

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

CHICHESTER BID LIMITED (the "Company")

INTERPRETATION

1. Defined Terms

In these Articles unless the context otherwise requires the provisions set out in the Schedule at end of the Articles will apply.

2. Not for profit

The Company is not established or conducted for private gain.

OBJECTS, POWERS AND LIMITATION OF LIABILITY

3. Objects

3.1 The objects for which the company is established are to manage the city centre of Chichester including:

3.1.1 to promote Chichester as a thriving regional and national business and commercial centre;

3.1.2 to encourage, promote, operate, manage and own such facilities and services for the benefit of the users of Chichester city centre including commercial, industrial, customers and visitors to the city;

3.1.3 to do all things required to introduce, implement and operate a Business Improvement District as detailed in the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (SI2004/2443) for such area of the city of Chichester as is deemed appropriate;

3.1.4 to introduce and organise forums, conferences, discussion groups amongst firms businesses operating in Chichester city centre and such other bodies, organisations or other and to promote co-operation between the various sectors operating within, and using Chichester city centre;

3.1.5 to collect and circulate statistics and information of all kinds;

3.1.6 to publish, print, cause to be published and printed such guides, brochures, books, leaflets, handbills, advertising and advertising

literature as may be beneficial or advantageous to any or all of the objects of the Company;

- 3.1.7 to provide, encourage and promote such facilities and services as may be beneficial to the objects of the company, including, but not exclusively, provision of Christmas lights, public benches, public art, lighting generally, street cleaning, the planting of flowers, bushes and trees, and car parking facilities and to organise and operate any such transport policy as may be considered expedient;
- 3.1.8 to undertake, sponsor or subsidise any cultural, educational, sporting or promotional event, performance or exhibition;
- 3.1.9 to grant donations for public purposes beneficial to the Chichester city centre; and
- 3.1.10 to undertake any other activity or service which may be considered from time to time beneficial or conducive to all or any of the objects of the Company.

4. Powers

To further its objects the Company may do all such lawful things as may further the Company's objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds.

5. Liability of members

- 5.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a member or within one year after he or she ceases to be a member, for:
 - 5.1.1 payment of the Company's debts and liabilities contracted before he or she ceases to be a member;
 - 5.1.2 payment of the costs, charges and expenses of winding up; and
 - 5.1.3 adjustment of the rights of the contributories among themselves.

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

6. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

7. Members' reserve power

7.1 The members may, by special resolution, direct the Directors to take, or refrain from taking, specific action.

7.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

8. Chairman

The Directors may appoint one of their number to be the chairman of the Directors for such term of office as they determine and may at any time remove him or her from office.

9. Directors may delegate

9.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

9.1.1 to such person or committee;

9.1.2 by such means (including by power of attorney);

9.1.3 to such an extent;

9.1.4 in relation to such matters or territories; and

9.1.5 on such terms and conditions;

as they think fit.

9.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

9.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

10. Committees

10.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.

10.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

11. Directors to take decisions collectively

Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 17.

12. Calling a Directors' meeting

12.1 Two Directors may (and the Secretary, if any, must at the request of two Directors) call a Directors' meeting.

12.2 A Directors' meeting must be called by at least seven Clear Days' notice unless either:

12.2.1 all the Directors agree; or

12.2.2 urgent circumstances require shorter notice.

12.3 Notice of Directors' meetings must be given to each Director.

12.4 Every notice calling a Directors' meeting must specify:

12.4.1 the place, day and time of the meeting; and

12.4.2 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

12.5 Notice of Directors' meetings need not be in writing.

12.6 Notice of Directors' meetings may be sent by Electronic Means to an Address provided by the Director for the purpose.

13. Participation in Directors' meetings

13.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

13.1.1 the meeting has been called and takes place in accordance with the Articles; and

13.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

13.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

13.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

14. Quorum for Directors' meetings

14.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

14.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors but it must never be less than two and unless otherwise fixed it is five of which one Director must be a Local Authority Director.

14.3 If the total number of Directors from time to time is less than the quorum required, the Directors must not take any decision other than a decision:

14.3.1 to appoint further Directors; or

14.3.2 to call a general meeting so as to enable the members to appoint further Directors.

15. Chairing of Directors' meetings

The Chairman, if any, or in his or her absence another Director nominated by the Directors present shall preside as chairman of each Directors' meeting.

