelopments so as to enhance the built environment and where appropriate to preserve, repair and maintain, directly or indirectly, for the benefit of the general public, buildings of historical, architectural or community interest in Sunderland city centre;

- 2.1.6 to procure or promote any form of entertainment in Sunderland city centre; and
- 2.1.7 to procure, promote, achieve and support such other objectives and outcomes as may be consistent with or similar in nature and scope to those set out above.

### **3 POWERS**

3.1 In pursuance of the objects set out in article 2, the Company has the power to:

- 3.1.1 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;
- 3.1.2 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;
- 3.1.3 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;
- 3.1.4 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;
- 3.1.5 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;
- 3.1.6 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 principal object in any way;
- 3.1.7 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;
- 3.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.9 provide and assist in the provision of money, materials or other help;
- 3.1.10 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;
- 3.1.11 incorporate subsidiary companies to carry on any trade;

- 3.1.12 carry out all acts within, conducive to or permitted or facilitated by Part 4 of the Local Government Act 2003 (as amended) or such regulations in relation to the operation of business district improvement companies in the United Kingdom as may be prescribed by the secretary of state from time to time;
- 3.1.13 to retain or employ advisers, consultants, agents and staff; and
- 3.1.14 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

#### **4 NOT FOR DISTRIBUTION**

- 4.1 The income and property of the Company shall be applied solely in promoting the objects of the Company as set out in Article 2.
- 4.2 No dividends or bonus may be paid or capital otherwise returned to the Members, provided that nothing in these Articles shall prevent any payment in good faith by the Company of:
  - 4.2.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
  - 4.2.2 reasonable and proper remuneration to any director of the Company employed by the Company as its chief executive or employed by the Company in any similar or equivalent role, whatever called;
  - 4.2.3 any interest on money lent by any Member or any director at a reasonable and proper rate;
  - 4.2.4 reasonable and proper rent for premises demised or let by any Member or director, or
  - 4.2.5 reasonable out-of-pocket expenses properly incurred by any director.

#### **5 WINDING UP**

- 5.1 On the winding-up or dissolution of the Company, any assets or property that remains available to be distributed or paid to the Members shall not be paid or distributed to such Members but shall be transferred to another body (charitable or otherwise):
  - 5.1.1 with objects similar to those of the Company; and
  - 5.1.2 which shall prohibit the distribution of its or their income to its or their members,such body to be determined by the Members at the time of winding-up or dissolution.

#### **6 GUARANTEE**

- 6.1 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 he is a Member or within one year after he ceases to be a Member, for
  - 6.1.1 payment of the Company's debts and liabilities contracted before he ceases to be a Member,
  - 6.1.2 payment of the costs, charges and expenses of the winding up, and

6.1.3 adjustment of the rights of the contributories among themselves.

## **7 UNANIMOUS DECISIONS**

- 7.1 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.
- 7.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 7.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

## **8 CALLING A DIRECTORS' MEETING**

- 8.1 Any director may call a directors' meeting by giving not less than ten Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 8.2 At least one meeting of the directors shall take place in each consecutive quarter (a quarter being a period of three calendar months, the first beginning on the date of adoption of these Articles).
- 8.3 Notice of a directors' meeting shall be given to each director in writing.
- 8.4 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

## **9 QUORUM FOR DIRECTORS' MEETINGS**

- 9.1 Subject to article 9.2, the quorum for the transaction of business at a meeting of directors is one third of the Eligible Directors (rounded up to the nearest whole number if required) of whom not less than two must be directors who are not Sector Directors or BID Levy Directors.
- 9.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 11 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (defined in article 11.1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 9.3 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:
- 9.3.1 to appoint further directors; or
- 9.3.2 to call a general meeting so as to enable the Members to appoint further directors.

