

Company number: 11532338

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

MINEHEAD BID COMPANY LIMITED (the "Company")

Adopted by special resolution passed on (dd/mm/yyyy)

INTRODUCTION

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

1.2 Act: means the Companies Act 2006;

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

1.4 Business Improvement District: means those areas of Minehead as defined from time to time by the directors and subject to the BID levy;

1.5 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;

1.6 Council: means the West Somerset Council or its successor body;

1.7 Levy Payers: means those non-domestic rate payers within the Minehead Business Improvement District who are required to pay a BID levy in accordance with Sections 45 and 46 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (SI 2004/2443).

1.8 Within the body of these Articles he shall also mean she and references to she shall also mean he.

- 1.9 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;
- 1.10 Local Authority Person: means a person who is associated with a local authority for the purposes of Section 69 Local Government and Housing Act 1989 which includes a member of a 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;
- 1.11 Members: means all classes of Members of the Company collectively.
- 1.12 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.
- 1.13 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;
- 1.14 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.
- 1.15 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.16 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.17 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:
- 1.17.1 Any subordinate legislation from time to time made under it; and
- 1.17.2 Any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.18 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.

- 1.19 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.

2 OBJECTS

- 2.1 The objects for which the Company is established is to manage the defined Business Improvement District ('the District') in accordance with the Business Plan on which the Business Improvement District was elected ('the Plan') including: -

- 2.1.1 to promote the District as a thriving regional retail and tourism centre;
- 2.1.2 to encourage, promote, operate, manage and own such facilities and services for the benefit of the users of the District including commercial and residential customers and visitors to the District;
- 2.1.3 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 Minehead as is deemed appropriate;
- 2.1.4 To promote co-operation between the various sectors operating within, and using the District;
- 2.1.5 to collect and circulate statistics and information of all kinds;
- 2.1.6 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;
- 2.1.7 to provide, encourage and promote such facilities and services as may be beneficial to the objects of the company from time to time, in accordance with the Plan,
- 2.1.8 to undertake, sponsor or subsidise any cultural, educational, sporting or promotional event, performance or exhibition within the terms of the Plan ;

2.1.9 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.

3 POWERS

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

3.1.1 purchase, take on lease or in exchange, hire or otherwise acquire real or personal property and rights or privileges and to construct, maintain and alter buildings or erections;

3.1.2 sell, set, mortgage, dispose or turn to account all or any of the property and assets of the Company;

3.1.3 undertake and execute any charitable trust which may be lawfully undertaken by the Company;

3.1.4 invest the funds of the Company not immediately required for its purposes 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 from time to time be imposed or required by law and subject also as hereinafter provided;

3.1.5 borrow or raise money in such manner and to such extent as the Company shall think fit;

3.1.6 remunerate any person, firm or company rendering service to the Company whether by cash payment or by allotment to him or them of securities of the Company credited as paid up in full or in part or otherwise;

3.1.7 pay out of the funds of the Company all expenses which the Company may lawfully pay of or incidental to the formation, registration or raising money for the Company;

- 3.1.8 enter into any arrangement or contract with any government or authority supreme, municipal, local or otherwise and to obtain from any such government or authority any rights, concessions or privileges that may seem conducive to the attainment of the Company's objects or any of them;
- 3.1.9 engage such specialists, tradesmen, advisers and consultants in pursuance of the Company's objects;
- 3.1.10 do all such other things as are incidental or conducive to the attainment of the objects stated in article 2.

3.2 Each of the sub-clauses in article 3.1 shall be construed independently of and shall be in no way limited by reference to any other sub-clause and the matters set out in each sub-clause are independent objects of the Company.

4 INCOME

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 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 reasonable out-of-pocket expenses properly incurred by any director.

5 WINDING UP

5.1 On the winding-up or dissolution of the Company, any asset or property that remains available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to another body (whether or not it is a Member) which has objects similar to those of the Company, or to another body the objects of which are charitable and to be applied for its purposes within the West Somerset Council or any successor authority and nominated by the respective council (s) administrative area.

6 DIRECTORS NUMBER OF DIRECTORS AND CONSTITUTION OF BOARD

6.1 The number of directors shall be a maximum of 9 and not less than 5.

6.2 One Local Authority Person shall be appointed as a director of the Company.

6.3 Each director of the Company must be a Member or the duly appointed representative of a Member.

6.4 The quorum for the transaction of business at a meeting of directors is any 50% of the directors or 4 directors whichever is the smaller.