16. Decision making at a meeting

- 16.1 Questions arising at a Directors' meeting shall be decided by a majority of votes.
- 16.2 Save as provided in Article 16.3 in all proceedings of Directors each Director must not have more than one vote.
- 16.3 In case of an equality of votes, the Chairman shall have a second or casting vote (unless the chairman is a Local Authority Person and the second or casting vote would cause the Company to be deemed to be a Regulated Company).

17. Decisions without a meeting

- 17.1 The Directors may take a unanimous decision without a Directors' meeting by indicating to each other by any means, including without limitation by Electronic Means, that they share a common view on a matter. Such a decision may, but need not, take the form of a resolution in writing, copies of which have been signed by each Director or to which each Director has otherwise indicated agreement in writing.
- 17.2 A decision which is made in accordance with Article 17.1 shall be as valid and effectual as if it had been passed at a meeting duly convened and held, provided the following conditions are complied with:
 - 17.2.1 approval from each Director must be received by one person being either such person as all the Directors have nominated in advance for that purpose or such other person as volunteers if necessary (**Recipient**), which person may, for the avoidance of doubt, be one of the Directors;
 - 17.2.2 following receipt of responses from all of the Directors, the Recipient must communicate to all of the Directors by any means whether the resolution has been formally approved by the Directors in accordance with this Article 17.2;
 - 17.2.3 the date of the decision shall be the date of the communication from the Recipient confirming formal approval; and
 - 17.2.4 the Recipient must prepare a minute of the decision in accordance with Article 49.

18. Conflicts of interest

- 18.1 Whenever a Director finds himself or herself in a situation that is reasonably likely to give rise to a Conflict of Interest, he or she must declare his or her interest to the Directors unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already.
- 18.2 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors.
- 18.3 Whenever a matter is to be discussed at a meeting or decided in accordance with Article 17 and a Director has a Conflict of Interest in respect of that matter then, subject to Article 19, he or she must:
- 18.3.1 remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;
 - 18.3.2 not be counted in the quorum for that part of the meeting; and
 - 18.3.3 withdraw during the vote and have no vote on the matter.
- 18.4 When a Director has a Conflict of Interest which he or she has declared to the Directors, he or she shall not be in breach of his or her duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her.

19. Directors' power to authorise a conflict of interest

- 19.1 The Directors have power to authorise a Director to be in a position of Conflict of Interest provided:
- 19.1.1 in relation to the decision to authorise a Conflict of Interest, the conflicted Director must comply with Article 18.3;
 - 19.1.2 in authorising a Conflict of Interest, the Directors can decide the manner in which the Conflict of Interest may be dealt with and, for the avoidance of doubt, they can decide that the Director with a Conflict of Interest can participate in a vote on the matter and can be counted in the quorum; and

- 19.1.3 the decision to authorise a Conflict of Interest can impose such terms as the Directors think fit and is subject always to their right to vary or terminate the authorisation.
- 19.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 19.1 then, even if he or she has been authorised to remain at the meeting by the other Directors, the Director may absent himself or herself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed.
- 19.3 A Director shall not be accountable to the Company for any benefit which he or she derives from any matter, or from any office, employment or position, which has been authorised by the Directors in accordance with Article 19.1 (subject to any limits or conditions to which such approval was subject).

20. Register of Directors' interests

The Directors shall cause a register of Directors' interests to be kept. A Director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

APPOINTMENT AND RETIREMENT OF DIRECTORS

21. Methods of appointing directors

- 21.1 Those persons notified to the Registrar of Companies as the first Directors of the Company shall be the first Directors.
- 21.2 The Directors must be members of the Company or the duly appointed representatives of members of the Company.
- 21.3 Unless otherwise determined by special resolution, the number of Directors shall not be more than the aggregate of the maximum number of Directors that may be appointed by each class of members but shall be no less than eleven of whom less than twenty per cent (20%) may constitute Local Authority Directors.
- 21.4 Directors may be appointed and removed in accordance with this Article 21.

