

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
SMALLER AUTHORITIES' AUDIT APPOINTMENTS LIMITED (the "Company")

(Adopted by special resolution passed on 4th October 2016)

Introduction

1. INTERPRETATION

1.1. In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

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

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;

Chair: has the meaning given to it in article 15.1;

Company Secretary: means a person appointed as secretary under article 21;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors;

Independent Director: means a director appointed to the board who is not a Member Director;

Member: means a member of the Company;

Member Director: has the meaning given to it in article 19.1;

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*);

Objects: means the objects of the Company as set out in article 2;

Opted In Authority: means an authority for which the responsibility for the appointment of a local auditor has become that of a Specified Person instead of that of the authority by virtue of regulations 11, 14 or 15 of the Regulations;

Regulations: means the Local Audit (Smaller Authorities) Regulations 2015;

Secretary of State: means the Secretary of State for Communities and Local Government from time to time (or the Secretary of State of any such successor department);

Specified Person: means a person specified by the Secretary of State under regulation 3 of the Regulations to appoint a local auditor.

- 1.2. Save as otherwise specifically provided in these Articles, 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, including 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 not apply to the Company.

2. OBJECTS

- 2.1. The Company's objects are to perform and discharge the functions of a Specified Person as more particularly described in the Regulations which include, but are not limited to:
 - 2.1.1. the appointment of auditors to all Opted In Authorities;
 - 2.1.2. the issuing of invitations to all authorities that it reasonably believes to be smaller authorities (as defined in the Regulations) or fall within the scope of those authorities envisaged to be covered by the Regulations;
 - 2.1.3. the consulting on, setting of and variations to fees for the audit of accounts as envisaged by the Regulations;

- 2.1.4. the retention and publishing of records of authorities invited to become Opted In Authorities (including newly established authorities), which should include the contact details for the auditor appointed to each Opted In Authority;
 - 2.1.5. the design and implementation of appropriate systems to oversee issues of independence of any appointed auditor;
 - 2.1.6. the resolving of disputes and dealing with complaints as envisaged by the Regulations;
 - 2.1.7. dealing with the appointment, removal or resignations of appointed auditors; and
 - 2.1.8. undertaking such other statutory roles and responsibilities contained in the Regulations but not set out in this article 2.
- 2.2. In addition, the Company shall have the following further objects:
- 2.2.1. to ensure that public money continues to be properly accounted for and protected in its role as a Specified Person;
 - 2.2.2. to discharge its statutory functions efficiently, effectively, economically and transparently;
 - 2.2.3. to oversee the delivery of consistent, high quality and effective limited assurance services to smaller local public bodies;
 - 2.2.4. to ensure the effective management of contracts with audit firms;
 - 2.2.5. to be financially responsible having regard to the efficiency of operating costs and grant conditions pursuant to any funding agreement from time to time in place;
 - 2.2.6. to transparently safeguard fees levied from audited bodies; and
 - 2.2.7. to lead its people as a good employer, ensuring that it continues to be fit for purpose; motivating and supporting staff; communicating with them in an open, honest and timely way.

3. POWERS

- 3.1. In pursuance of the Objects, and in addition to any other powers it might have, the Company has the power to:
- 3.1.1. promote, organise, assist, participate in, subscribe to and guarantee the expenses of surveys, consultations, conferences and meetings of all sorts tending directly or indirectly to further any of the Objects;
 - 3.1.2. maintain offices for answering enquiries and disseminating information and to print, publish, sell, circulate and distribute handbooks and publications which are calculated to be useful to relevant authorities or others or to promote directly or indirectly all or any of the Objects;

- 3.1.3. undertake, encourage and support appropriate forms of publicity and advertising calculated to promote directly any of the Objects;
- 3.1.4. require payment for services or for goods provided as is considered appropriate in the furtherance of the Objects;
- 3.1.5. apply for, register, purchase, or by other means acquire and protect, prolong and renew, any patents, patent rights, licences, secret processes, trademarks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account or grant licences or privileges in respect of the same;
- 3.1.6. enter into such commercial or other transactions in connection with the business of the Company as may seem to the directors desirable for the purposes of the Company's affairs;
- 3.1.7. carry out such operations and to deal with such goods and to acquire, take options over, lease, hold, manage, maintain, alter or deal with such property, rights or privileges as may seem to the directors directly or indirectly to advance the interests of the Company;
- 3.1.8. pay for any rights or property acquired by the Company and to remunerate any person or company in respect of the same, as the directors think fit;
- 3.1.9. invest and deal with the monies of the Company not immediately required in any manner and hold and deal with any investment so made with due regard to the duty to manage funds effectively;
- 3.1.10. draw, make, accept, endorse, negotiate, execute and issue cheques and other negotiable or transferable instruments;
- 3.1.11. acquire by any means any real or personal property or rights whatsoever and to equip, maintain or alter any buildings, works or other real and personal property necessary or convenient for the purposes of the Company or to finance, guarantee or arrange the execution of such work by any other person, body or company;
- 3.1.12. subject to such consents as may be required by law, receive and accept financial assistance, grants, donations, endowments, gifts and the loans of any property whatsoever, real or personal and subject or not to any specific charitable trust or condition in furtherance of the Objects;
- 3.1.13. engage and pay upon such reasonable and proper terms as may be thought fit any person or persons, whether on a full-time or part-time basis or secondment and whether as consultant or employee to supervise, organise, carry on the work of and advise the Company;
- 3.1.14. remunerate any person, firm or company rendering services to the Company;
- 3.1.15. pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company or to contract with any person, firm or company to pay the same;

