

THE COMPANIES ACTS 2006

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL**

ARTICLES OF ASSOCIATION

of

**INSTITUTE FOR RESEARCH AND INNOVATION IN SOCIAL
SERVICES***

INTERPRETATION

1. In these articles unless there be in the context anything inconsistent therewith:-

"Code of Practice" shall mean the code of practice, from time to time operating, and which sets out, *inter alia*, governance arrangements affecting the company;

"committee" shall mean a committee appointed by the Strategic Board in accordance with these articles;

"Companies Act" shall mean the Companies Act 2006, including any statutory modification or re-enactment thereof for the time being in force;

"company" shall mean the above named company;

"Director" shall mean a member of the Strategic Board;

"Eligible Director" means a Director who would be entitled to vote on the matter at a meeting of the Strategic Board (but excluding any Director whose vote is not to be counted in respect of the particular matter);

"electronic communication" has the same meaning as is assigned to that expression in the Electronic Communications Act 2000;

"month" shall mean calendar month;

"secretary" shall mean any person appointed to perform the duties of the secretary of the company;

"Strategic Board" shall mean the body established in accordance with article 31 hereof;

"these articles" shall mean the articles of association for the time being in force;

Words and expressions defined in the Companies Act shall bear the meanings thereby assigned to them;

Words importing the masculine gender shall include the feminine and neuter genders;

Words importing the singular number shall include the plural and vice versa;

Words importing persons shall include bodies corporate;

These articles shall be construed with reference to the provisions of the Companies Act.

OBJECTS AND POWERS

2. The company's objects are:

To promote positive outcomes for the people who use Scotland's social services by enhancing the capacity and capability of the social services workforce to access and make use of knowledge and research for service innovation and improvement.

3. In pursuance of those objects, but not otherwise, the company shall have the following powers:-

- (a) To contribute to and support relevant intellectually robust research and enquiry within the social services profession that informs policy and practice and supports the planning of future social services designed to meet changing demands and expectations;
- (b) To promote and support continuous learning across the social services sector;
- (c) To participate in the development of meaningful and fulfilling career pathways for social services workers in ways that strengthen commitment to the acquisition of further, advanced and specialist knowledge and skills;
- (d) To engage in partnership with providers of professional education in health, justice, education and related fields, to develop integrated and progressive inter-agency learning for effective and ethical practice;

- (e) To develop and improve ways in which knowledge, understanding and evidence are used by practitioners and managers to deliver better outcomes for people who access support and their unpaid carers;
- (f) To carry on any other activities which further the above objects;
- (g) To liaise with other voluntary and independent sector bodies, local authorities, United Kingdom Government departments and Scottish Government directorates and associated agencies, Higher and Further Education Institutions and other bodies, all with a view to furthering the company's objects;
- (h) To develop active partnerships with other voluntary sector bodies, United Kingdom Government departments and Scottish Government directorates and associated agencies, Higher and Further Education Institutions and other bodies, all with a view to furthering the company's objects;
- (i) To develop active partnerships with people who access support and unpaid carers with a view to furthering the company's objects;
- (j) To promote or establish companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company;
- (k) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities;
- (l) To purchase, take on lease, hire, or otherwise acquire or deal with, all or any part of real or personal property, whether heritable or moveable, and any rights or privileges of the company;
- (m) To grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the company;
- (n) To apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, copyrights, trade secrets, or other intellectual property rights, licences, secret processes, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of

the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the company may acquire or propose to acquire;

- (o) To prepare, edit, print, publish, issue, acquire and circulate any literary works, materials or research data of bearing on the work of the company relating thereto and to disseminate information obtained therefrom;
- (p) To borrow money and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company;
- (q) To seek financial accommodation by way of overdraft, loan or otherwise, government bonds, treasury bills, exchequer bills of whatever kind, commercial bonds, commercial paper, letters of credit, leases, indemnities, or advances made to or for the accommodation or at the request of the company and to enter into currency exchange and interest rate transactions including but not limited to dealings in foreign currency, spot and forward rate exchange contracts, futures, options, forward rate agreements, swaps, caps, floors, collars and any other foreign exchange or interest rate hedging arrangement and such other instruments as are similar to, or derived from any of the foregoing for the purposes of the company on such terms and conditions as are then current;
- (r) To employ or make appropriate secondment arrangements with organisations for such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants;
- (s) To engage such consultants and advisers as are considered appropriate from time to time;
- (t) To effect insurance of all kinds (which may include officers' liability insurance);
- (u) To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments);
- (v) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects;
- (w) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities;

- (x) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them);
- (y) To oppose, or object to, any application or proceedings which may prejudice the company's interests;
- (z) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity;
- (aa) To pay all or any expenses incurred in connection, promotion, formation and incorporation of the company; and
- (bb) To do anything lawful which may be incidental or conducive to the furtherance of any of the company's objects;

And it is declared that

- (i) in this clause, "property" means any property, heritable or moveable, wherever situated;
- (ii) in this clause, and throughout these articles:
 - (A) the expression "charity" shall mean a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 96 of the Charities Act 1993; and
 - (B) the expression "charitable purpose" shall mean a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the Taxes Acts.