- 21.5 Class A members shall have the right to appoint up to a maximum of ten Directors (each an **“A’ Director”**) and to remove any of them.
- 21.6 Class B members and class D members together shall have the right to appoint a maximum of two Directors (each a **“B’ Director”**) and to remove any of them.
- 21.7 Each class C member shall have the right to appoint a maximum of one Director (each a **“C’ Director”**) and to remove any of them in either case by notice in writing to the Secretary. Any such appointment or removal shall take effect when received by the Secretary or at such later time as shall be specified in such notice. The class C member removing a director pursuant to this Article shall indemnify the Company against any claim, loss or liability (whether arising in contract, tort or otherwise) made against the Company by the director so removed arising directly or indirectly out of or in connection with such removal.
- 21.8 Any appointment or removal of a director pursuant to Articles 21.5 and 21.6 shall be made by notice in writing to the Secretary signed by or on behalf of the majority of the class A members in the case of the A Directors and of the majority of the class B and D members in the case of the B Directors. Any such appointment or removal shall take effect when received by the Secretary or at such later time as shall be specified in such notice.
- 21.9 The decision to appoint or remove a Class A Director or a Class B Director shall be taken at a duly convened meeting of the class A members, in the case of a Class A Director and of the class B and D members in the case of a Class B Director or shall be approved by way of written resolution by the class A members, in the case of a class A Director and of the class B and D members in the case of a class B Director pursuant to section 281(1)(a) of the Companies Act 2006 and passed in accordance with section 288(5)(b) of the Companies Act 2006.
- 21.10 The right to appoint and to remove A, B and C Directors under this Article shall be a class right attaching to the class A members, the class B and D members and the C members respectively.
- 21.11 No A Director, B Director or C Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.
- 21.12 No Local Authority Person shall be appointed as a Director if by virtue of such appointment the Local Authority Directors will together constitute 20% or more of the total number of Directors and cause the Company to be a Regulated

Company. In the event that a Director becomes a Local Authority Person and Local Authority Directors then comprise 20 per cent or more of the Directors as a whole, that Director shall forthwith cease to be a Board Member.

- 21.13 If for any reason the Local Authority Directors together constitute 20% or more of the total number of Directors, the number of votes that may be cast in aggregate by those Local Authority Directors shall be reduced so that the aggregate number of votes which may be cast by the Local Authority Directors shall represent 19.9% of the total number of votes which may be cast by all the Directors. The votes of which Local Authority Directors are to be disregarded for this purpose shall be agreed between all the Local Authority Directors and, in default of agreement, shall be determined by lot.
- 21.14 No Local Authority Director may be appointed as alternate Director or otherwise vote on behalf of any other non-Local Authority Director.
- 21.15 No person may be appointed or remain a member or Director or be authorised to act as a Local Authority's representative at a general meeting of the Company or at meetings of the Company (which include a general meeting) if such person is disqualified from membership of a Local Authority (otherwise than by being employed by a Local Authority or by a company which is under the control of a Local Authority).
- 21.16 In any case where, as a result of death, the Company has no members and no Directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a member.
- 21.17 For the purposes of Article 21.16, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.
- 21.18 Subject to Article 21.7, C Directors shall be appointed for a period of three years or such other period of office to be agreed with the Directors and shall not be subject to retirement by rotation. C Directors shall cease to be Directors immediately if the member appointing the C Director ceases to be a member.
- 21.19 At the first annual general meeting all of the Directors (other than the C Directors shall retire from office).
- 21.20 At every subsequent annual general meeting one-third of all Directors (other than the C Directors), or if their number is not three or a multiple of three, the number

nearest to one-third shall retire from office but if there is only one Director who is subject to retirement by rotation he or she shall retire. The Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment. As between persons who become or were last reappointed Directors on the same day as those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.

21.21 If at a meeting at which a Director retires by rotation the members entitled to reappoint the retiring Director do not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.

21.22 No person (other than a Director retiring by rotation) shall be appointed or reappointed as a Director at any general meeting unless:

21.22.1 that person is recommended by a member for appointment or reappointment as a Director at the meeting; and

21.22.2 not less than twenty eight clear days before the date appointed for the meeting a member qualified to vote for the appointment or reappointment of the Director concerned has given notice to the Company of the intention to propose that person for appointment or reappointment together with a signed notice executed by that person of his or her willingness to be appointed or reappointed.

21.23 Not less than fourteen Clear Days before the date appointed for holding a general meeting notice shall be given to everyone entitled to receive notice of the meeting of:

21.23.1 any person (other than a Director retiring by rotation at the meeting) who is recommended by a member for appointment or reappointment as a director at the meeting; and

21.23.2 any person in respect of whom notice of intention has been proposed has been duly given under Article 21.22.1.