## **10 CASTING VOTE AND RESTRICTION ON VOTING**

- 10.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.
- 10.2 Article 10.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

- 10.3 Notwithstanding any other provisions of the Articles, the number of votes exercisable by directors appointed by the local authority (or any successor bodies) or a person associated with a local authority or any director which is a local authority or a person associated with a local authority (as such expressions are defined in Part V of the Local Government and Housing Act 1989) and to which section 73 of that Act applies (and including a Sector Director, as the case may be) shall be restricted so that the voting rights conferred on such director shall represent the lesser of -
- 10.3.1 19.99% of the voting rights exercisable by all directors; and
- 10.3.2 the percentage of the voting rights which would be conferred on such director but for the application of this restriction.
- 10.4 The chairman shall be a director with a private sector background and involvement in the private sector at the time of his appointment and during his tenure as chairman and shall not be a person employed by or (other than through his private sector business or activity) involved with the public sector or who is a representative of a local authority or any other public sector body or organisation and the Board shall decide in its discretion whether a person meets the condition set out in this article.
- 10.5 Where, at any meeting of the Board, there is to be discussed the performance, ability and/or record of or similar matter concerning the chairman or the chief executive of the Company, the chairman or the chief executive (as the case may be) shall not be entitled to attend that meeting (or the part of the meeting at which the matters mentioned are discussed) but he shall be entitled to receive notice of the meeting and, a reasonable period prior to the meeting, to receive a summary of the matters to be discussed in relation to him, and shall have the right to submit to the Board prior to the meeting his written representations as to the matters so summarised.
- 10.6 Sunderland City Council shall be entitled to appoint a person as an observer by written notice to the Company and remove or replace any such person as observer from time to time by further written notice to the Company and any such person is an **Observer**. From the date of appointment until his replacement, removal or resignation, an Observer shall be entitled to receive prior notice of all meetings of the directors (together with all related agenda and documents), attend and speak at all such meetings, receive copies of all minutes of meetings of the directors and disclose to Sunderland City Council any information relating to the Company and its affairs acquired by him as an Observer (provided Sunderland City Council has given an appropriate written confidentiality undertaking to the Company in respect of any such information) but an Observer shall not be entitled to vote at any such meetings, count towards the quorum or exercise any decision making power in relation to the Company.

## 11 **DIRECTORS' CONFLICTS OF INTEREST**

- 11.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 11.2 Any authorisation under this article 11 shall be effective only if:
- 11.2.1 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 these Articles or in such other manner as the directors may determine;

- 11.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 11.2.3 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.
- 11.3 Any authorisation of a Conflict under this article 11 may (whether at the time of giving the authorisation or subsequently):
- 11.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 11.3.2 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;
  - 11.3.3 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;
  - 11.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 11.3.5 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
  - 11.3.6 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.
- 11.4 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.
- 11.5 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.
- 11.6 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 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.
- 11.7 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:

- 11.7.1 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;
- 11.7.2 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;
- 11.7.3 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;
- 11.7.4 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;
- 11.7.5 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
- 11.7.6 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.

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

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 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors shall be not more than twenty and shall not be less than five.

## **14 COMPOSITION OF BOARD**

14.1 The Board shall comprise:

14.1.1 directors representing the following organisations up to the number stated below against each such organisation:

(a) the Northumbria Constabulary: one director (who must be a Northumbria Constabulary employee ( **Condition of Appointment** )); and

(b) Sunderland City Council: two directors (who must be Sunderland City Council councillors or employees ( **Condition of Appointment** )),

(each such director being a **Sector Director**); and

14.1.2 other directors not exceeding seventeen in total, in addition to any Sector Directors, and of whom at least seven must be BID Levy Payers or employees or directors of BID Levy Payers (directors who are BID Levy Payers or employees or directors of



BID Levy Payers being **BID Levy Directors** and any other directors appointed under this article 14.1.2 being a **Non BID Levy Directors** ).

14.2 In relation to BID Levy Directors, the Board shall appoint to office as BID Levy Directors such BID Levy Payers or their employees or directors as may be willing to act in that role as the Board may decide, in its discretion, represent the interests of business sectors in the Sunderland business improvement district and the Board shall have discretion as to the identification and definition of those business sectors.