- 3.1.16. provide and establish and maintain or participate in trusts, funds, schemes, clubs or other arrangements (whether contributory or non-contributory) with a view to providing pensions, insurances, allowances, gratuities, incentives and benefits of every description including, but not limited to the benefit of officers, ex-officers, employees or ex-employees of the Company or the dependents or relatives of any such persons, and to provide or lend money or provide other financial assistance in accordance with or for the purposes of such arrangements;
- 3.1.17. purchase and maintain, for the benefit of any director or officer of the Company insurance against liabilities as is referred to in sections 232 to 237 of the Act and, subject to the provisions of the legislation, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director or officer and, subject also to the provisions of relevant legislation, to indemnify any such person out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto and, without prejudice to the foregoing, to grant any such indemnity after the occurrence of the event giving rise to any such liability;
- 3.1.18. take, make, execute, enter into, commence, carry on, prosecute or defend all steps, claims, demands, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes, and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company;
- 3.1.19. do all or any of the things or matters aforesaid either as principal, agent, contractor or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others; and
- 3.1.20. do all such things as are, in the opinion of the directors, incidental or conducive to the attainment of all or any of the Objects.

4. INCOME

- 4.1. The income and property of the Company shall be applied solely in promoting the Objects.
- 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. any interest on money lent by any Member or any director at a reasonable and proper rate;
 - 4.2.3. reasonable and proper rent for premises demised or let by any Member or director; or
 - 4.2.4. 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 shall not be paid or distributed to the Members but shall be distributed to such organisation representing the interests of smaller local authorities as may be nominated by the Secretary of State.

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

- 6.1.1. payment of the Company's debts and liabilities contracted before it 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.

Directors

7. DIRECTORS' GENERAL AUTHORITY

- 7.1. 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.

8. DIRECTORS MAY DELEGATE

- 8.1. Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles or the implementation of their decisions or day to day management of the affairs of the Company:

- 8.1.1. to such person or committee;
- 8.1.2. by such means (including by power of attorney);
- 8.1.3. to such an extent;
- 8.1.4. in relation to such matters or territories; and
- 8.1.5. on such terms and conditions

as they think fit.

- 8.2. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 8.3. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

9. COMMITTEES

- 9.1. 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 that govern the taking of decisions by directors.
- 9.2. 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.

10. DIRECTORS TO MAKE DECISIONS COLLECTIVELY

- 10.1. The general rule about decision-making by directors is that any decision of the directors must be either a majority decision of Eligible Directors at a quorate meeting or a decision taken in accordance with article 11.
- 10.2. If the Company has at any time only one director, the general rule does not apply and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

11. UNANIMOUS DECISIONS

- 11.1. 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.
- 11.2. 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.
- 11.3. 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.

12. CALLING A DIRECTORS' MEETING

- 12.1. Any director may call a directors' meeting by giving not less than 10 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.
- 12.2. Notice of any directors' meeting must indicate:
 - 12.2.1. its proposed time and date;
 - 12.2.2. where it is to take place;
 - 12.2.3. an agenda for the meeting setting out in reasonable detail the items to be discussed at the meeting; and
 - 12.2.4. 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.

- 12.3. Notice of a directors' meeting shall be given to each director in writing (which includes by email).

13. PARTICIPATION IN DIRECTORS' MEETINGS

- 13.1. Any or all of the directors may participate in a meeting of the directors by means of conference telephone or conference video or similar communications equipment so that all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting and subject to these Articles and the Act, a director shall be entitled to vote and be counted in the quorum accordingly.