21.24 Any notice under Article 21.22 or 21.23 relating to the appointment (but not the reappointment) of a Director must state the particulars which would be required to be included in the Company's register of Directors if the person concerned were appointed or reappointed as a Director.

21.25 The Company (by ordinary resolution) or the Director may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the Company to be deemed to be a Regulated Company or cause the number of Directors to exceed the maximum number of Directors prescribed by or determined in accordance with Article 21.3. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting.

21.26 Any Director who retires at an annual general meeting may, if willing to act, be reappointed. If not reappointed at such annual general meeting, the Director shall vacate office at the conclusion of the meeting.

22. Termination of Director's appointment

22.1 A person ceases to be a Director immediately when:

22.1.1 that person, or the Member organisation which he or she represents, ceases to be a Member;

22.1.2 that person ceases to be a Director by virtue of any provision of the Companies Acts, or is prohibited from being a Director by law;

22.1.3 a bankruptcy order is made against that person, or an order is made against that person in individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

22.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;

22.1.5 the Directors reasonably believe he or she is suffering from mental disorder and incapable of acting and they resolve that he or she be removed from office;

22.1.6 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least two Directors will remain in office when such resignation has taken effect);

22.1.7 the Director fails to attend three consecutive meetings of the Directors and the Directors resolve that the Director be removed for this reason;

- 22.1.8 the Director becomes a Local Authority Director and his appointment ceases pursuant to Article 21.8; or
- 22.1.9 at a general meeting of the Company, a resolution is passed that the Director be removed from office, provided the meeting has invited the views of the Director concerned and considered the matter in the light of such views.

ALTERNATE DIRECTORS

23. Appointment and removal of alternate Directors

- 23.1 Any Director (**appointor**) may appoint as an alternate any other Director (subject to Article 21.14), or any other person approved by resolution of the Directors, to:
 - 23.1.1 exercise that director's powers, and
 - 23.1.2 carry out that director's responsibilities,in relation to the taking of decisions by the Directors in the absence of the alternate's appointor.
- 23.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the Directors.
- 23.3 The notice must:
 - 23.3.1 identify the proposed alternate, and
 - 23.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

24. Rights and responsibilities of alternate Directors

- 24.1 An alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's appointor.
- 24.2 Except as the Articles specify otherwise, alternate Directors:
 - 24.2.1 are deemed for all purposes to be Directors;

- 24.2.2 are liable for their own acts and omissions;
 - 24.2.3 are subject to the same restrictions as their appointors; and
 - 24.2.4 are not deemed to be agents of or for their appointors.
- 24.3 A person who is an alternate Director but not a Director:
- 24.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
 - 24.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
- 24.4 No alternate may be counted as more than one Director for such purposes.
- 24.5 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

25. Termination of alternate directorship

- 25.1 An alternate Director's appointment as an alternate terminates:
- 25.1.1 when the Director ceases to be a director;
 - 25.1.2 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
 - 25.1.3 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
 - 25.1.4 on the death of the alternate's appointor; or
 - 25.1.5 when the alternate's appointor's appointment as a Director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

26. Directors' remuneration

- 26.1 Directors may undertake any services for the Company that the Directors decide.
- 26.2 No Director or alternate director shall be entitled to any remuneration from the Company for their services to the Company as directors but shall be entitled to such remuneration as the directors determine for any other service which they undertake for the Company.
- 26.3 Directors may be reimbursed the amount of necessary expenses incurred in the exercise of their office as approved by the Company in general meeting.

27. Directors' expenses

The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors;
- (b) general meetings; or
- (c) separate meetings of any class of members or of the holders of any debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

28. Becoming a member

- 28.1 The subscribers to the Memorandum are the first members of the Company.
- 28.2 Such other persons who are admitted to membership in accordance with the Articles shall be members of the Company.
- 28.3 No person shall be admitted to membership of the Company unless an application for membership has first been delivered to the Secretary and approved by the Directors save that all Levy Payers are entitled to submit an application for membership and the Directors must approve such an application if duly and properly completed.

