

**COPY**

Company number:

The Companies Acts 1985 to 1989

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

**MEMORANDUM AND ARTICLES OF  
ASSOCIATION**

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**HARTLEPOOL ARTS STUDIO LIMITED**

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Incorporated on the                      day of                      2003

**Tilly Bailey & Irvine**

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**THE COMPANIES ACTS 1985 to 1989**  
**COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING A SHARE CAPITAL**  
**MEMORANDUM OF ASSOCIATION OF**  
**HARTLEPOOL ARTS STUDIO LIMITED.**

1. The Company's name is "HARTLEPOOL ARTS STUDIO LIMITED".
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:-
  - (a) To advance the education of the public in particular persons suffering from the effects of mental illness and mental health problems living in Hartlepool through use and promotion of art and artistic and creative activities.
  - (b) To provide studio accommodation for the artists to offer support for the persons suffering from the effects of mental illness and mental health problems through the use of art and artistic and creative activities.
  - (c) To foster creativity and creative activity including drawing, painting, sculpture, print and other art forms and to enrich and belong to the artistic life of Hartlepool.

In furtherance of the above objects but not further or otherwise the Company shall have the following powers:-

- (a) To be non-political, non political and non-sectarian in religion and to work within an equal opportunity policy.
- (b) To affiliate to other organisations with similar aims and objects.
- (c) To bring together in conference representatives of voluntary bodies and organisations, Government Departments, Statutory Authorities and individuals.
- (d) To arrange and provide for or join in arranging and providing for the holding of exhibitions, meetings, conferences, lectures, classes, seminars and training courses and leisure time activities.

- (e) To collect and disseminate information on all matters affecting the said objects and exchange such information with other bodies having similar objects whether in this country or overseas.
- (f) To procure to be written and print, publish, issue and circulate either gratuitously or otherwise such papers, books, reports, periodicals, pamphlets or other documents or films or recorded audio tapes, video tapes; compact discs and other recordings as shall further the said objects.
- (g) Subject to such consents as may be required by law, to borrow and raise money for the furtherance of the objects of the Company in such manner and on such security as the Company may think fit.
- (h) To raise funds and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation or otherwise provided that this shall be without prejudice to the ability of the Company to disclaim any gift, legacy or bequest in whole or in part in such circumstances as the Company may think fit Provided that in raising funds the Charity shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations.
- (i) To lend money and give credit to, to take security for such loans or credit from, and to guarantee and become or give security for the performance of contracts and obligations by, any charitable organisation.
- (j) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, and other negotiable, transferable, or mercantile instruments.
- (k) To subscribe for either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other securities or obligations of any other company.
- (l) To invest the moneys of the Company not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.
- (m) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter any buildings or erections which the Company may think necessary for the promotion of its objects.

- (n) Subject to such consents as may be required by law, to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Company with a view to the furtherance of its objects.
- (o) Subject to clause 4 below to employ such staff, who shall not be directors of the Charity (here after referred to as "the Trustees") as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependents.
- (p) To provide indemnity insurance to cover the liability of the Directors (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of Trust or breach of duty of which they may be guilty in relation to the Company; provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors (or any of them) knew to be a breach of Trust or breach of duty or which was committed by the Directors (or any of them) in reckless disregard of whether it was a breach of Trust or breach of duty or not.
- (q) To subscribe to, become a member of, or amalgamate or co-operate with any other charitable organisation, institution, society or body not formed or established for purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Company and which by its constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof and to purchase or otherwise acquire and undertake all such part of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Company of any such charitable organisation, institution, society or body.
- (r) To do all or any of the things hereinbefore authorised either alone or in conjunction with any other charitable organisation, institution, society or body with which this Company is authorised to amalgamate.
- (s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company.
- (t) To do all such other lawful things as are necessary for the attainment of the above objects or any of them.

Provided that: -

- (a) In case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
  - (b) The objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
  - (c) In case the Company shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Company shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the Committee or Governing Body of the Company shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts receipts neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Committee or Governing Body have been if no incorporation had been effected, and the incorporation of the Company shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over such Committee or Governing Body but they shall as regards any such property be subject jointly and separately to such control or authority as if the Company were not incorporated.
4. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company, and no member of its Committee or Governing Body shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company.

