

Company number: 12591280  
Private Company Limited by Guarantee  
Registered in England

**KIMOLOS LIMITED**  
("the Company")

Pursuant to the Company's Articles of Association, Chapter 2 of Part 13 of the Companies Act 2006 and (as relevant) with the consent of The Quality Company Limited (company number 06319351) and in accordance with the Company, Limited Liability Partnership and Business (Names and Trading Disclosures) Regulations 2015, the Company proposes that the following resolutions be passed as (1) written special resolutions and (2) as a written ordinary resolution:

**(1) MEMBER'S WRITTEN SPECIAL RESOLUTIONS**

- That the name of the Company be changed to The Quality Company Limited: *Done*
- That the draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

**(2) MEMBER'S WRITTEN ORDINARY RESOLUTION**

- That the transfer of assets and liabilities to the Company from The Quality Company Limited (company number 06319351) is authorised.

**Agreement**

Please read the notes below before signifying your agreement to the Special Resolutions.

The undersigned, a Company Member entitled to vote on the Special Resolutions issued on 3<sup>rd</sup> June 2020 hereby irrevocably agrees to the Special Resolutions.

Signed by: .....

Name: .....

*SIMON CONWAY*  
Company Secretary/Director for and on behalf of Thera Trust as the sole member of the Company

Date: .....

*3.6.20*

THURSDAY



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11/06/2020

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COMPANIES HOUSE

#### NOTES

1. If you agree with the Special Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- (1) By Hand: delivering the signed copy to Tanya Thompson, The West House, Alpha Court, Swingbridge Road, Grantham, Lincs, NG31 7XT.
- (2) Post: returning the signed copy by post to Tanya Thompson, The West House, Alpha Court, Swingbridge Road, Grantham, Lincs, NG31 7XT
- (3) E-mail: by attaching a scanned copy of the signed and dated document to an e-mail and sending it to [tanya.thompson@thera.co.uk](mailto:tanya.thompson@thera.co.uk). Please enter "Proposed Written Special Resolution dated 3<sup>rd</sup> June 2020" in the e-mail subject box.

If you do not agree to the Special Resolution you do not need to do anything: you will not be deemed to agree if you fail to reply

2. Once you have indicated your agreement to the Special Resolution you may not revoke your agreement.

3. Unless, by 1<sup>st</sup> July 2020, sufficient agreement has been received for the Special Resolution to be passed it will lapse. If you agree to the Special Resolution please ensure that your agreement reaches us by this date.

4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Registered Number: 12591280

**Articles of Association**

of

**THE QUALITY COMPANY LIMITED**

amended by written special resolution on 2020

COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

THE COMPANIES ACT 2006

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

7111433-1

# **ARTICLES OF ASSOCIATION THE QUALITY COMPANY LIMITED**

## **PART A. INTRODUCTION**

### **1. INTERPRETATION**

#### **1.1. In these Articles:**

"AGM"	means a General Meeting of the Company designated as an annual general meeting
"the Articles"	means these Articles of Association of the Company
"Beneficiary"	means a person to whom the Company may grant benefits in furtherance of the Objects
"the Board"	means the board of Directors of the Company and (where appropriate) includes a Committee and the Directors acting by written resolution
"Board Meeting"	means a meeting of the Board
"Business Day"	means any day other than a Saturday, Sunday or a bank holiday
"Chairman"	means (subject to the context) either the Executive Chair or where the Executive Chair is not present or has not taken the chair at a meeting or where the position of Executive Chair is vacant, the person who is chairing a Board Meeting or a General Meeting at the time
"Clear Days"	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
"Committee"	means a Committee of the Board exercising powers delegated to it by the Board
"Companies House"	means the office of the Registrar of Companies
"the Company"	means the company intended to be regulated by the Articles

"Company Member"	means a member for the time being of the Company
"Disclosure and Barring Service"	means the non-departmental public body of the Home Office established under the Protection of Freedoms Act 2012 to, amongst other things, carry out checks on criminal records of individuals and to include any successor body established for similar purposes
"Director"	means any director of the Company
"EGM"	means a General Meeting of the Company that is not an AGM
"Executive Chair"	means the person appointed as a Director by Thera Trust under Article 22.1.1, who has a lived experience of learning disability and is employed by the Company to deliver the services of the Executive Chair
"General Meeting"	means a meeting of the Company Members
"Group"	means Thera Trust and the Thera Subsidiary Companies
"including"	means "including without limitation" and "include" and "includes" are to be construed accordingly
"Lead Director"	means the person, who is not a Director, employed by the Company to manage the operations of the Company
"the Memorandum"	means the Memorandum of Association of the Company
"Non-Executive Director"	means a person who is a Director of the Company but who does not receive any form of remuneration from the Company for the provision of his services as a Director
"the Objects"	means the objects of the Company set out in Article 3
"Observers"	means those persons (other than Directors) present under Article 32 at a Board Meeting
"Registered Office"	means the registered office of the Company
"Secretary"	means the secretary of the Company including a joint, assistant or deputy secretary

"Thera Executive Director"	means a person who is both an employee and a director of Thera Trust
"Thera Subsidiary Company"	means an organisation which is a subsidiary of Thera Trust by reason of Section 1159 of the Companies Act 2006
"Thera Trust"	means the charitable company with charity registration number 1090163 the registered office of which is situated at 134 Edmund Street, Birmingham B3 2ES
"Thera Trust Non-Executive Director"	means a person who is a director of Thera Trust but who does not receive any form of remuneration from Thera Trust for the provision of his services as a director of Thera Trust
"United Kingdom"	means Great Britain and Northern Ireland
"Working Party"	means a body established by the Board to make recommendations to the Board but without decision-making powers