4.

- (a) The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 2).
- (b) No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
- (c) No Director shall be appointed as a paid employee of the company; no Director shall hold any office under the company for which a salary or fee is payable.

- (d) No benefit (whether in money or in kind) shall be given by the company to any Director except (i) repayment of out-of-pocket expenses, (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company or (iii) directors/trustee indemnity insurance.

LIABILITY OF MEMBERS

5. The liability of the members is limited.
6. Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member, for payment of the company's debts and liabilities contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

WINDING UP

- 7.
- (a) If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; that property shall instead be transferred to some other charity or charities (whether incorporated or unincorporated) whose objects are similar (wholly or in part) to the objects of the company.
- (b) The charity or charities to which property is transferred under paragraph (a) shall be determined by the members of the company at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at the time.
- (c) To the extent that effect cannot be given to the provisions of paragraphs (a) and (b) of this article 7, the relevant property shall be applied to some other charitable purpose or purposes.
8. Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any Director of the company.

MEMBERSHIP

9. No person shall be eligible for membership of the company unless that person is a Director.
10. No person or organisation shall be admitted under any category of membership unless the application for membership is approved by the Strategic Board.
11. Employees of the company shall not be eligible for membership.
12. The Strategic Board may develop different categories of member to serve on expert groups or to support the furtherance of the company's objects. The Strategic Board will determine any benefits to be afforded to such other categories of member.
13. A member of the company shall cease to be a member if that member:
 - 13.1 resigns by giving three months' notice in writing to the company;
 - 13.2 resigns or is otherwise removed as a Director;
 - 13.3 dies;
 - 13.4 is excluded from membership under article 14;
 - 13.5 becomes bankrupt or makes any arrangement or composition with their creditors generally or (being a company) goes into liquidation other than for the purposes of solvent reconstruction; or
 - 13.6 otherwise ceases to qualify for membership under these articles.
14. Any member may be excluded from membership of the company by special resolution. Such member shall have twenty one days' clear notice sent to them of the meeting and they shall be entitled to attend the meeting and be heard in defence but shall not be entitled to be present at the voting or take part in the proceedings otherwise than as the Strategic Board shall permit.

GENERAL MEETINGS

15. The Directors shall convene an annual general meeting in each calendar year. Not more than 15 months shall elapse between one annual general meeting and the next.
16. The Directors may convene an extraordinary general meeting at any time.

17. The Directors must convene an extraordinary general meeting if there is a valid requisition by members or a requisition by a resigning auditor.

NOTICE OF GENERAL MEETINGS

18. An annual general meeting and a meeting for the passing of a special resolution shall be called by twenty one days' notice in writing at least, and a meeting of the company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day in which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to the members of the company and to the auditors and to such persons(if any)as are entitled under the Companies Act to receive notices of general meetings. Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article 18 be deemed to have been duly called if it is so agreed: by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five percent of the total voting rights at that meeting of all the members.
19. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice thereof shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

20. No business shall be transacted at any general meeting unless a quorum of not less than four members of the company (excluding the Independent Chairperson of the Strategic Board) is present at the time the meeting proceeds to business save as herein provided.
21. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the members of the company, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Independent Chairperson of the Strategic Board may determine and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members of the company present shall form a quorum.
22. The Independent Chairperson of the Strategic Board shall preside at all general meetings of the company. If at any general meeting the Independent Chairperson of the Strategic Board is not present

within fifteen minutes after the time appointed for holding the meeting, the Directors present shall choose someone from their number to be Chairperson of that meeting.