Provided that nothing herein shall prevent any payment in good faith by the Company;

- (a) of reasonable and proper remuneration to any member, officer or servant of the Company (not being a member of its Committee or Governing Body) for any services rendered to the Company;
- (b) of interest on money lent by any member of the Company or of its Committee or Governing Body at a reasonable and proper rate per annum not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the Committee or Governing Body;
- (c) of reasonable and proper rent for premises demised or let by any member of the Company or of its Committee or Governing Body;

- (d) of fees, remuneration or other benefit in money or money's worth to any company of which a member of the Committee or Governing Body may also be a member holding not more than 1/100th part of the capital of that company; and
  - (e) to any member of its Committee or Governing Body of reasonable out pocket expenses.
  - (f) the payment of any premium in respect of any indemnity insurance to cover the liability of the Directors (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence default, breach of Trust or breach of duty of which they may be guilty in relation to the Company; provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors (any of them) knew to be a breach of Trust or breach of duty or which was committed by the Directors (any of them) in reckless disregard of whether it was a breach of trust or breach of duty or not.
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 he is a member, or within one year after he ceases to be a member, for payment of the Company's debts and liabilities contracted before he ceases 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.
7. If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some other charitable object.

WE, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum.

**THE COMPANIES ACTS 1985 to 1989**  
**COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING A SHARE CAPITAL**  
**ARTICLES OF ASSOCIATION OF**  
**HARTLEPOOL ARTS STUDIO LIMITED**

**INTERPRETATION**

1 In these Articles:

“the Act” means the Companies Act, 1985, but so that any reference to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

“the Committee” means the Committee of the Company.

“the Seal” means the common seal of the Company.

“Secretary” means any person appointed to perform the duties of the secretary of the Company.

“the Studio” means any premises used by the Company as a studio for art and artistic activities.

“the United Kingdom” means Great Britain and Northern Ireland.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification or re-enactment thereof for the time being in force.

**OBJECTS**

2. The Company is established for the objects expressed in the Memorandum of Association.

## MEMBERS

3. The subscribers to the Memorandum of Association and such other persons eighteen years of age or over as the Committee shall admit to membership shall be members of the Company. Every member of the Company shall either sign a written consent to become a member or sign the register of members on becoming a member.
4. Unless the members of the Committee or the Company in General Meeting shall make other provision pursuant to the powers contained in Article 62, the members of the Committee may in their absolute discretion permit any member of the Company to retire, provided (regardless of any other provision pursuant to Article 62) that after such retirement the number of members is not less than three.

## GENERAL MEETINGS

5. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Committee shall appoint. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
6. The Committee may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act. In addition the Chairman of the Committee may at any time convene an Extraordinary General Meeting and the Secretary shall, within 21 days of receiving a written request to convene an Extraordinary General Meeting, signed by at least 3 Members of the Company, convene an Extraordinary General Meeting. If at any time there are not within the United Kingdom sufficient members of the Committee capable of acting to form a quorum, any member of the Committee or any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Committee.

## NOTICE OF GENERAL MEETINGS

7. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the 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 on 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 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 such persons as are, under the Articles of the Company, entitled to receive such notices from the Company:

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-

- (a) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing (subject to the provisions of any elective resolution of the Company for the time being in force) not less than ninety-five per cent of the total voting rights at that meeting of all the members.
8. 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 shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

9. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business, save as herein otherwise provided, three of the Members or one-third of the membership, whichever shall be the greater shall be a quorum. 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 members, 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 Committee may determine.
10. The chairman, if any, of the Committee shall preside as chairman at every General Meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the members of the Committee present shall elect one of their number to be chairman of the meeting.
11. If at any meeting no member of the Committee is willing to act as chairman or if no member of the Committee is present within fifteen minutes after the time

appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

12. The chairman may, with the consent of any 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 thirty 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.
13. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
  - (a) by the chairman; or
  - (b) by at least two members present in person or by proxy; or
  - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution

The demand for a poll may be withdrawn.