- 28.4 An application for membership must:
- 28.4.1 be in writing;
 - 28.4.2 be signed by the applicant;
 - 28.4.3 include a declaration that the applicant is or is not a Local Authority Person and that the applicant will advise the Company of any change in such status; and
 - 28.4.4 include an undertaking that the applicant will not do anything or omit to do anything which the applicant knows or could reasonably anticipate would cause the Company to become a Regulated Company.
- 28.5 All members agree to be bound by the obligations on them as set out in the Articles. When acting as members they shall act at all times in the best interest of the Company.
- 28.6 Membership shall not be transferable and shall cease on death or on liquidation or dissolution of a corporate member.
- 28.7 Membership shall fall into four classes, as follows:
- 28.7.1 class A members consisting of Levy Payers within the Business Improvement District;
 - 28.7.2 class B members consisting of voluntary Levy Payers outside the Business Improvement District and who are approved as such at the absolute discretion of the Directors;
 - 28.7.3 class C members shall consist of Chichester District Council and Chichester City Council only; and
 - 28.7.4 class D members shall consist of members who do not fall within any of class A, class B or class C and who are approved as such at the absolute discretion of the Directors. Such members shall pay a minimum annual subscription fixed by the Directors from time to time determine.

28.8 A member shall not be permitted to be a member in more than one class and a member who qualifies as a class C member may only be a member of that class.

29. Termination of membership

29.1 Membership is terminated if:

29.1.1 the member gives three months' notice in writing duly signed to the Secretary and thereupon such member shall be deemed to have ceased to be a member from the date of the expiration of such notice;

29.1.2 the member dies or ceases to exist;

29.1.3 otherwise in accordance with the Articles; or

29.1.4 at a meeting of the Directors at which at least half of the Directors are present, a resolution is passed resolving that the member be expelled on the ground that his or her continued membership is harmful to or is likely to become harmful to the interests of the Company. Such a resolution may not be passed unless the member has been given at least 14 Clear Days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify expulsion, and has been afforded a reasonable opportunity of being heard by or of making written representations to the Directors. A member expelled by such a resolution will nevertheless remain liable to pay to the Company any subscription or other sum owed by him or her.

29.2 A member shall automatically cease to be a member of the Company if any annual or other subscription or entrance fee or BID Levy has not been paid six months after it has become due.

29.3 No refund shall be made of any annual or other subscription or entrance fee or BID Levy on the termination of membership (unless on the winding up of the Company and the repayment of the BID Levy (or part of it) to the Levy Payer) for any reason except in accordance with these Articles.

30. Local Authority Persons

30.1 No Local Authority Person may be admitted to membership of the Company if, by virtue of such admission, more than 19.9% of the total voting rights of all the members having the right to vote at a general meeting of the Company will be

held by members who are Local Authority Persons and cause the Company to be deemed to be a Regulated Company.

- 30.2 If for any reason the Local Authority Persons together have 20% or more of the total voting rights of all members having the right to vote at a general meeting, the number of votes that may be cast in aggregate by those Local Authority Persons shall be reduced so that the aggregate number of votes which may be cast by those Local Authority Persons shall represent 20% of the total number of votes which may be cast by all the members at the meeting. The votes of which Local Authority Persons are to be disregarded for this purpose shall be agreed between all the Local Authority Persons and, in default of agreement, shall be determined by lot.
- 30.3 No Local Authority Person may be appointed as proxy or representative or otherwise vote on behalf of any other non-Local Authority member.
- 30.4 No resolution for the variations of this Article 30 or Article 21.12 or Article 21.13 or Article 21.14 shall be proposed at any general meeting unless there shall first have been obtained the written consent of all of the Local Authority Members of the Company.

ORGANISATION OF GENERAL MEETINGS

31. General meetings

- 31.1 The Company shall hold an annual general meeting each year in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it. Not more than fifteen months shall elapse between one annual general meeting of the Company and the next. The annual general meeting shall be held at such time and place as the directors shall appoint.
- 31.2 All meetings other than annual general meetings shall be called general meetings.
- 31.3 The Directors may call a general meeting at any time.
- 31.4 The Directors must call a general meeting if required to do so by the members under the Companies Acts.

32. Length of notice

- 32.1 All annual general meetings and general meetings must be called by at least fourteen Clear Days' notice.

- 32.2 A general meeting may be called by shorter notice if it is so agreed:
- 32.2.1 in the case of an annual general meeting, by all the members entitled to attend and vote; and
 - 32.2.2 in the case of any other meeting by a majority of the members having a right to attend and vote at that meeting. Any such majority must together represent at least 90% of the total voting rights at that meeting of all the members.