23. The Chairperson of any general meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
24. Every question submitted to a general meeting shall be decided in the first instance by a show of hands, unless a poll is demanded by the Chairperson of the meeting or by at least two members of the company, and unless a poll is so demanded, a declaration by the Chairperson of the meeting that a resolution has been carried, or carried by a particular majority or lost, or not carried by a particular majority, and an entry to that effect in the minute book of proceedings of the company shall be conclusive of evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
25. If a poll is duly demanded it shall be taken either at once or after an interval or adjournment in such manner and at such time as the Chairperson of the meeting directs, and the result of such poll shall be deemed to be the resolution of the meeting at which the same was demanded, and the result of such poll shall be deemed to be the resolution of the meeting at which the same was demanded, provided always that a poll on the election of a Chairperson or on a question of adjournment shall be taken forthwith. The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question in which a poll has been demanded.
26. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
27. Subject to any rights or restrictions attached to membership, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote.
28. In the case of equality of votes, whether on a show of hands or on a poll, the Chairperson shall be entitled to a casting vote in addition to any other vote that person may have.

29. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in usual form or in a form which the Directors approve.
30. The instrument appointing a proxy may –
- a. be deposited at the registered office of the company or at such place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote; or
 - b. in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
 - c. where the poll is taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairperson of the meeting or to the secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

STRATEGIC BOARD

31. The company's activities shall be controlled and supervised by the Directors via the Strategic Board which may exercise all the powers of the company.
32. The Strategic Board shall not exceed 15 Directors in total, drawn from the following areas and shall include an Independent Chairperson:
- Members from Scotland's universities (including senior social work academics)
 - Members from Scotland's colleges
 - Social service employers (drawn from different sectors)
 - People who access support
 - The family and unpaid carer community
 - The health sector
 - Senior individuals representing wider public interest

The appointment, and where applicable reappointment, of Directors of the Strategic Board will be undertaken by the Strategic Board (or any committee to whom such matter has been delegated pursuant to Articles 45 and 46) in accordance with these articles and the Code of Practice. The Directors shall, in so far as possible, use their reasonable endeavours to procure that the Strategic Board shall

comprise of members from the above noted sectors and who (i) reflect the interests of bodies providing funding from time to time to the company; (ii) reflect the interests of relevant government bodies and agencies, educational establishments and other social services bodies from time to time; (iii) reflect and / or represent the interests of end users from time to time; (iv) are representative of the company's aims and objectives from time to time; and / or (v) have relevant social services, commercial, professional or management experience to support the company in furtherance of its aims and objectives.

- a. The Strategic Board shall ensure the Code of Practice is followed. Any alteration of the Code of Practice shall only be deemed validly adopted by the Strategic Board if the alteration to the Code of Practice has been approved by a majority of at least two-thirds of the Directors.
 - b. In the event of a conflict between the terms of the Code of Practice and these articles, the terms of these articles shall apply.
 - c. The Directors may appoint from within the Strategic Board at least 5 Directors to form the Strategic Board of any future subsidiary company.
 - d. The Directors shall have the right to co-opt Directors to the Strategic Board for any period of time within specific limits determined by the Strategic Board from time to time.
 - e. The Directors may appoint non-voting members to the Strategic Board as they see fit.
 - f. The Strategic Board shall from time to time execute appropriate recruitment procedures to appoint an Independent Chairperson of the Strategic Board in accordance with these articles and the Code of Practice.
 - g. The Strategic Board shall follow the company's appointment process in recruiting and appointing Strategic Board members while taking account of the Strategic Board composition under this article 32.
33. The provisions of this article 33 shall apply to all Directors appointed, or elected as at and from the date of adoption of these articles.
- a. Each Director shall retire at the first Annual General Meeting of the Company held after the conclusion of the equivalent of three years in office as a Director whether such office has been held continuously or not. A Director so retiring may, if willing to act, offer himself or herself for re-appointment for a further period of three years at such Annual General Meeting.

If a Director who offers himself or herself for re-appointment pursuant to this article 33.a is not re-appointed at such Annual General Meeting he or she shall vacate office at conclusion of such Annual General Meeting but shall be eligible for re-appointment as a Director at a subsequent Annual General Meeting.

- b. Where a Director has been re-appointed pursuant to article 33.a, any such Director shall retire at the first Annual General Meeting of the Company held after the conclusion of the equivalent of six years in office as a Director whether such office has been held continuously or not and shall not be eligible to be Director of the Company at any time thereafter.
 - c. Notwithstanding the terms of article 33.b, a Director may serve beyond the maximum length of service if the Directors determine that exceptional reasons exist. Such Director's appointment will be considered and approved, on an annual basis, by the Strategic Board. Such exceptional extensions can only continue for a maximum of three additional years' service beyond the six year period stated in article 33.b.
 - d. For the purposes of this article 33, the period between one Annual General Meeting and the next shall be deemed to be a period of one year.
34. The Directors and the Independent Chairperson may be paid all travelling and other expenses properly and reasonably incurred by them in connection with their attendance at meetings of the Strategic Board, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