14. Except as provided in Article 15, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
15. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

#### VOTES OF MEMBERS

16. Every member shall have one vote.

17. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver, or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy
18. No member shall be entitled to vote at any General Meeting unless all moneys presently payable by him to the Company have been paid.
19. (a) Any member of the Company entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of him and any proxy so appointed shall have the same right as the member to speak at the Meeting.  
(b) On a poll votes may be given either personally or by proxy.
20. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
21. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
22. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

“ Limited.

I/We of in the County of being a member/members of the above named Company, hereby appoint of or failing him of as my/our proxy to vote for me/us on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the day of [ ], and at any adjournment thereof.

Signed this [ ] day of [ ]

23. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

“ Limited

I/We of in the County of being a member/members of the above named Company, hereby appoint of or failing him of as my/our proxy to vote for me/us on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the day of [ ] and at any adjournment thereof.

Signed this day of

This form is to be used \*in favour of the resolution  
Against

Unless otherwise instructed, the proxy will vote as he thinks fit.

\*Strike out whichever is not desired

24. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
25. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

26. Any corporation which is a member of the Company may by resolution of its Committee or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

#### **EXPENSES OF COMMITTEE OF MANAGEMENT**

27. The members of the Committee shall be paid all reasonable out of pocket expenses properly incurred by them in attending and returning from meetings of the Committee or any committee of the Committee or General Meetings of the Company or in connection with the business of the Company.

## BORROWING POWERS

28. The Committee may in furtherance of the objects of the Company but not otherwise exercise all the powers of the Company to borrow money, and, subject always to Sections 38 and 39 of the Charities Act 1993, to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any Charitable Organisations if such activity is directly in furtherance of the objects of the Company subject to such consents as may be required by law.

## POWERS AND DUTIES OF THE COMMITTEE

29. (a) The business of the Company shall be managed by the Committee, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Act or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Committee which would have been valid if that regulation had not been made.
- (b) In the exercise of the aforesaid powers and in the management of the business of the Company, the members of the Committee shall always be mindful that they are charity trustees within the definition of Section 97 of the Charities Act 1993 as the persons having the general control and management of the administration of a charity.
30. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by at least one member of the Committee duly authorised as signatory for such items by resolution of the Committee and by one other person duly authorised as signatory for such items by such resolution as aforesaid.
31. The Committee shall cause minutes to be made in books provided for the purpose:
- (a) of all appointments of officers made by the Committee;
  - (b) of the names of the members of the Committee present at each meeting of the Committee and of any committee of the Committee;
  - (c) of all resolutions and proceedings at all meetings of the Company, and of the Committee and of committees of the Committee.

## COMMITTEE OF MANAGEMENT

32. (a) The maximum number of the members of the Committee shall be ten and the minimum number of members of the Committee shall be three.
- (b) For the purposes of this Article "user member" means any person who is registered as a user of the studio (whether or not he is a member of the Company).
- (c) The user members may, by a resolution passed by a majority vote at a meeting of the user members, at any time prior to the first Annual General Meeting of the Company, appoint one user member to be a member of the Committee. The person so appointed shall retire from the Committee at the user members' meeting held immediately prior to the first Annual General Meeting of the Company but may, if willing to do so, offer himself for re-appointment to the Committee at that meeting.
- (d) At the user members meeting held immediately before each successive Annual General Meeting of the Company the member of the Committee appointed by the user members shall retire from office. At that meeting the retiring user member, if willing to act and duly re-appointed by a majority vote, or some other user member who is willing to act and is appointed by such majority vote, shall be re-appointed or appointed (as the case may be) to the Committee. In circumstances where more than one user member stands for re-appointment or appointment there shall be a written ballot at the said meeting and the user member receiving the greatest number of votes shall be re-appointed or appointed (as the case may be).
- (e) Every user member proposed for appointment or re-appointment pursuant to paragraph (c) or (d) above must be proposed and seconded in writing by two other user members.
- (f) If the member of the Committee appointed by the user members for any reason vacates office the user members may appoint any user member willing to act to fill the vacancy. Such appointment shall be majority vote at a user members' meeting. Any person so appointed shall be subject to retirement in accordance with paragraph (d) above.
- (g) Not more than one member of the Committee appointed by the user members shall hold office at any time.
33. The Committee may, by resolution at a meeting of the Committee, appoint any person as a member of the Committee in addition to the person appointed pursuant to Article 32 above PROVIDED ALWAYS that not more than 9 members of the Committee appointed pursuant to this Article and Article 34

below shall hold office at any time. The Committee may appoint any person to fill a vacancy amongst the members of the Committee appointed pursuant to this Article.