## 1.2. In the Articles:

- 1.2.1 terms defined in the Companies Act 2006 are to have the same meaning;
- 1.2.2 references to the singular include the plural and vice versa and to the masculine include the feminine and neuter and vice versa;
- 1.2.3 references to "organisations" or "persons" include corporate bodies, public bodies, unincorporated associations and partnerships;
- 1.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and references to legislation (where appropriate) include all regulations, determinations and directions made or given under it;
- 1.2.5 references to Articles are to those within these Articles; and
- 1.2.6 the index and headings are not to affect their interpretation; and

## 1.3 None of the model articles in the Companies (Model Articles) Regulations 2008 apply to the Company.

## **PART B. COMPANY MEMBERSHIP**

### **2 NAME**

The name of the Company is The Quality Company Limited.

### **3 OBJECTS**

The object for which the Company is established is to provide quality assurance services to individuals and organisations working directly or indirectly for the relief of persons with a learning disability, their families and carers.

### **4 POWERS**

The Company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the Articles in order to further the Objects (but not otherwise) and in particular it has powers:

#### **Staff and Volunteers**

- 4.1 to employ and remunerate the Directors and staff of the Company or engage consultants and advisers on such terms as the Board thinks fit and to provide pensions to Directors, staff, their relatives and dependants;
- 4.2 to recruit or assist in recruiting and managing voluntary workers, including paying their reasonable expenses;

#### **Property**

- 4.3 to purchase, lease, exchange, hire or otherwise acquire any real or personal property rights or privileges (including shared or contingent interests);
- 4.4 to construct, alter, improve, convert, maintain, equip, furnish and/or demolish any buildings, structures or property;
- 4.5 to sell, lease, licence, exchange, dispose of or otherwise deal with property;
- 4.6 to provide accommodation for any other organisation on such terms as the Board decides (including rent free or at nominal or non-commercial rents);

#### **Borrowing**

- 4.7 to borrow and give security for loans;

#### **Grants and Loans**

- 4.8 to make grants, donations or loans, to give guarantees and to give security for those guarantees;

**Fund Raising**

- 4.9 to raise funds, to invite and receive contributions;

**Trading**

- 4.10 to trade in the course of carrying out the Objects and to charge for services;

**Publicity**

- 4.11 to hold, conduct or promote meetings, conferences, lectures, exhibitions or training courses and to disseminate information to publicise the work of the Company and other organisations operating in similar fields;
- 4.12 to promote or carry out research and publish the results of it;

**Contracts**

- 4.13 to co-operate with and enter into contracts with any person;

**Bank or building society accounts**

- 4.14 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank or building society accounts in the name of the Company;

**Investments**

- 4.15 to invest the money of the Company in any investments, shares, securities or property (real or personal) of any nature (including investments involving liability and those not producing income) and in any location that the Board decides;
- 4.16 to make such arrangements as the Board think fit for any investments of the Company or income from those investments to be held by a corporate body which is incorporated in England and Wales (or which has established a branch or a place of business in England or Wales) as the Company's nominee and to pay reasonable and proper remuneration to that corporate body;

**Insurance**

- 4.17 to insure the assets of the Company to such amount and on such terms as the Board decides, to pay premiums out of income or capital and to use any insurance proceeds as the Board decides (without necessarily having to restore the asset);
- 4.18 to insure and to indemnify its employees and voluntary workers from and against all risks incurred in the proper performance of their duties;
- 4.19 to take out insurance to protect the Company and those who use premises owned by or let or hired to the Company;

- 4.20 to take out indemnity insurance to cover the liability of the Directors and officers of the Company who are not Directors for negligence, default, breach of duty or breach of trust in relation to the Company but this insurance may not extend to:
- 4.20.1 any claim arising from any act or omission which a Director or officer knew was a breach of duty or breach of trust or which was committed by a Director or officer in reckless disregard of whether it was a breach of duty or breach of trust or not; or
- 4.20.2 the costs of an unsuccessful defence to a criminal prosecution brought against a Director or officer in his capacity as a Director or officer of the Company;

#### **Other Organisations**

- 4.21 to establish, promote, assist or support (financially or otherwise) any trusts, companies, industrial and provident societies, associations or institutions which have purposes which include or are related to any one or more of the Objects;
- 4.22 to co-operate or join with any charity, voluntary body or public or statutory authority or any other organisation in any location whatsoever in furthering the Objects or allied purposes, to exchange information and advice and to undertake joint activities with them;
- 4.23 to amalgamate with any organisation that has objects similar to the Objects;
- 4.24 to affiliate, register, subscribe to or join any organisation;
- 4.25 to act as agent or trustee for any organisation;

#### **Reserves**

- 4.26 to accumulate income in order to set aside funds for special purposes or as reserves against future expenditure;

#### **Formation expenses**

- 4.27 to pay the costs of forming the Company and of complying with all relevant registration requirements; and

#### **General**

- 4.28 to do anything else within the law which promotes or helps to promote the Objects.

### **5 APPLICATION OF FUNDS**

#### **5.1 General**

The income and property of the Company must be applied solely towards promoting the Objects and (except to the extent authorised by

either this Article 5 or Article 42):

5.1.1 no part may be paid or transferred directly or indirectly by dividend bonus or profit to a Company Member; and

5.1.2 a Director may not directly or indirectly receive any payment of money or benefit from the Company.