33. Contents of notice

- 33.1 Every notice calling a general meeting must specify the place, day and time of the meeting, whether it is a general or an annual general meeting, and the general nature of the business to be transacted.
- 33.2 If a special resolution is to be proposed, the notice must include the proposed resolution and specify that it is proposed as a special resolution.
- 33.3 In every notice calling a meeting of the Company there must appear with reasonable prominence a statement informing the member of his or her rights to appoint another person as his or her proxy at a general meeting.

34. Service of notice

Notice of general meetings must be given to every member, to the Directors and to the accountants or auditors of the Company.

35. Attendance and speaking at general meetings

- 35.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 35.2 A person is able to exercise the right to vote at a general meeting when:
- 35.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 35.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

- 35.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 35.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 35.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

36. Quorum for general meetings

- 36.1 No business (other than the appointment of the chairman of the meeting) may be transacted at any general meeting unless a quorum is present.
- 36.2 Two persons entitled to vote on the business to be transacted (each being a member, a proxy for a member or a duly Authorised Representative of a member), or 10% of the total membership (represented in person or by proxy), whichever is greater, shall be a quorum.
- 36.3 If a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting those present and entitled to vote shall be a quorum.

37. Chairing general meetings

- 37.1 The Directors may appoint one of their number to be a chairman at the annual general meeting.
- 37.2 The Chairman (if any) or in his or her absence some other Director nominated by the Directors will preside as chairman of every general meeting.
- 37.3 If neither the Chairman nor such other Director nominated in accordance with Article 37.1 (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to chair the meeting and, if there is only one Director present and willing to act, he or she shall be chairman of the meeting.

37.4 If no Director is willing to act as chairman of the meeting, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present in person or by proxy and entitled to vote must choose one of their number to be chairman of the meeting, save that a proxy holder who is not a member entitled to vote shall not be entitled to be appointed chairman of the meeting.

38. Attendance and speaking by Directors and non-members

38.1 A Director may, even if not a member, attend and speak at any general meeting.

38.2 The Chairman of the meeting may permit other persons who are not members of the Company to attend and speak at a general meeting.

39. Adjournment

39.1 The Chairman of the meeting may adjourn a general meeting at which a quorum is present if:

39.1.1 the meeting consents to an adjournment; or

39.1.2 it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

39.2 The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

39.3 When adjourning a general meeting, the Chairman of the meeting must:

39.3.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

39.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

39.4 If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven Clear Days' notice of it:

39.4.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

39.4.2 containing the same information which such notice is required to contain.

39.5 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

40. Voting: general

40.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

40.2 A person who is not a member of the Company shall not have any right to vote at a general meeting of the Company but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.

40.3 Article 40.1 shall not prevent a person who is a proxy for a member or a duly Authorised Representative from voting at a general meeting of the Company.

41. Votes

41.1 On a vote on a resolution on a show of hands at a meeting every person present in person (whether a member, proxy or Authorised Representative of a member) and entitled to vote shall have a maximum of one vote.

41.2 On a vote on a resolution on a poll at a meeting every member present in person or by proxy or Authorised Representative shall have one vote.

41.3 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a casting vote in addition to any other vote he or she may have.

41.4 No member shall be entitled to vote at any general meeting unless all monies presently payable by him, her or it to the Company have been paid.

41.5 The following provisions apply to any organisation that is a member (**Member Organisation**):

- 41.5.1 a Member Organisation may nominate any individual to act as its representative (**Authorised Representative**) at any meeting of the Company;
- 41.5.2 the Member Organisation must give notice in writing to the Company of the name of its Authorised Representative. The Authorised Representative will not be entitled to represent the Member Organisation at any meeting of the Company unless such notice has been received by the Company. The Authorised Representative may continue to represent the Member Organisation until notice in writing is received by the Company to the contrary;
- 41.5.3 a Member Organisation may appoint an Authorised Representative to represent it at a particular meeting of the Company or at all meetings of the Company until notice in writing to the contrary is received by the Company;
- 41.5.4 any notice in writing received by the Company shall be conclusive evidence of the Authorised Representative's authority to represent the Member Organisation or that his or her authority has been revoked. The Company shall not be required to consider whether the Authorised Representative has been properly appointed by the Member Organisation;
- 41.5.5 an individual appointed by a Member Organisation to act as its Authorised Representative is entitled to exercise (on behalf of the Member Organisation) the same powers as the Member Organisation could exercise if it were an individual member;
- 41.5.6 on a vote on a resolution at a meeting of the Company, the Authorised Representative has the same voting rights as the Member Organisation would be entitled to if it was an individual member present in person at the meeting; and
- 41.5.7 the power to appoint an Authorised Representative under this Article 41.5 is without prejudice to any rights which the Member Organisation has under the Companies Acts and the Articles to appoint a proxy or a corporate representative.