14. QUORUM FOR DIRECTORS' MEETINGS

- 14.1. The quorum for the transaction of business at a meeting of directors is three directors, which must include one Member Director and one Independent Director, providing each director is an Eligible Director for that meeting.

- 14.2. 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:

14.2.1. to appoint further directors; or

14.2.2. to call a general meeting so as to enable the Members to appoint further directors.

15. CHAIRING OF DIRECTORS' MEETINGS

- 15.1. At their first meeting the directors shall appoint and subsequently shall ensure that there continues to be appointed an Independent Director to preside at their meetings. The person so appointed for the time being is known as the Chair. The Chair shall be appointed to serve for such term as the directors may determine.

- 15.2. If the Chair is not participating in a directors' meeting within thirty minutes of the time at which it was to start, the participating directors must between them appoint an Independent Director to preside.

16. CASTING VOTE

- 16.1. If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chair (or other director chairing the meeting) shall have a casting vote.

- 16.2. Article 16.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

17. DIRECTORS' CONFLICTS OF INTEREST

- 17.1. For the purposes of this article 17 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of that director.

- 17.2. Whenever a director has an interest in a matter to be discussed at a meeting of the directors, the director concerned shall declare such interest in accordance with the Act when or before discussions begin on the matter and unless either the board resolves otherwise or his interest in a matter arises solely as a result of his employment or engagement by the Company (but not, for the avoidance of doubt, the terms of such of employment or engagement), the director shall:
- 17.2.1. not be considered an Eligible Director for that item;
 - 17.2.2. not be counted in the quorum for that part of the meeting; and
 - 17.2.3. not be entitled to vote on the matter.
- 17.3. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 17.4. 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.
- 17.5. 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 and quorum purposes.

18. RECORDS OF DECISIONS TO BE KEPT

- 18.1. 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.
- 18.2. 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.

19. APPOINTMENT OF DIRECTORS

- 19.1. Each Member of the Company shall for the duration of its membership be entitled to appoint one director (a **Member Director**) and shall be entitled to remove its appointed Member Director from office in accordance with this article.
- 19.2. The Company shall ensure that there are at all times appointed to the board of directors, in addition to the Member Directors, three Independent Directors.
- 19.3. The directors between them shall provide a balance of skills and experience appropriate to the Objects and across all the sectors in which the Company operates.
- 19.4. The appointment or removal of a Member Director shall be effected by notice in writing to the Company and each of the other Members. Such notice shall take effect immediately (or on such later date, if any, specified in the notice), upon deposit of the notice at the registered office of the Company marked for the attention of the directors.

- 19.5. The Secretary of State shall at all times have the right to (but shall not be obliged to) attend meetings of the directors as observers (**Observer(s)**).
- 19.6. An Observer shall have the following rights:
- 19.6.1. the right to receive notice of all meetings of the directors (including any appropriate documentation to be considered at such meetings); and
 - 19.6.2. the right to participate in the discussion at meetings of the directors and to make representations and suggestions in relation to the matters to be discussed.
- 19.7. An Observer shall not have the right to vote at meetings of the directors.
- 19.8. Unless otherwise agreed by all Member Directors, the number of directors shall not be subject to any maximum but shall not be less than three.

20. TERMINATION OF DIRECTORS' APPOINTMENT

- 20.1. A person ceases to be a director as soon as:
- 20.1.1. that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 20.1.2. a bankruptcy order is made against that person;
 - 20.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 20.1.4. 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;
 - 20.1.5. 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;
 - 20.1.6. a director admits guilt to or is convicted by a court of competent jurisdiction of an offence involving dishonesty or an offence that results in a custodial prison sentence; or
 - 20.1.7. notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

21. 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 may remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

Membership of the Company

22. APPLICATION FOR MEMBERSHIP

- 22.1. No organisation shall become a Member unless he has completed an application for membership in a form approved by the directors from time to time. 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.
- 22.2. Such applicant must be proposed by a director and such proposal must be seconded by a second director.
- 22.3. The directors may decline to accept any application for membership and need not give reasons for doing so.
- 22.4. The directors may prescribe criteria for membership of the Company but shall not be obliged to accept persons fulfilling those criteria as Members.

23. TRANSFER OF MEMBERSHIP

- 23.1. Membership of the Company is not transferable.

Organisation of general meetings

24. GENERAL MEETINGS

- 24.1. The Member Directors may call a general meeting at any time.
- 24.2. The directors must call a general meeting if required to do so by the Members under the Act.
- 24.3. All general meetings must be called by either giving:
 - 24.3.1. at least 15 Business Days' notice; or
 - 24.3.2. shorter notice if so agreed by all the Members.
- 24.4. Every notice calling a general meeting must specify the place, day and time of the meeting, and the general nature of the business to be transacted.