**5.2 Benefits to Company Members**

For the avoidance of doubt nothing in Article 5.1 is to prevent the following payments to Company Members:

**Rent**

5.2.1 payment of reasonable and proper rent for premises let to the Company by a Company Member;

**Interest on organisation's loans**

5.2.2 payment of reasonable and proper interest on money lent by any Company Member (or other person with the right to appoint Company Members);

**Supply of Goods or Services**

5.2.3 reasonable payments to a Company Member (or other person with the right to appoint Company Members) in return for goods and/or services supplied to the Company pursuant to a contract;

**Out of Pocket Expenses**

5.2.4 the payment of reasonable and proper out of pocket expenses to those Company Members who are engaged by the Company as volunteers in the work of the Company and which are actually incurred by them in carrying out their work as volunteers;

**Benefits to Company Members**

5.2.5 the grant of a benefit to a Company Member who is a Beneficiary in furtherance of the Objects;

**Employment of Company Members**

5.2.6 the reasonable remuneration of or grant of a benefit to a Company Member who is not a Director in respect of his employment by the Company;

**Gift-Aid Payment to Thera Trust**

5.2.7 the payment of profits by way of gift-aid to Thera Trust.

**5.3 Benefits to Directors**

The Company may make the following payments or grant the following benefits to Directors:

**Out of pocket expenses**

- 5.3.1 the reimbursement of reasonable and proper out-of-pocket expenses (including travel and dependants' care costs) actually incurred in enabling them to carry out their duties as Directors;
- 5.3.2 the payment of reasonable and proper out of pocket expenses to those Directors who are engaged by the Company as volunteers in the work of the Company and which are actually incurred by them in carrying out their work as volunteers;

**Remuneration of Directors**

- 5.3.3 the reasonable remuneration of or grant of a benefit to a Director in respect of his employment by the Company provided that no Director who is a Thera Trust Non-Executive Director may benefit under this clause and provided that the conflict of interest provisions in Article 25 are complied with;

**Indemnity**

- 5.3.4 an indemnity in respect of any liabilities properly incurred in running the Company within the terms of Article 35;
- 5.3.5 the benefit of indemnity insurance under Article 4.20;

**Fees to companies in which Directors have negligible interests**

- 5.3.6 a payment to a company in which a Director has no more than a 1% shareholding;

**Interest and Rent**

- 5.3.7 payment of reasonable and proper interest on money lent by any Director to the Company;
- 5.3.8 a reasonable rent or hiring fee for property let or hired by any Director to the Company;

**Professional Fees**

- 5.3.9 the usual professional charges for business done by any Director who is a solicitor, accountant or other professional or by his firm when instructed by the Company to act in a professional capacity on its behalf provided that the conflict of interest provisions in Article 25 are complied with;

**Company Secretary**

5.3.10 the reasonable charges for business done by any Director acting in the capacity of Secretary to the Company having been appointed under Article 34;

**Benefits to Directors**

5.3.11 benefits provided in furtherance of the Objects to Directors who are Beneficiaries where those benefits are no different from *benefits which are provided to other Beneficiaries*.

**6 MEMBERS**

- 6.1 The Company Member is Thera Trust.
- 6.2 No one other than Thera Trust may be a Company Member.
- 6.3 Company membership is personal and not transferable.

**7 TERMINATION OF COMPANY MEMBERSHIP**

A Company Member will cease to be a Company Member:

- 7.1 on giving written notice of resignation to the Secretary; or
- 7.2 if it is declared insolvent or makes an arrangement or composition with its creditors.

**8 LIMIT OF LIABILITY**

The liability of the Company Members is limited.

**9 GUARANTEE**

Every Company Member promises, if the Company is wound up whilst he is a Company Member or within one year after ceasing to be a Company Member, to contribute such amount as is required up to a maximum of £1 towards the costs of winding up the Company and liabilities incurred whilst the contributor was a Company Member.

## **PART C: GENERAL MEETINGS**

### **10 ANNUAL GENERAL MEETINGS**

- 10.1 The Company must hold an AGM each year.
- 10.2 There must be no more than 15 months between one AGM and the next.
- 10.3 The AGM is to be held at such time and place as the Board decides.
- 10.4 The business of the AGM is:
  - 10.4.1 to receive the annual Directors' report;
  - 10.4.2 to consider the accounts and the auditors' report;
  - 10.4.3 to appoint the auditors (if necessary); and
  - 10.4.4 to transact any other business specified in the notice convening the meeting.

### **11 EXTRAORDINARY GENERAL MEETINGS**

- 11.1 A General Meeting other than an AGM is called an EGM.
- 11.2 Save for an EGM called pursuant to Article 11.4 an EGM is to be called by the Board.
- 11.3 If there are insufficient Directors available to form a quorum at a Board Meeting to call an EGM it may be called in the same way as a Board Meeting.
- 11.4 On receiving a requisition from the percentage of the Company Members required under the Companies Act 2006 the Board must immediately convene an EGM.

### **12 NOTICE OF GENERAL MEETINGS**

- 12.1 Every General Meeting must be called by at least 14 Clear Days' notice.
- 12.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Company Members who may attend and vote and who together hold 90% or more of the total voting rights of all of the Company Members at the General Meeting.
- 12.3 The notice must specify:
  - 12.3.1 the time, date and place of the General Meeting;

12.3.2 the general nature of the business to be transacted; and,

12.3.3 in the case of an AGM, that it is the AGM.