42. Poll votes

42.1 A poll on a resolution may be demanded:

42.1.1 in advance of the general meeting where it is to be put to the vote; or

42.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

42.2 A poll may be demanded by:

42.2.1 the Chairman of the meeting;

42.2.2 the Directors;

42.2.3 two or more persons having the right to vote on the resolution;

42.2.4 any person, who, by virtue of being appointed proxy for one or more members having the right to vote at the meeting, holds two or more votes; or

42.2.5 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

42.3 A demand for a poll may be withdrawn if:

42.3.1 the poll has not yet been taken; and

42.3.2 the Chairman of the meeting consents to the withdrawal.

42.4 Polls must be taken immediately and in such manner as the Chairman of the meeting directs.

43. Errors and disputes

43.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

43.2 Any such objection must be referred to the Chairman of the meeting whose decision is final.

44. Content of proxy notices

44.1 Proxies may only validly be appointed by a notice in writing (**Proxy Notice**) which:

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

44.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

44.3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

44.4 Unless a Proxy Notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

45. Delivery of proxy notices

45.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

- 45.2 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 45.3 A notice revoking the appointment of a proxy only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

46. Amendments to resolutions

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

WRITTEN RESOLUTIONS

47. Written resolutions

- 47.1 Subject to Article 47.2, a written resolution of the Company passed in accordance with this Article 47 shall have effect as if passed by the Company in general meeting:
- 47.1.1 A written resolution is passed as an ordinary resolution if it is passed by a simple majority of the total voting rights of eligible members.

- 47.1.2 A written resolution is passed as a special resolution if it is passed by members representing not less than 75% of the total voting rights of eligible members. A written resolution is not a special resolution unless it states that it was proposed as a special resolution.
- 47.2 In relation to a resolution proposed as a written resolution of the Company the eligible members are the members who would have been entitled to vote on the resolution on the circulation date of the resolution.
- 47.3 A members' resolution under the Companies Acts removing a Director or an auditor before the expiration of his or her term of office may not be passed as a written resolution.
- 47.4 A copy of the written resolution must be sent to every member together with a statement informing the member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse. Communications in relation to written notices shall be sent to the Company's auditors in accordance with the Companies Acts.
- 47.5 A member signifies their agreement to a proposed written resolution when the Company receives, from him or her, an authenticated Document identifying the resolution to which it relates and indicating his or her agreement to the resolution.
- 47.6 If the Document is sent to the Company in Hard Copy Form, it is authenticated if it bears the member's signature.
- 47.7 If the Document is sent to the Company by Electronic Means, it is authenticated if:
- 47.7.1 the identity of the member is confirmed in a manner agreed by the Directors; or
 - 47.7.2 if it is accompanied by a statement of the identity of the member and the Company has no reason to doubt the truth of that statement; or
 - 47.7.3 if it is from an email Address notified by the member to the Company for the purposes of receiving Documents or information by Electronic Means.
- 47.8 A written resolution is passed when the required majority of eligible members have signified their agreement to it.

- 47.9 A proposed written resolution lapses if it is not passed within twenty eight days beginning with the circulation date.

ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS

48. Means of communication to be used

- 48.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 48.2 Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.
- 48.3 A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within an agreed time of their being sent, and for the agreed time to be less than 48 hours.

49. Irregularities

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not referred to in the notice unless a provision of the Companies Acts specifies that such informality, irregularity or want of qualification shall invalidate it.

50. Minutes

- 50.1 The Directors must cause minutes to be made in books kept for the purpose:
- 50.1.1 of all appointments of officers made by the Directors;
 - 50.1.2 of all resolutions of the Company and of the Directors; and
 - 50.1.3 of all proceedings at meetings of the Company and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting,

and any such minute, if purported to be signed (or in the case of minutes of Directors' meetings signed or authenticated) by the Chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall, as against any member or Director of the Company, be sufficient evidence of the proceedings.