34. Any member of the Committee appointed pursuant to Article 33 above shall hold office only until the next Annual General Meeting following his appointment. At such meeting he shall retire but may, if willing to act, offer himself for re-appointment by resolution of the Members of the Company at such meeting. If a member of the Committee retiring pursuant to this Article:

(i) Does not offer himself for re-appointment

or

(ii) Does offer himself for re-appointment but the resolution to re-appoint him is defeated at the meeting

the Committee may fill the vacancy pursuant to its powers set out in Article 33 above.

#### **DISQUALIFICATION OF MEMBERS OF THE COMMITTEE**

35. The office of member of the Committee shall be vacated if the member:-

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited from being a member of the Committee by reason of Section 72 of the Charities Act 1993 or any order made under any provision of the Act or any other statute or otherwise becomes prohibited by law from being a member of the Committee; or
- (c) becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs; or
- (d) resigns his office by notice in writing to the Company; or
- (e) is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest in manner required by Section 317 of the Act; or
- (f) being a member of the Committee appointed pursuant to Article 32 above, he ceases to be a user member as defined in that Article.

36. A member of the Committee shall not vote in respect of any contract in which he is interested or any matter arising there out, and if he does so vote his vote shall not be counted.

#### **REMOVAL OF MEMBERS OF THE COMMITTEE**

37. The Company may by ordinary resolution, of which special notice has been given in accordance with Section 379 of the Act, remove any member of the Committee before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such member of the Committee.
38. The Company may by ordinary resolution appoint another person in place of a member of the Committee removed from office under the immediately preceding Article.

#### **PROCEEDINGS OF THE COMMITTEE**

39. The Committee may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit provided that they shall hold at least six Committee meetings in every calendar year. Questions arising at any meeting shall be decided by a majority of votes. A member of the Committee may, and the Secretary on the requisition of a member of the Committee shall, at any time summon a meeting of the Committee. It shall not be necessary to give notice of a meeting of the Committee to any member of the Committee for the time being absent from the United Kingdom.
40. The quorum necessary for the transaction of the business of the Committee shall be one-third of the number of members of the Committee for the time being or three members of the Committee whichever shall be the greater number.
41. The continuing members of the Committee may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of members of the Committee, the continuing members or member of the Committee may act for the purpose of increasing the number of members of the Committee to that number, or of summoning a General Meeting of the Company, but for no other purpose.
42. The Committee may delegate any of their powers to sub-committees consisting of such majority of members of their body as they think fit; any sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Committee and shall fully and promptly report all acts and proceedings to the Committee as soon as is reasonably practicable.



43. A sub-committee may elect a chairman of its meetings, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
44. A sub committee may meet and adjourn as it thinks proper Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting Vote.
45. All acts done by any meeting of the Committee or of a sub committee of the Committee, or by any person acting as a member of the Committee, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member of the Committee or 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 and was qualified to be a member of the Committee.
46. A resolution in writing, signed by all the members of the Committee for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
47. The Committee may invite such persons as it thinks fit to attend General Meetings of the Company, meetings of the Committee or meetings of any sub-committee of the Committee provided always that persons so invited shall not be entitled to vote at any such meeting and may only speak if invited to do so by the person chairing the meeting.
48. The Chairman of the Committee shall preside as chairman at all meetings of the Committee but if he is unwilling to act or is not present within five minutes after the time appointed for holding the meeting the members of the Committee present may choose one of their number to be chairman of that meeting.

#### HONORARY OFFICERS

49. (a) The members of the Company shall, by resolution at the Annual General Meeting, elect members of the Committee as honorary officers, The honorary officers shall be the Chairman of the Committee and the Secretary and such other honorary officers as the Company may, by resolution in General Meeting, from time to time determine; provided that the first Secretary shall be appointed pursuant to Section 13(5) of the Act, The honorary officers shall not be counted in calculating the maximum number of members of the Committee pursuant to paragraph (a) of Article 32 above.