12.4 Subject to the Companies Act 2006 no business may be transacted at a General Meeting except that specified in the notice convening the meeting.

12.5 Notice of a General Meeting must be given to all of the Company Members, the Directors and the Company's auditors (if any).

12.6 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.

### **13 QUORUM**

13.1 No business may be transacted at a General Meeting unless a quorum is present.

13.2 The quorum for General Meetings is one Company Member present in person or by proxy.

13.3 A Company Member may be part of the quorum at a General Meeting if he can hear, comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

13.4 If a quorum is not present within 15 minutes from the time of the General Meeting or a quorum ceases to be present during a General Meeting it must be adjourned to such time and place as the Board decides.

13.5 Reasonable notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Company Members.

13.6 Any Director may attend a General Meeting and may speak but unless he is a Company Member may not vote.

13.7 Subject to Article 13.6 and otherwise to an ordinary resolution of the Company Members to the contrary, the Board may allow individuals who are not Company Members to attend a General Meeting on whatever terms they decide.

### **14 CHAIRMAN AT GENERAL MEETINGS**

14.1 The Company Members present at a General Meeting must choose one of their number (which includes a representative of a Company Member under Article 16.3) or one of the Directors present to chair the General Meeting.

## **15 ADJOURNMENT OF GENERAL MEETINGS**

- 15.1 The Chairman may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.
- 15.2 The Chairman may adjourn a General Meeting if it appears to the Chairman that an adjournment is necessary for the business of the meeting to be properly conducted.
- 15.3 The only business which may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting which was adjourned.
- 15.4 It is not necessary to give notice of a General Meeting which is adjourned under Article 15.1 or 15.2 unless it is adjourned for 30 days or more in which case 7 Clear Days' notice must be given.
- 15.5 Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

## **16 VOTING AT GENERAL MEETINGS**

- 16.1 Resolutions are to be decided on a show of hands unless a ballot is properly demanded.
- 16.2 Each Company Member present in person or by proxy has one vote on a show of hands.
- 16.3 A Company Member which is an organisation may, by resolution of its governing body (or a committee or officer of that organisation acting under powers delegated by its governing body) authorise such persons as it thinks fit to act as its representative at General Meetings of the Company.
- 16.4 A person authorised under Article 16.3 may exercise the same powers on behalf of the organisation as the organisation could exercise if it were an individual Company Member.
- 16.5 If there is an equality of votes on a show of hands the Chairman is not entitled to a second or casting vote and resolutions which fail to secure a majority in favour are to be lost.
- 16.6 An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chairman whose decision is final.
- 16.7 A declaration by the Chairman that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a

ballot is demanded.

## **17 BALLOTS**

- 17.1 A ballot may be demanded by the Chairman, Thera Trust or one twentieth of the Company Members for the time being before or on the declaration of the result of a show of hands.
- 17.2 A demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.
- 17.3 The demand for a ballot will not prevent the General Meeting continuing to transact business other than in relation to the question on which the ballot is demanded.
- 17.4 A ballot is to be taken as the Chairman directs. The Chairman may appoint scrutineers (who need not be Company Members) and set a time and place to declare the result. The result will be the resolution of the General Meeting at which the ballot was demanded but will be treated as passed when the result is declared.
- 17.5 A ballot on the election of a Chairman or an adjournment must be taken immediately. A ballot on any other question may be taken either immediately or at such time and place as the Chairman directs.
- 17.6 At least 7 Clear Days' notice must be given of the time and place at which the ballot is to be taken unless the time and place are announced at the General Meeting at which it is demanded.

## **18 PROXIES**

- 18.1 A Company Member may appoint a proxy in writing. A proxy need not be a Company Member. The Board may from time to time prescribe a form to appoint a proxy by standing orders made under Article 41. A proxy may not appoint another proxy.
- 18.2 The document appointing a proxy may instruct the proxy which way to vote on particular resolutions.
- 18.3 A proxy will only be valid if the document appointing a proxy (and any power of attorney or other authority (if any) under which it is signed) or a properly certified copy is deposited at the Registered Office at least 24 hours before the starting time for the General Meeting or adjourned General Meeting at which the proxy proposes to vote.
- 18.4 No document appointing a proxy will be valid for more than 12 months.
- 18.5 A vote given or ballot demanded by proxy is to be valid despite:
  - 18.5.1 the revocation of the proxy; or

18.5.2 the death or insanity of the principal

unless written notice of the death, insanity or revocation is received at the Registered Office before the start of the General Meeting or adjourned General Meeting at which the proxy is used.

- 18.6 A proxy form will not be valid for any part of a General Meeting at which the Company Member who appointed the proxy is present.

## **19 COMPANY MEMBERS' WRITTEN RESOLUTIONS**

- 19.1 A written resolution approved by the required majority of eligible Company Members (provided those Company Members would constitute a quorum at a General Meeting) is as valid as if it had been passed at a General Meeting, provided that on a written resolution there will be the same weighted voting rights (if any) as on a ballot at a General Meeting.
- 19.2 A resolution under Article 19.1 may consist of several documents in similar form each approved by one or more Company Members.

## **PART D. DIRECTORS**

### **20 APPOINTMENT OF DIRECTORS**

The number of Directors must be not less than two and no more than five.

### **21 COMPOSITION OF THE BOARD**

21.1 Subject to Article 20, Article 21.2 and Article 21.3, the Directors are to be appointed by Thera Trust in accordance with Article 22, so that the Board shall at all possible times consist of:

21.1.1 the Executive Chair;

21.1.2 one Non-Executive Director with a lived experience of learning disability; and

21.1.3 three Non-Executive Directors, one of whom must be a director of Thera Trust.