50.2 The minutes must be kept for at least ten years from the date of the meeting, resolution or decision.

51. Records and accounts

51.1 The Directors shall comply with the requirements of the Companies Acts as to maintaining a members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies of:

51.1.1 annual reports;

51.1.2 annual returns; and

51.1.3 annual statements of account.

52. Indemnity

52.1 Subject to Article 52.2, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against:

(a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

(b) any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and

(c) any other liability incurred by that Director as an officer of the Company or an associated company.

52.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

52.3 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 Director**” means any Director or former Director of the Company or an associated company.

53. Insurance

53.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.

53.2 In this Article:

- (a) “**relevant Director**” means any Director or former Director of the Company or an associated company;
- (b) “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director’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) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

54. Exclusion of model articles

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 for a company limited by guarantee are expressly excluded.

SCHEDULE

INTERPRETATION

Defined terms

1. In the Articles, unless the context requires otherwise, the following terms shall have the following meanings:

Term	Meaning
1.1 Address:	includes a number or address used for the purposes of sending or receiving Documents by Electronic Means;
1.2 Articles:	the Company's articles of association;
1.3 Authorised Representative:	has the meaning defined in Article 41.5.1;
1.4 bankruptcy:	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
1.5 BID Levy:	means the BID levy (as defined in section 41 of the Local Government Act 2003) levied and collected against the Levy Payers within the Business Improvement District.
1.6 Business Improvement District:	means those areas of Chichester city centre in which the non-domestic ratepayers or some class of them are subject to the BID Levy from time to time;
1.7 Chairman:	has the meaning given in Article 8;
1.8 chairman of the meeting:	has the meaning given in Article 37;
1.9 Circulation Date:	in relation to a written resolution, has the meaning given to it in the Companies Acts;
1.10 Clear Days:	in relation to the period of a notice, that 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;
1.11 Companies Acts:	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;
1.12 Company:	Chichester BID Limited;
1.13 Conflict of Interest:	any direct or indirect interest of a Director (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) that conflicts, or might conflict with the interests of the Company;
1.14 Director:	a director of the Company, and includes any person occupying the position of director, by whatever name called;
1.15 document:	includes, unless otherwise indicated, any Document sent or supplied in Electronic Form;
1.16 Electronic Form and Electronic Means:	have the meanings respectively given to them in section 1168 of the Companies Act 2006;
1.17 Hard Copy Form:	has the meaning given to it in the Companies Act 2006;
1.18 Levy Payers:	means those non-domestic rate payers within the Business Improvement District who are required to pay a BID Levy in accordance with section 45 and 46 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (SI 2004/2443);
1.19 Local Authority:	means a body of one of the descriptions listed in section 67(3) Local Government and Housing Act 1989 and includes a group of local authorities as referred to in section 73(2) of that Act;
1.20 Local Authority Director:	means a Director who is a Local Authority Person;
1.21 Local Authority Person:	means a person who is associated with a local

authority for the purposes of section 69 of the Local Government and Housing Act 1989 which includes a member of the local authority or an officer of a local authority or a person who has been a member of a local authority within the preceding four years or a person who is both an employee of a company under the control of the local authority or a director or officer of that company;

- 1.22 Member Organisation:** has the meaning defined in Article 41.5
- 1.23 Memorandum:** the Company's memorandum of association;
- 1.24 paid:** means paid or credited as paid;
- 1.25 participate:** in relation to a Directors' meeting, has the meaning given in Article 13;
- 1.26 Proxy Notice:** has the meaning given in Article 44;
- 1.27 Regulated Company:** means a company deemed to be a regulated company for the purposes of the Local Government and Housing Act 1989 and Local Authorities (Companies) Order 1995 and any subsequent amendments thereto;
- 1.28 Secretary:** the secretary of the Company (if any) or (if none) a Director nominated by the Directors to carry out the actions otherwise required by a secretary;
- 1.29 subsidiary:** has the meaning given in section 1159 of the Companies Act 2006;
- 1.30 transfer:** includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or right over, any property; and
- 1.31 writing:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods,

whether sent or supplied in Electronic Form or otherwise.

2. Subject to paragraph 3 of this Schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
3. Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Company.
4. Unless the context otherwise requires, references in these Articles to a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
5. In these Articles, unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
6. Unless the context otherwise requires, a reference in these Articles to one gender shall include a reference to the other genders.