## **15 DIRECTOR APPOINTMENT AND RETIREMENT**

15.1 A person in office as a Director shall cease to be a director (in addition to the reasons set out in Model Article 18):

15.1.1 immediately if he ceases to satisfy the Condition of Appointment applicable to his appointment, in the case of a Sector Director; or

15.1.2 immediately if the BID Levy Payer in office as a BID Levy Director or the BID Levy Payer by whom a BID Levy Director is employed or of which he is a director ceases to be a BID Levy Payer or has failed to pay, within 30 days of it becoming due for payment, the BID Levy payable by him or it, in the case of a BID Levy Director;

15.1.3 immediately if he ceases to be employed by or a director of the BID Levy Payer on whose behalf he acts as a Bid Levy Director, in the case of a BID Levy Director who is appointed as such because he is employed by or is a director of the BID Levy Payer;

15.1.4 on receipt by him of written notice of removal from office where the Company has received written notice requiring his removal from office from the relevant BID Levy Payer, in the case of a BID Levy Director who is appointed as such because he is employed by or is a director of the BID Levy Payer (and on receipt of such notice by the Company the Company shall promptly serve the relevant notice of removal on the BID Levy Director concerned);

15.1.5 on receipt by him of written notice of removal from office where the Company has received written notice requiring his removal from office from the relevant entity described in article 14.1.1, in the case of a Sector Director (and on receipt of such notice by the Company the Company shall promptly serve the relevant notice of removal on the Sector Director concerned); or

15.1.6 in accordance with any policy referred to in article 15.6 in force from time to time.

15.2 Where there is a vacancy in the office of Sector Director representing an entity described in article 14.1.1 for any reason, the Board shall as soon as practicable after the vacancy arises, make a written request to the relevant entity inviting it to nominate a person to fill that vacancy (unless the entity has already submitted a written nomination to the Company).

15.3 A person nominated under article 15.2 to fill a vacancy in the office of Sector Director shall be appointed by the Board as the replacement Sector Director as soon as practicable provided he has given a written consent to act and he meets the relevant Condition of Appointment.

15.4 On a director's resignation or disqualification from holding office the Members may by ordinary resolution appoint a person who is willing to act to be a director. This article shall not apply to the appointment of a person as a Sector Director.

15.5 The Board may appoint a person who is willing to act to be a director to fill a vacancy in the office of director (other than a vacancy in the office of Sector Director, which shall be dealt with in accordance with articles 15.2 and 15.3).

15.6 The Directors shall determine a policy for the retirement and re-appointment of Directors, which policy shall be as the Directors may decide and may be changed from time to time as the Directors may decide in each case in their absolute discretion, but which policy may, amongst other things, set out the frequency with which any Director is required to retire from office, how Directors to retire shall be selected and any restrictions on eligibility of retiring directors for reappointment. Nothing in such a policy shall be inconsistent with the provisions of these Articles or constitute an amendment to these Articles or affect the rights set out in article 14.1.1 and the continuation in office of a Sector Director.

## **16 DEATH OR BANKRUPTCY OF SOLE MEMBER DIRECTOR**

In any case where, a Member dies or becomes bankrupt and the Company has no Members and no directors, the person last on record as a Member or as a director has the right, by notice in writing, to appoint a natural person (including the appointor himself), who is willing to act and permitted to do so, to be a director of the Company.

## **17 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.

## **18 CHANGE OF COMPANY NAME**

The name of the Company may be changed by a decision of the directors or otherwise in accordance with the Act.

## **19 APPLICATION FOR MEMBERSHIP**

19.1 Subject to article 19.3, no person shall become a Member unless he is a Subscriber (who is a member in that capacity) or he has completed an application for membership in a form approved by the directors from time to time.

19.2 A letter shall be sent to each successful applicant confirming their membership of the Company and the details of each successful applicant shall be entered into the Register of Members by a Director or the Company Secretary.

19.3 Subject to the provisions of these Articles, membership of the Company shall be available to the following:-

19.3.1 BID Levy Payers; and

19.3.2 persons not falling into the previous categories in this article 19.3 and whose membership of the Company has been approved by the Board (acting in its absolute discretion).