21.2 On or before the appointment of a person as a Director the person must either sign the prescribed Companies House form for the appointment of a director or provide the information necessary to register the person online at Companies House as a Director. The appointment of any person as a Director, who has not complied with the requirements of this Article 21.2 within one month of appointment, is to lapse unless the Board resolves that there is good cause for the delay.

21.3 A person may not be appointed as a Director:

21.3.1 if he would immediately cease to hold office under Article 24;

21.3.2 unless a disclosure in relation to him has been obtained from the Disclosure and Barring Service and the Board has confirmed that, in its opinion, the results do not prevent him from becoming a Director; or

21.3.3 unless he is aged 18 or over.

21.4 The status of a Director as Executive Chair or a Non-Executive Director must be stated in the Company's Register of Directors.

### **22 DIRECTORS APPOINTED BY THERA TRUST**

22.1 Subject to Article 21, Thera Trust is entitled to appoint:

22.1.1 one person as the Executive Chair;

22.1.2 one Non-Executive Director with a lived experience of learning disability; and

- 22.1.3 three Non-Executive Directors, at least one of whom must also be a director of Thera Trust.
- 22.2 The appointment of the Directors under Article 22.1 is to be made on the authority of the board of Thera Trust or a committee or officer duly authorised by Thera Trust and is to take effect when notified to the Secretary under Article 22.9.
- 22.3 The Non-Executive Directors are, subject to Article 22.4, Article 22.5, Article 22.6, Article 22.7 and Article 24, to serve for a term of four years from the date on which notice of their appointment is delivered to the Secretary in accordance with Article 22.9.
- 22.4 Thera Trust may either:
- 22.4.1 before the date on which a person ceases to be a Non-Executive Director, extend his term of office for a further four years; or
- 22.4.2 after the date on which a person ceases to be Non-Executive Director, reappoint him as a Non-Executive Director for a further term of four years
- provided that, subject to Article 22.5 and Article 22.6, no person may serve as a Non-Executive Director for longer than two consecutive terms of office unless Thera Trust decides that exceptional circumstances exist to justify a person serving as a Non-Executive Director for a third consecutive term of office.
- 22.5 The provisions of Article 22.4 relating to limits on the number of times a Non-Executive Director can be reappointed do not apply to any person appointed as a Non-Executive Director who is also a Thera Executive Director and for the avoidance of doubt a Thera Executive Director may serve as a Non-Executive Director for longer than two consecutive terms in office.
- 22.6 Any Director in office on the incorporation of the Company who is a Non-Executive Director and also a Thera Executive Director, will not have a set term of office and will remain in office until they have been removed under Article 22.7, cease to be a Thera Executive Director or otherwise cease to be a Director in accordance with the Articles.
- 22.7 Thera Trust may remove at any time any of the Directors, on the authority of the board of Thera Trust or a committee or officer duly authorised by Thera Trust and their removal will take effect when notified to the Secretary under Article 22.9.
- 22.8 Thera Trust may appoint a person as the Executive Chair or as a Non-Executive Director (as appropriate) to fill a vacancy which arises because the Executive Chair or Non-Executive Director (as appropriate):
- 22.8.1 has been removed under Article 22.7; or
- 22.8.2 ceases to be a Director under the Articles.

- 22.9 The appointment or the removal of the Executive Chair or a Non-Executive Director (as appropriate) under this Article 22 is to take effect when Thera Trust delivers written notice of appointment or removal addressed to the Secretary to:

- 22.9.1 the Registered Office;
- 22.9.2 a Board Meeting; or
- 22.9.3 the Secretary in person.

## **23 OBLIGATIONS OF DIRECTORS**

- 23.1 The Board must set out the obligations of every Director to the Board and to the Company in writing. The statement of Directors' obligations is not intended to be exhaustive and the Board must review and may amend it from time to time.

- 23.2 The statement of the obligations of the Directors to the Company must include:

- 23.2.1 a commitment to its values and objectives (including equal opportunities);
- 23.2.2 an obligation to contribute to and share responsibility for the Board's decisions;
- 23.2.3 an obligation to read Board papers and to attend meetings, training sessions and other relevant events;
- 23.2.4 an obligation to declare relevant interests;
- 23.2.5 an obligation (subject to any overriding legally binding requirement to the contrary) to keep confidential the affairs of the Board;
- 23.2.6 an obligation to comply with their fiduciary duties, including:
  - 23.2.6.1 to act in the best interests of the Company;
  - 23.2.6.2 to declare any interests a Director may have in matters to be discussed at Board meetings and to comply with appropriate procedures to regulate conflicts of interest in accordance with Article 25;
  - 23.2.6.3 to secure the proper and effective use of the Company's property;
  - 23.2.6.4 to act personally;
  - 23.2.6.5 to act within the scope of any authority given;
  - 23.2.6.6 to use the proper degree of skill and care when

making decisions particularly when investing funds;

23.2.6.7 to act in accordance with the Articles; and

23.2.6.8 a reference to their obligations under the general law.

23.3 A Director must sign and deliver to the Board a statement confirming he will meet his obligations to the Board and to the Company within one month of his appointment. The Board may change the statement from time to time.