ALTERNATE DIRECTORS

35. Any Director (other than an alternate Director) may appoint any other Director to be an alternate Director and may remove from office an alternate Director so appointed. No person other than a Director may be appointed as an alternate Director.
36. An alternate Director shall be entitled to receive notice of all meetings of Strategic Board and of all meetings of committees of Directors of which their appointor is a member, to attend and vote at any such meeting at which the Director appointing them is not personally present, and generally to perform all the functions of their appointor as a Director in the appointor's absence. But it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.
37. An alternate Director shall cease to be an alternate Director if their appointor ceases to be a Director.

38. Any appointment or removal of an alternate Director shall be by notice to the company signed by the Director making or revoking the appointment or in any other manner approved by the Strategic Board.
39. Save as otherwise provided in the articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for their own acts and defaults and shall not be deemed to be the agent of the Director appointing them.

PROCEEDINGS OF THE STRATEGIC BOARD

40. The Strategic Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings in line with the Code of Practice. Questions arising at any meeting shall be decided by a majority of votes and, subject as hereinafter provided, every Director shall have one vote. In the case of an equality votes the Independent Chairperson of the Strategic Board shall have a second or casting vote. Fourteen days' notice of any proposed meeting of the Strategic Board shall be given to each Director. The quorum for the transaction of the business of the Strategic Board shall be four (excluding Independent Chairperson).

41. A meeting of the Directors may, for the purpose of these articles, include a conference between Directors some or all of whom are in different places provided that each Director who participates is able:

- (i) to hear each of the other participating Directors addressing the meeting; and
- (ii) to address each of the other participating Directors simultaneously, should they wish to do so,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when this article 41 is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of the number of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Directors is assembled or, if no such group is readily identifiable, at the place from where the Independent Chairperson of the meeting participates. Any Director may, by prior notice to the secretary, indicate that they wish to participate in the meeting in such manner, in which event, the Directors shall procure that an appropriate conference facility is arranged.

42. The Independent Chairperson of the Strategic Board shall preside at all meetings of the Strategic Board at which they are present. But if there be no Independent Chairperson or if at any meeting the Independent Chairperson is not present within fifteen minutes after

the time appointed for holding the same, the Directors present may choose one of their number to be the Chairperson of the meeting.

43. A resolution in writing signed by not less than three-fourths of the Directors entitled to receive notice of a meeting of the Strategic Board or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Strategic Board or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by their appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. The Independent Chairperson of the Strategic Board may at any time instruct the secretary to send to every Director such resolution for their approval and signature.

TERMINATION OF DIRECTOR'S APPOINTMENT

44. A person ceases to be a Director as soon as:
- a. that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
 - b. a bankruptcy order is made against that person;
 - c. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - d. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - e. 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;
 - f. that person becomes disqualified from being a charity trustee pursuant to section 69 of the 2005 Act or has been suspended or removed as a charity trustee pursuant to section 34 of the 2005 Act;
 - g. that person is found to be or have been in serious or persistent breach of any duties imposed on charity trustees pursuant to section 66 of the 2005 Act;
 - h. that person becomes an employee of the company;
 - i. that person ceases to be a member of the company;

- j. that person is absent from more than three consecutive meetings of the Strategic Board and the Directors resolve to remove that person from office;
- k. that person becomes debarred under any statutory provision from being involved in the management or control of a charity;
- l. that person is sentenced to prison for a month or more or has been convicted of a crime of dishonesty for which the rehabilitation period in terms of the Rehabilitation of Offenders Act 1974 has not expired or for which rehabilitation is excluded in terms of the said Act;
- m. that person is involved in any legal proceedings in any court or tribunal by or against the company;
- n. that person is removed from office by a resolution duly passed pursuant to Section 168 of the Companies Act.

COMMITTEES

- 45. The Strategic Board may appoint such committees as it thinks fit to advise on any matters concerning the work of the company or for such purposes connected with such work as it thinks fit; and any such committee may consist partly of Directors and partly of persons co-opted to the committee; provided that not less than three-fourths of the members of every committee not appointed only for advisory purposes shall always be Directors. A committee, may appoint a Chairperson of its meetings but so that the Chairperson of every such committee shall be a Director.
- 46. The Strategic Board may delegate any of its powers to such committees who shall in the exercise of the powers so delegated conform to any regulations that may be imposed upon them by the Strategic Board. To the extent that any power or discretion is delegated to a committee any reference in these articles to the exercise by the Strategic Board of any such power or discretion vested in it shall be read and construed as if it were a reference to the exercise of such power or discretion by any such committee. A committee may meet together for the discharge of business and adjourn and otherwise regulate their meetings as they may think fit. Questions arising at any committee meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairperson shall have a second or casting vote.
- 47. All acts done by any meeting of any committee or by any person acting as a member of a committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such person acting as aforesaid or that they or any of them were disqualified, be as valid

as if every such person had been duly appointed or had duly continued in office and was not disqualified.

