

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE (and not having a share capital)

ARTICLES OF ASSOCIATION

OF

WEST CUMBRIA BUSINESS CLUSTER LIMITED (the "Company")

(Adopted by special resolution passed on 4 February 2015)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

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

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

Conflict: means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 12, any director whose vote is not to be counted in respect of the particular matter);

Member: means a member of the Company; and

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

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

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "**article**" is a reference to the relevant article of these Articles unless expressly provided otherwise.

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West Cumbria Business Cluster Limited trading as Britain's Energy Coast Business Cluster

Registered in England and Wales Company No: 6464688

Registered office: Woodrow Hall, Woodrow, Wigton, Cumbria CA7 0AT

- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Model Articles 2, 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2) and (3), 19 (2), (3), (4) and (5), 22(3), 30(2), 35, 38 and 39 shall not apply to the Company.
- 1.9 Model Article 7 shall be amended by:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

2. **OBJECT**

The objects for which the Company is established are to:

- a) provide a network for Members;
- b) to promote the businesses of its Members to other Members and to external organisations; and
- c) to engage in any business, trade or industry which may seem to the Company directly or indirectly conducive to the interests or convenience of the Company's Members or any section thereof or of the community in the Company's area of activity.

3. **POWERS**

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

- (a) buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- (b) borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- (c) invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
- (d) subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- (e) lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the

Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;

- (f) lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
- (g) pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
- (h) enter into contracts to provide services to or on behalf of other bodies;
- (i) provide and assist in the provision of money, materials or other help;
- (j) open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- (k) incorporate subsidiary companies to carry on any trade; and
- (l) do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

4. NOT FOR DISTRIBUTION

- 4.1 The income and property of the Company shall be applied solely in promoting the objects of the Company as set out in Article 2.
- 4.2 Nothing in these Articles shall prohibit the Company from creating a reserve of funds of such amount as the directors in their discretion deem appropriate for the continuation and development of the Company.
- 4.3 No dividends or bonus may be paid or capital otherwise returned to the Members, provided that nothing in these Articles shall prevent any payment in good faith by the Company of:
 - (a) reasonable and proper remuneration to any Member, director (solely in accordance with Article 7.5) or servant of the Company for any services rendered to the Company;
 - (b) any interest on money lent by any Member or any director at a reasonable and proper rate;
 - (c) reasonable and proper rent for premises demised or let by any Member or director; or
 - (d) reasonable out-of-pocket expenses properly incurred by any director.

5. WINDING UP

On the winding-up or dissolution of the Company, any assets or property that remains available to be distributed or paid to the Members shall not be paid or distributed to such Members but shall be transferred to another body (charitable or otherwise) operating in West Cumbria:

- (a) with objects similar to those of the Company; and
- (b) which shall prohibit the distribution of its or their income to its or their members,

such body to be determined by the Members at or before the time of winding-up or dissolution.

6. GUARANTEE

The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for

- (a) payment of the Company's debts and liabilities contracted before he ceases to be a Member,
- (b) payment of the costs, charges and expenses of the winding up, and
- (c) adjustment of the rights of the contributories among themselves.

7. APPOINTMENT OF DIRECTORS

7.1 Article 17(1) of the Model Articles shall be amended by the insertion of the words "is an authorised representative of a Member" before "and is permitted by law".

7.2 The appointment of a director under Article 17(1)(b) of the Model Articles must subsequently be approved by an ordinary resolution of Members at the next Annual General Meeting which follows the appointment. If any such appointment is not so approved, the director shall retire from office on the day of the Annual General Meeting, with all acts of such director between their appointment and retirement remaining valid.

7.3 Each director shall retire from office at the third Annual General Meeting after the Annual General Meeting or general meeting (as the case may be) at which he was previously appointed.

7.4 A director who retires at an Annual General Meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

7.5 A director may act in a professional capacity for the Company and s/he or his/her firm shall be entitled to remuneration for professional services as if s/he were not a director; provided that nothing contained herein shall authorise a director or his/her firm to act as auditor to the Company.