23.4 A Non-Executive Director cannot be an employee of the Company.

## **24 RETIREMENT AND REMOVAL OF DIRECTORS**

24.1 A Director will cease to hold office if:

24.1.1 he dies;

24.1.2 he ceases to be a Director under the Companies Act 2006 or is prohibited by law from being a Director;

24.1.3 he is declared bankrupt or makes any arrangement or composition with his creditors;

24.1.4 he is in the opinion of the Board guilty of conduct detrimental to the interests of the Company and the Board resolves by a 66% majority of the Directors present and voting that he should be removed provided that the Director concerned has first been given an opportunity to put his case and to justify why he should not be removed as a Director;

24.1.5 he resigns by written notice to the Secretary;

24.1.6 he is absent without good reason from three consecutive Board Meetings held no more frequently than once per month and the Board resolves (by a 66% majority of the Directors present and voting) that he should cease to be a Director;

24.1.7 he fails to sign a statement of his obligations under Article 23 within one month of his appointment and the Board resolves that he be removed;

24.1.8 when called upon to do so by the Board, he is unable or unwilling to secure from the Disclosure and Barring Service a disclosure the results of which would, in the opinion of the Board, enable him to continue in office as a Director;

24.1.9 he is removed from office under Article 22.7;

24.1.10 he is a Non-Executive Director who, when appointed as a Non-Executive Director was also a director of Thera Trust and he ceases to be a director of Thera Trust;

- 24.1.11 he is the Executive Chair and he ceases to be employed by the Company or he is appointed as a director of any other company within the Group without the prior written approval of the board of Thera Trust;
- 24.1.12 he is a Non-Executive Director and is employed by the Company; or
- 24.1.13 he is a Non-Executive Director with a term of office and his term of office expires and he is not reappointed.

## **25 DIRECTORS' INTERESTS**

### **25.1 Declaration of interests**

- 25.1.1 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.
- 25.1.2 In accordance with the Companies Act 2006, the declaration may be made at a meeting of the directors or by written notice.
- 25.1.3 If a declaration of interest proves to be or becomes inaccurate or incomplete a further declaration must be made.
- 25.1.4 Any required declaration of interest must be made before the Company enters into the transaction or arrangement.
- 25.1.5 A declaration is not required in relation to an interest of which the Director is not aware or where the Director is not aware of the transaction or arrangement in question. For this purpose a Director is treated as being aware of matters of which he ought reasonably to be aware.
- 25.1.6 A Director need not declare an interest:
  - 25.1.6.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interests; or
  - 25.1.6.2 if, and to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as being aware of anything of which they ought reasonably to be aware)

### **25.2 Authorisation of direct conflicts of interests**

A Director may enter into a transaction or arrangement with the Company only if and to the extent that such an arrangement is authorised by Article 5.

**25.3 Authorisation of indirect conflicts of interest**

- 25.3.1 Where, for whatever reason, a Director has any form of indirect interest in relation to a transaction or arrangement with the Company (which shall include a conflict of duty) and the transaction or arrangement is not authorised by virtue of any other provision in the Articles then it may be authorised by those Directors not having a conflict provided that:
- 25.3.1.1 the Director with the conflict (and any other interested Director) is not counted when considering whether or not there is a valid quorum for that part of the meeting and does not vote in relation to the matter giving to the conflict; and
  - 25.3.1.2 the Directors who do not have a conflict in relation to the matter in question consider it is in the best interests of the Company to authorise the transaction.
- 25.3.2 The Directors who do not have a conflict in relation to the matter in question may, in their absolute discretion, determine that the Director with the conflict and/or any other interested Director should absent himself from the part of the meeting at which there is discussion concerning the transaction or arrangement giving rise to the conflict.

## **PART E. BOARD MEETINGS**

### **26 FUNCTIONS OF THE BOARD**

The Board will direct the Company's affairs in such a way as to promote the Objects and will operate in line with, and subject to, covenants and agreements with Thera Trust and, in particular, the Board will:

- 26.1 ensure the Company adheres to, and implements, Thera Trust's vision and strategy;
- 26.2 approve an annual business plan and budget for the Company;
- 26.3 adopt and implement policies and ensure implementation of procedures to support the operations of the Company;
- 26.4 ensure compliance with all relevant legal and regulatory requirements;
- 26.5 monitor and take decisions in relation to all matters of material risk;
- 26.6 establish and oversee a framework of delegation of its powers to Committees and employees under Article 35 with proper systems of control;
- 26.7 monitoring the Company's performance in relation to its business plan, budget, controls and decisions;
- 26.8 liaise with, and report to, Company Members;
- 26.9 support and monitor the performance of the Company's executive leadership team;
- 26.10 adhere to the highest standards of corporate governance; and
- 26.11 ensure that appropriate advice is taken on its functions and responsibilities and in particular on matters of legal and regulatory compliance and financial viability.

### **27 POWERS OF THE BOARD**

- 27.1 Subject to the Companies Act 2006 and the Articles, the business of the Company is to be managed by the Board who may exercise all of the powers of the Company.
- 27.2 An alteration to the Memorandum or the Articles does not invalidate earlier acts of the Board which would have been valid without the alteration.

## **28 BOARD MEETINGS**

- 28.1 Subject to the Articles, the Board may regulate Board Meetings as it wishes.
- 28.2 Board Meetings may be called by any Director or the Secretary.
- 28.3 The Secretary must give 7 days' notice of Board Meetings to each of the Directors but it is not necessary to give notice of a Board Meeting to a Director if he is out of the United Kingdom.
- 28.4 A Board Meeting which is called on shorter notice than required under Article 28.3 is deemed to have been duly called if at least two Directors certify in writing that because of special circumstances it ought to be called as a matter of urgency.
- 28.5 For the avoidance of doubt the Directors may unanimously agree that a Board Meeting be cancelled or postponed as the case may be.
- 28.6 Questions arising at a Board Meeting are to be decided by a majority of votes on a show of hands.
- 28.7 A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Board is unaware at the time does not invalidate decisions taken in good faith.