**DIRECTORS' TRANSACTIONS OR OTHER ARRANGEMENTS
WITH THE COMPANY**

48. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act and provided the Director has declared the nature and extent of the Director's interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- a. may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
 - b. shall be an Eligible Director for the purposes of any proposed decision of the Strategic Board (or committee of Directors) in respect of such contract or proposed contract in which the Director is interested;
 - c. shall be entitled to vote at a meeting of the Strategic Board (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which the Director is interested;
 - d. may act in the Director's own capacity or the Director's firm in a professional capacity for the company (otherwise than as auditor) and the Director or the Director's firm shall be entitled to remuneration for professional services as if the Director were not a Director;
 - e. may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
 - f. shall not, save as the Director may otherwise agree, be accountable to the company for any benefit which the Director (or a person connected with the Director (as defined in section 252 of the Companies Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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 the Director's duty under section 176 of the Companies Act.

DIRECTORS' INTERESTS

49. a. The Directors may, in accordance with the requirements set out in this article 49, authorise any matter or situation 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 Companies Act to avoid conflicts of interest ("Conflict").
- b. Any authorisation under this article 49 will be effective only if:
- (i) to the extent permitted by the Companies 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 Strategic Board under the provisions of these articles or in such other manner as the Directors may determine;
 - (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (iii) 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.
- c. Any authorisation of a Conflict under this article 49 may (whether at the time of giving the authorisation or subsequently):
- (i) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (ii) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Strategic Board or otherwise) related to the Conflict;
 - (iii) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Strategic Board vote in relation to any resolution related to the Conflict;
 - (iv) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - (v) 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 will 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

- (vi) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Strategic Board and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- d. Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- e. The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- f. 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 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.
- g. For the purposes of this article 49, references to proposed decisions and decision-making processes include any Strategic Board meeting or part of a Strategic Board meeting.
- h. Subject to article 49.g, 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 Independent Chairperson of the Strategic Board whose ruling in relation to any Director other than the Independent Chairperson of the Strategic Board is to be final and conclusive.
- i. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Independent Chairperson of the Strategic Board, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Independent Chairperson of the Strategic Board is not to be counted as participating in

the meeting (or that part of the meeting) for voting or quorum purposes.

SECRETARY

50. The Strategic Board shall appoint a person selected by them to act as the secretary of the company with such salary as they consider reasonable. The Strategic Board may dismiss such secretary and appoint any other person in their place. The provisions of sections 161 and 280 of the Companies Act shall apply and be observed.

MINUTES

51. The secretary shall keep books, accounts, minutes and records as are necessary in connection with the business of the company and as may be directed by the company. Such minutes shall be made in books provided for that purpose and shall include:-
- a. all appointments of officers and Directors;
 - b. names of the members present at each meeting of the company, the Strategic Board and any committees; and
 - c. all resolutions and proceedings at all meetings specified in 52.b.

ACCOUNTS

52. The Directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

NOTICES

53. A notice may be given by the company to any member of the company either personally or by sending it by post in a letter addressed to the member at their registered address or by electronic communication. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at expiration of 24 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of the post. A certificate of posting under the hand of an officer of the company shall be conclusive proof of posting for all purposes. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice contained in an electronic communication shall be deemed to be given at the expiration of 48 hours after the time it was sent.

54. Any notice or requisition may be sent to the company or to the secretary by leaving it at the registered office of the company or sending it or through the post in a prepaid letter addressed to the company or to the secretary at the registered office of the company.

INDEMNITY

55. a. Every Director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232 to 234 and 532 and 533 of the Companies Act) out of the assets of the company against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office including, without prejudice to that generality (but only to the extent permitted by those sections of the Companies Act), any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the company.
- b. For the avoidance of doubt, the company shall be entitled to purchase and maintain for any Director insurance against any loss or liability which that Director may sustain or incur in connection with the execution of the duties of their office, and such insurance may extend to liabilities of the nature referred to in section 232(1) and (2) of the Companies Act (negligence etc. of a Director).