- (b) The Secretary shall be Secretary of the Company for the purposes of the Act.
  - (c) A provision of the Act or these Articles requiring or authorising a thing to be done by or to a member of the Committee and the Secretary shall not be satisfied by its being done by or to the same person acting both as member of the Committee and as, or in place of, the Secretary.
50. The Committee may fill any vacancy arising amongst the honorary officers from amongst the members of the Committee Any person so appointed shall retire as an honorary officer (but not as a member of the Committee unless retiring pursuant to Article 34 above) at the next Annual General Meeting. If eligible he may offer himself for re-appointment as an honorary officer at that meeting.

#### **EMPLOYEES**

51. The Committee shall have power, in its complete discretion, to appoint and dismiss staff of the Company PROVIDED ALWAYS that no member of the Committee may be appointed to fee paying posts within the Company nor shall any staff be appointed to the Committee.

#### **THE SEAL**

52. If the Company has a seal the Committee shall provide for its safe custody and it shall only be used by the authority of the Committee or of a committee of the Committee authorised by the Committee in that behalf, and every instrument to which the seal shall be affixed shall be signed by a member of the Committee and shall be countersigned by the secretary or by a second member of the Committee or by some other person appointed by the Committee for the purpose.

#### **ACCOUNTS**

53. The Committee shall cause accounting records to be kept in accordance with the provisions of the Act.
54. The accounting records shall be kept at the registered office of the Company or, subject to the provisions of the Act, at such other place or places as the Committee thinks fit, and shall always be open to the inspection of the officers of the Company.
55. The Committee shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being members of the Committee, and no member (not being a member of the Committee) shall have any right of inspecting any account or book

or document of the Company except as conferred by statute or authorised by the Committee or by the Company in General Meeting.

56. The Committee shall from time to time in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those provisions.

57. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the auditor's report, and Committee's report, shall not less than twenty days before the date of the meeting be sent to every member of the Company and every person entitled to receive notice of General Meetings of the Company.

#### AUDIT

58. The accounts would be prepared in accordance with the provisions of part vii of the Companies Act

#### NOTICES

59. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. 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 be effected in the case of a notice of a meeting at the expiration of 240 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 post.

60. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
- (b) every person being a trustee in bankruptcy of a member where the member but for his bankruptcy would be entitled to receive notice of the meeting;
- (c) the auditors for the time being of the Company; and
- (d) each member of the Committee.

No other person shall be entitled to receive notices of General Meetings.

## DISSOLUTION

61. Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles.

## RULES OR BYE LAWS

62. (a) The Committee may from time to time make such Rules or Bye Laws as it may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, it may by such Rules or Bye Laws regulate;
- (i) the admission and classification of members of the Company, and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by members.
  - (ii) the conduct of members of the Company in relation to one another, and to the Company's servants.
  - (iii) the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes.
  - (iv) the procedure at General Meetings and meetings of the Committee and sub of the Committee in so far as such procedure is not regulated by these presents; and generally
  - (v) all such matters as are commonly the subject matter of Company rules.
- (b) The Company in General Meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions thereto and the Committee shall adopt such means as they deem sufficient to bring to the notice of members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all members of the Company. Provided, nevertheless, that no Rule or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or Articles of Association of the Company.

## INDEMNITY

63. (a) Every member of the Committee or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the proper execution of the duties of office or otherwise in relation thereto, including any liability incurred by him 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 727 of the Act in which relief is granted to him by the Court, and no member of the Committee or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- (b) The members of the Committee shall have power to purchase and maintain for any member of the Committee or officer of the Company insurance against personal liability for acts properly undertaken by them or undertaken by them in breach of trust but under an honest mistake.

Names and addresses of Subscribers

John Walters of Tilly Bailey  
& Irvine Nominees Limited,  
2 Carlton Street, Hartlepool  
TS26 9ES

*Thurston*

~~1 Ordinary~~

~~TOTAL shares taken~~

~~1~~

Dated this 16 day of JUNE 2003

Witness to the above Signatures -



Niklas Tunley  
Newport House  
Thornaby Place  
Teesdale South  
Stockton-on-Tees  
TS17 6SE