## **20 CESSATION OF MEMBERSHIP**

20.1 A Member may not transfer his membership.

20.2 A Member may resign from membership of the Company at any time by giving written notice to the Company.

20.3 When in relation to a Member, that Member:

20.3.1 dies or becomes bankrupt;

20.3.2 is, or may be, suffering from mental disorder and either:-

(a) he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force relating to mental disorder, or

(b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or

20.3.3 goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company (if a company); or

20.3.4 is the subject of a resolution of the Board (passed by not less than 75% of the directors present at a meeting of the Board called to consider the resolution) that the continuance of the membership of such Member will in their opinion be prejudicial to the interests of the Company (provided always that no resolution passed by the Board at any such meeting under the provisions of this sub-paragraph shall have validity or effect unless the Member in question has been given not less than 21 days' notice of and has the right to attend at the meeting and to be heard in his defence); or

20.3.5 ceases to be a Non BID Levy Director (but cessation of membership for that reason shall not apply in any case where a Non BID Levy Director is a Member by reason of being a BID Levy Payer or for some other reason giving rise to membership under article 19.3.2),

the membership shall automatically cease.

20.4 A person ceasing to be a member:

20.4.1 (other than by reason of death, resignation, winding up or ceasing to exist) shall be notified in writing to that effect provided always that any failure to give any such notification shall not affect the cessation of membership, and

20.4.2 (other than by reason of death, winding up or ceasing to exist) shall be eligible for re-admission as a member in accordance with article 19.1.

## **21 EXPULSION OF MEMBER**

21.1 The directors may terminate the membership of any Member without his consent by giving him written notice if:

21.1.1 in the reasonable opinion of the directors, he is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and directors into disrepute; or

21.1.2 in the reasonable opinion of the directors, he has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or

21.1.3 he has failed to observe the terms of these Articles; or

21.1.4 he has failed to pay, within 30 days of it becoming due for payment, the BID Levy payable by him or it.

Following such termination, the Member shall be removed from the Register of Members by a Director or the Company Secretary.

21.2 The notice to the Member must give the Member the opportunity to be heard in writing or in person as to why his membership should not be terminated. The directors must consider any representations made by the Member and inform the Member of their decision following such consideration. There shall be no right to appeal from a decision of the directors to terminate the membership of a Member.

21.3 A Member whose membership is terminated under this Article shall not be entitled to a refund of any subscription or membership fee and shall remain liable to pay to the Company any subscription or other sum owed by him.

## **22 VOTES OF MEMBERS**

22.1 Subject to the Act and article 22.2, at any general meeting every Member who is present in person (or by proxy) shall on a show of hands have one vote and every Member present in person (or by proxy) shall on a poll have one vote.

22.2 Notwithstanding the provisions of article 10.1, the number of votes exercisable by any Member which is a local authority or a person associated with a local authority (as such expressions are defined in Part V of the Local Government and Housing Act 1989) and to which section 73 of that Act applies (the "**Council Members**") shall be restricted so that the aggregate voting rights conferred on Council Members as Members shall represent the lesser of -

22.2.1 19.99% of the voting rights exercisable by all Members of the Company, and

22.2.2 the percentage of the voting rights which would be conferred on the Council Members under article 22.1 but for the application of this restriction.

22.3 No Member shall be entitled to vote at any general meeting or appoint a proxy unless all moneys then payable by him to the Company have been paid.

22.4 If the votes in relation to a proposed resolution at a general meeting are equal, either on a show of hands or on a poll, the chair of the meeting will be entitled to a further or casting vote.

## **23 POLL VOTES**

23.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

23.2 Article 30(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

## **24 PROXIES**

- 24.1 Article 31 (1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 24.2 Article 31 (1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

## **25 ANNUAL GENERAL MEETING**

- 25.1 The Company must hold an AGM in every year. Not more than 15 months shall elapse between the date of one AGM and that of the next provided that if the Company holds its first AGM within 18 months of its incorporation it need not hold it in the year of its incorporation or the following year. Subject to the preceding provision, the AGM shall be held at such time and place in Sunderland as the Board shall decide.
- 25.2 The Company shall give at least 21 days' clear notice of general meetings, including the AGM. Subject to the Act and these Articles, such notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of the AGM, shall specify the meeting as such. All Members shall be entitled to receive notice of general meetings.

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

- 26.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 26.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 26.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 26.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 26.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

26.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **27 INDEMNITY AND INSURANCE**

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

27.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them and including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

27.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 27.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

27.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law and any such indemnity is limited accordingly.

27.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

27.4 In this article:

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

27.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any associated company; and

27.4.3 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company, but excluding, unless otherwise decided by the Board, in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).