## **29 QUORUM FOR BOARD MEETINGS**

- 29.1 The quorum for Board Meetings is two Non-Executive Directors.
- 29.2 A Director may be part of the quorum at a Board Meeting if he can hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.
- 29.3 The Board may act despite vacancies in its number but if the number of Directors is less than two then the remaining Director may act only to request Thera Trust to appoint additional Directors.
- 29.4 At a Board Meeting which remains inquorate for 15 minutes after its starting time or one which becomes inquorate for more than 15 minutes the Directors present may act only to:
  - 29.4.1 adjourn it to such other time and place as they decide;
  - 29.4.2 request Thera Trust to appoint Directors; or
  - 29.4.3 call a General Meeting.

**30 CHAIRMAN & EXECUTIVE CHAIR**

- 30.1 The Chairman of the Company is the Executive Chair.
- 30.2 The Executive Chair is to chair all Board Meetings at which he is present unless he does not wish or is not able to do so.
- 30.3 If the Executive Chair is not present within 15 minutes after the starting time of a Board Meeting or if he is unwilling or unable to chair a Board Meeting or if the position of Executive Chair is vacant, then the Board must elect one of their number who is present to chair the Board Meeting.
- 30.4 The function of the Chairman is to conduct General Meetings and Board Meetings effectively.
- 30.5 The functions of the Executive Chair are to:
  - 30.5.1 fulfil the role of the Chairman;
  - 30.5.2 ensure effective communication between the Company Members and the Board;
  - 30.5.3 ensure that a clear structure is in place for the effective operation of the Board and its Committees;
  - 30.5.4 ensure that the Board's processes operate effectively;
  - 30.5.5 support the Lead Director to provide appropriate, accurate and timely information to the Board to enable effective decisions to be taken;
  - 30.5.6 engage the Board in monitoring its performance on a regular basis;
  - 30.5.7 ensure that an induction programme and ongoing training is in place for new and existing Directors;
  - 30.5.8 lead a culture that promotes the highest standards of governance and probity;
  - 30.5.9 plan Board meetings effectively;
  - 30.5.10 lead the Board in monitoring and reviewing the performance of each Director;
  - 30.5.11 advise and support the Lead Director in the development of strategy and its promotion to the Board;
  - 30.5.12 ensure that the Board monitors progress towards agreed strategic goals;
  - 30.5.13 develop and maintain a close working relationship with the

Lead Director;

- 30.5.14 ensure that there is clarity about the individual accountability of the Lead Director as agreed by the Board;
- 30.5.15 provide support and guidance to the Lead Director to deliver strategies agreed by the Board; and
- 30.5.16 ensure effective communication with the chairman of Thera Trust and chairmen of other Thera Subsidiary Companies.

### **31 COMMITTEES AND WORKING PARTIES**

- 31.1 The Board may:
  - 31.1.1 establish Committees consisting of those persons whom the Board decide;
  - 31.1.2 delegate to a Committee any of its powers; and
  - 31.1.3 revoke a delegation at any time.
- 31.2 The Board may establish Working Parties consisting of those persons whom the Board decide. A Working Party may not take decisions on behalf of the Board but may consider issues in depth with a view to making recommendations to the Board.
- 31.3 The members of a Committee or a Working Party are to be appointed by the Board but the Board may give a Committee or a Working Party the right to co-opt individuals to its membership. The Board is to determine the chairman of each Committee or Working Party.
- 31.4 Each member of a Committee or Working Party (including the chairman) is to hold office from the date of his appointment until the term of office for which he has been appointed expires or until he resigns or is removed by the Board from the Committee or Working Party.
- 31.5 The Board must determine the quorum for each Committee and Working Party it establishes.
- 31.6 The Board must specify the financial limits within which any Committee may function. A Working Party can have no authority to incur expenditure.
- 31.7 Every Committee or Working Party must report its proceedings and decisions to the Board as the Board determines.

### **32 OBSERVERS**

- 32.1 The Board may allow individuals who are not Directors to attend Board Meetings as Observers on whatever terms they decide.

- 32.2 Observers may not vote but may take part in discussions with the prior consent of the Chairman.
- 32.3 The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.
- 32.4 The Board must exclude an Observer from any Board Meeting at which a possible personal benefit to him is being considered.

### **33 DIRECTORS' WRITTEN RESOLUTIONS**

- 33.1 A written resolution approved by a majority of the Directors entitled to receive notice of a Board Meeting (provided they would constitute a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.
- 33.2 A written resolution approved by a majority of the members of a Committee (provided they would constitute a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.
- 33.3 A resolution under Articles 33.1 or 33.2 may consist of several documents in similar form each approved by one or more of the Directors or Committee Members.

## **PART F. OFFICERS**

### **34 THE SECRETARY**

- 34.1 A Secretary must be appointed by Thera Trust for such duration, at such remuneration (if any) and upon such conditions as Thera Trust decides.
- 34.2 A Secretary may be removed by Thera Trust at any time.
- 34.3 The duties of the Secretary include advising the Board on legal compliance.