25. QUORUM FOR GENERAL MEETINGS

- 25.1. No business (other than the appointment of the chair of the meeting) may be transacted at any general meeting unless a quorum is present.
- 25.2. Three persons entitled to vote on the business to be transacted (each being an authorised representative of a Member or a proxy for that authorised representative) shall be a quorum.
- 25.3. If a quorum is not present within thirty minutes from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the directors may determine, and if at the adjourned meeting a

quorum is not present within thirty minutes from the time appointed for the meeting those present and entitled to vote shall be a quorum.

26. CHAIRING GENERAL MEETINGS

- 26.1. The Chair or in his or her absence some other director nominated by the directors will preside as chair of every general meeting.
- 26.2. If neither the Chair nor such other director nominated in accordance with article 26.1 (if any) is present within thirty minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to chair the meeting and, if there is only one director present and willing to act, he or she shall be chair of the meeting.
- 26.3. If no director is willing to act as chair of the meeting, or if no director is present within thirty minutes after the time appointed for holding the meeting, the Members present in person through their authorised representatives or by proxy and entitled to vote must choose one of their number to be chair of the meeting, save that a proxy holder who is not a Member entitled to vote shall not be entitled to be appointed chair of the meeting.

27. ATTENDANCE AT GENERAL MEETINGS

- 27.1. A director may, even if not a Member, attend and speak at any general meeting. The Secretary of State (through his or her nominated representative) shall be invited to attend and participate in any general meeting (but shall not be entitled to a vote).
- 27.2. The chair of the meeting may permit other persons who are not Members to attend and speak at a general meeting.

28. ADJOURNMENT

- 28.1. The chair of the meeting may adjourn a general meeting at which a quorum is present if:
 - 28.1.1. the meeting consents to an adjournment; or
 - 28.1.2. it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 28.2. The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 28.3. When adjourning a general meeting, the chair of the meeting must:
 - 28.3.1. 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
 - 28.3.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 28.4. If the continuation of an adjourned meeting is to take place more than 10 Business Days after it was adjourned, the Company must give at least 5 Business Days' notice of it:

- 28.4.1. to the same persons to whom notice of the Company's general meetings is required to be given; and
- 28.4.2. containing the same information which such notice is required to contain.
- 28.5. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Decision making by Members

29. VOTES OF MEMBERS

- 29.1. Subject to the Act, 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.

30. POLL VOTES

- 30.1. A poll on a resolution may be demanded :
 - 30.1.1. in advance of the general meeting where it is to be put to the vote; or
 - 30.1.2. 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.
- 30.2. A poll may be demanded by:
 - 30.2.1. the chair of the meeting;
 - 30.2.2. the directors; or
 - 30.2.3. one or more Members (acting by their authorised representative(s)) having the right to vote on the resolution.

31. PROXIES

- 31.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
 - 31.1.1. states the name and address of the Member appointing the proxy ;
 - 31.1.2. identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - 31.1.3. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 31.1.4. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 31.2. The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

- 31.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 31.4. Unless a proxy notice indicates otherwise, it must be treated as:
- 31.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 31.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

32. DELIVERY OF PROXY NOTICES

- 32.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 32.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 32.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 32.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Administrative arrangements

33. MEANS OF COMMUNICATION TO BE USED

- 33.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 33.1.1. 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;
 - 33.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 33.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 33.1.4. 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.

- 33.2. 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.

34. AMENDMENTS TO RESOLUTIONS

- 34.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 34.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine); and
 - 34.1.2. the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.
- 34.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 34.2.1. the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 34.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 34.3. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

35. ADMINISTRATIVE ARRANGEMENTS

- 35.1. 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 Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company;
- 35.2. 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.
- 35.3. 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.

36. RIGHTS OF MEMBERS

- 36.1. Members are entitled to:
- 36.1.1. receive the accounts of the Company for the previous financial year;

- 36.1.2. receive during any current financial year copies of quarterly management accounts produced by the Company;
- 36.1.3. receive an annual written report on the Company's activities;
- 36.1.4. require the Company to provide each of them with such information as it reasonably requires in relation to its funding of the company; and
- 36.1.5. appoint reporting accountants or auditors for the Company (unless such accountants or auditors are automatically deemed reappointed under the Act).

37. INDEMNITY AND INSURANCE

37.1. Subject to article 37.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 37.1.1. 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:
 - i. in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - ii. in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) 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

37.1.2. 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 37.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

37.2. 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.

37.3. 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.

37.4. In this article:

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

- 37.4.2. 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, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- 37.4.3. a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act).