8. UNANIMOUS DECISIONS

8.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

8.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

8.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

9. CALLING A DIRECTORS' MEETING

9.1 Any director may call a directors' meeting by giving not less than 7 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

9.2 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

10. QUORUM FOR DIRECTORS' MEETINGS

10.1 Subject to article 10.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.

10.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 12 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (defined in article 12.1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

10.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the Members to appoint further directors.

11. **CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.

12. **DIRECTORS' CONFLICTS OF INTEREST**

12.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

12.2 Any authorisation under this article 12 shall be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

12.3 Any authorisation of a Conflict under this article 12 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 12.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 12.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 12.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 12.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

13. **RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

14. **NUMBER OF DIRECTORS**

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

15. **CHANGE OF COMPANY NAME**

The name of the Company may be changed by:

- (a) a decision of the directors; or

(b) a special resolution of the Members,

or otherwise in accordance with the Act.

16. APPLICATION FOR MEMBERSHIP

16.1 No person shall become a Member unless he has completed an application for membership in a form approved by the directors from time to time. A letter shall be sent to each successful applicant confirming their membership of the Company and the details of each successful applicant shall be entered into the Register of Members.

16.2 Membership applications will be considered from businesses that are located in West Cumbria or who can demonstrate to the satisfaction of the directors that they undertake sufficient business in West Cumbria so as to justify acceptance as a Member ('Qualification Requirement').

16.3 The directors may decline to accept any application for membership and need not give reasons for doing so.

16.4 The directors may prescribe criteria for membership of the Company but shall not be obliged to accept persons fulfilling those criteria as Members.

16.5 All Members must pay to the Company on becoming a Member an annual subscription fee, payable on 1 January each year, of an amount to be decided by the directors from time to time as published on the Company's website.

16.6 The directors may waive the requirement to pay an annual fee under Article 16.5 but any such waiver shall be reported to the next general meeting of members.

16.7 The directors may establish different classes of Members and set out their respective rights and obligations.

17. TERMINATION OF MEMBERSHIP

17.1 The directors may terminate the membership of any Member without his consent by giving written notice if, in the reasonable opinion of the directors:

(a) the Member is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and directors into disrepute; or

(b) the Member has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole;

(c) the Member has not paid a subscription fee in accordance with Article 16.4 within three months after the due date for payment (unless the directors in their absolute discretion decide to extend the period for payment);

(d) The Member ceases to satisfy the Qualification Requirement; or

(e) the Member has failed to observe the terms of these Articles.

Following such termination, the Member shall be removed from the Register of Members.

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

17.3 A Member's membership terminates when that person dies or ceases to exist.

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

18. ANNUAL GENERAL MEETINGS

18.1 An Annual General Meeting shall be held in each calendar year at such place, date and time as may be determined by the directors. Not more than 15 months shall elapse between the date of one Annual General Meeting and the next.

18.2 An Annual General Meeting and all other general meetings of the Company shall be called by giving 14 days clear notice and shall be given to all Members. The notice shall specify the place, date and time of the meeting and the general nature of any special business to be discussed. The accidental omission to give notice of any meeting or to send an instrument of proxy (where this is intended to be sent out with the notice) to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings of that meeting. In this Article references to notice or any other document includes communications in electronic form and documents made available on a website in accordance with the Act and these Articles.

19. QUORUM AT GENERAL MEETINGS

19.1 The quorum for the transaction of business at a general meeting is any ten Members or ten percent of the Members, whichever is the greater.

19.2 Article 26(1) of the Model Articles shall be amended by the deletion of the words "whether or not they are members".

20. VOTES OF MEMBERS

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

21. CASTING VOTE

If the numbers of votes for and against a proposal at a general meeting are equal, the chairman or other director chairing the meeting shall have a casting vote.

22. POLL VOTES

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

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

23. PROXIES

23.1 Article 31(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

23.2 Article 31(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

24. MEANS OF COMMUNICATION TO BE USED

24.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

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

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

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

25. RULES

The directors may establish rules governing matters relating to Company administration that are required from time to time for the effective operation of the Company (for example, the provisions relating to classes of members, membership fees and subscriptions and the admission criteria for members). If there is a conflict between the terms of these Articles and any rules established under this Article, the terms of these Articles shall prevail.

26. INDEMNITY AND INSURANCE

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

- 26.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 26.4 In this article:
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
 - (c) a "relevant officer" means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).