### **35 INDEMNITIES FOR OFFICERS AND EMPLOYEES**

- 35.1 The Company may indemnify any officer or employee (other than a Director) against any liability incurred by him in his capacity as such except when that liability is due to his own dishonesty or gross negligence.
- 35.2 Subject to the Companies Act 2006 (in particular sections 232-238 or any section of any other statute amending or replacing sections 232-238) and Article 35.3, the Company may indemnify any Director against any liability incurred by him in his capacity as such.
- 35.3 The indemnity provided to a Director in accordance with Article 39.2 may not include any indemnity against liability:
  - 35.3.1 to the Company or a company associated with it;
  - 35.3.2 for fines or penalties; or
  - 35.3.3 incurred as a result of his unsuccessful defence of criminal or civil proceedings.
- 35.4 The indemnity provided to a Director in accordance with Article 35.2 may include the provision of funds to cover his legal costs as they fall due on terms that the Director in question will repay the funds if he is unsuccessful in his defence of the criminal or civil proceedings to which these costs relate.
- 35.5 In respect of its auditor the Company may:
  - 35.5.1 purchase and maintain insurance for his benefit against any liability incurred by him in his capacity as such; and
  - 35.5.2 indemnify him against any liability incurred in defending any proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 1157 of the Companies Act 2006 or any other statute amending or replacing Section 1157 in which relief is granted to him by the court.

## **PART G. STATUTORY AND MISCELLANEOUS**

### **36 MINUTES**

- 36.1 The Secretary must keep minutes of all General Meetings.
- 36.2 The Board must arrange for minutes to be kept of all Board Meetings. The names of the Directors present must be included in the minutes.
- 36.3 Copies of the draft minutes of Board Meetings must be distributed to the Directors as soon as reasonably possible after the meeting and in any case seven days before the next Board Meeting (unless the next Board Meeting is an urgent Board Meeting).
- 36.4 Minutes must be approved as a correct record at the next General Meeting (as regards minutes of General Meetings) or Board Meeting (as regards minutes of Board Meetings). Once approved they must be signed by the person chairing the meeting at which they are approved.
- 36.5 The Board must keep minutes of all of the appointments made by the Board.

### **37 ACCOUNTS ANNUAL REPORT AND ANNUAL RETURN**

- 37.1 The Company must comply with the Companies Act 2006 in preparing and filing an annual Directors' report, accounts and confirmation statement with the Registrar of Companies.
- 37.2 The Company must comply with the Companies Act 2006 in relation to the audit or examination of accounts (to the extent that the law requires).
- 37.3 The annual Directors' report and accounts must contain:
  - 37.3.1 revenue accounts and balance sheet for the last accounting period;
  - 37.3.2 the auditor's report on those accounts; and
  - 37.3.3 the Board's report on the affairs of the Company.
- 37.4 The accounting records of the Company must always be open to inspection by a Director or by an officer of the body which nominated him who has been duly authorised by that body to make such an inspection.

### **38 BANK AND BUILDING SOCIETY ACCOUNTS**

- 38.1 All bank and building society accounts must be operated by the Board

and must include the name of the Company.

- 38.2 A cheque or order for the payment of money must be signed in accordance with the Board's instructions.

### **39 EXECUTION OF DOCUMENTS**

Unless the Board decides otherwise, documents which are executed as deeds must be signed by:

- 39.1 two Directors; or  
39.2 one Director and the Secretary.

### **40 NOTICES**

- 40.1 Notices under the Articles must be in writing except notices calling Board Meetings.
- 40.2 A Company Member present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.
- 40.3 The Company may give a notice to a Company Member, Director, Secretary or auditor either:
- 40.3.1 personally;
- 40.3.2 by sending it by post in a prepaid envelope;
- 40.3.3 by facsimile transmission; or
- 40.3.4 by leaving it at his address; or
- 40.3.5 by e-mail.
- 40.4 Notices under Article 40.3.2 to 40.3.4 may be sent:
- 40.4.1 to an address in the United Kingdom which that person has given the Company;
- 40.4.2 to the last known home or business address of the person to be served; or
- 40.4.3 to that person's address in the Company's Register of Members.
- 40.5 Notices under Article 40.3.5 must be sent to the last e-mail address notified to the Company by the person to be served.
- 40.6 Proof that an envelope containing a notice was properly addressed prepaid and posted is conclusive evidence that the notice was given 48

hours after it was posted.

- 40.7 Proof that a facsimile transmission was made is conclusive evidence that the notice was given at the time stated on the transmission report.
- 40.8 A copy of the notification from the system used by the Company to send emails that the email has been sent to the particular person will be conclusive evidence that the notice was sent and such notice will be deemed to have been delivered 24 hours after it was sent.
- 40.9 A notice may be served on the Company by delivering it or sending it to the Registered Office or by handing it to the Secretary.
- 40.10 The Board may make standing orders to define other acceptable methods of delivering notices.

#### **41 STANDING ORDERS**

- 41.1 Subject to Article 41.4:
  - 41.1.1 the Board may from time to time make standing orders for the proper conduct and management of the Company; and
  - 41.1.2 the Company in General Meeting may alter, add to or repeal the standing orders.
- 41.2 The Board must adopt such means as it thinks sufficient to bring the standing orders to the notice of Company Members.
- 41.3 Standing orders are binding on all Company Members and Directors.
- 41.4 No standing order may be inconsistent with or may affect or repeal anything in the Articles.

#### **42 WINDING UP**

- 42.1 If the Company is wound up any property remaining after all its debts and liabilities have been satisfied must be transferred to Thera Trust.
- 42.2 Subject to Article 42.1 any property remaining must be used for other purposes similar to the Objects.