6.5 Non -voting advisors to the Board may be invited to attend Board meetings from time to time, to help the Board to deliver the objects of the Company

7 APPOINTMENT OF DIRECTORS

7.1 Directors shall retire from office in rotation as follows:

7.1.1 At every annual general meeting two of the directors, shall retire from office.

7.1.2 The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

7.1.3 A retiring director shall be eligible for re-election.

7.2 No person shall be appointed or reappointed as a director at any general meeting unless:

7.2.1 that person is recommended by the members for appointment or reappointment as a director at the meeting; and

7.2.2 not less than twenty-eight clear days before the date appointed for the meeting a member qualified to vote 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

7.2.3 they have submitted themselves to election by members.

7.3 Not less than twenty-one 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:

7.3.1 any person who is recommended by a member for appointment or reappointment as a director at the meeting; and

- 7.3.2 any person in respect of whom notice of intention has been proposed has been duly given
- 7.4 Any notice 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.
- 7.5 The Company (by ordinary resolution) of the directors may appoint a person who is willing to act as a director either to fill a casual vacancy or as an additional director provided that the appointment does not cause the Company to be deemed to be a Regulated Company. A director so appointed shall hold office only until the next following annual general meeting.

8 DOCUMENTATION ON APPOINTMENT OF DIRECTOR

- 8.1 All directors shall be required to complete, sign and return to the Chairperson within 15 days of their appointment as a director, or by the date of the next Board meeting following their appointment, whichever is the earlier:
- 8.1.1 an agreement to abide by any code of conduct and/or rules of the directors together with these articles and an acknowledgment that they understand the roles and responsibilities of directors of a company;
- 8.1.2 a declaration of interest form which cites any other business, person or group with which or whom a director has an association by way of directorship, personal or business relationship or if holding a post which could cause a potential Conflict. If there is any doubt, the director should include that relationship in order that the Board be aware of any potential Conflict;
- 8.1.3 AND a director will not be allowed to attend Board meetings until such time as he or she has complied with the provisions of this article 8.1
- 8.2 These forms are to be updated annually by each director on dd/mm/yyyy.
- 8.3 The Chairperson should enter confirmation of receipt of these forms for a newly appointed director into the minutes of the Board Meeting following receipt.

9 NO REMUNERATION FOR DIRECTORS

- 9.1 Directors may undertake any services for the company that the directors decide but

directors shall not be entitled to any remuneration for those services.

10 DISQUALIFICATION AND REMOVAL OF DIRECTORS

10.1 In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Board members, both the members and the directors shall seek to ensure that the Board is representative of the local community and users of the services offered by the Company and also comprises persons with a broad range of skills and who are likely to contribute to the success of the Company.

The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either:
- (d) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or
- (e) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (f) he resigns his office by notice to the Company; or
- (g) he shall for more than three consecutive meetings have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
- (h) he is not a BID Member and ceases to be an officer, executive member or the nominated representative of the body in respect of which he is a member of the Company.

11 SECRETARY

11.1 The members may appoint any person who is willing to act as the secretary for such term and upon such conditions as they may think fit and from time to time remove such person and, if the members so decide, appoint a replacement, in each case by a decision of the members.

12 MEMBERSHIP

12.1 The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the Articles shall be members of the Company.

12.2 Membership of the Company will be determined as follows: -

- (a) BID Members; and
- (b) any other members, including Local Council, Minehead Chamber of Commerce and Voluntary Members.

12.3 Non-domestic ratepayers who are responsible for paying the BID Levy (BID Members) will automatically become members of the Company upon the BID Proposal being voted in. No other incorporated body, society, organisation, person or company shall be admitted to membership of the Company unless an

- application for membership has first been delivered to the Board and approved by the directors.
- 12.4 An application for membership of the Company by other incorporated body, society, organisation, person or company must:
- (a) Be in writing;
 - (b) Be signed by the applicant;
 - (c) Include a declaration that the applicant is or is not a Local Authority or a Local Authority Person and that the applicant will advise the Company of any change in such status; and
 - (d) 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 as defined in the Local Authorities (Companies) Order 1995
- 12.5 All members agree to be bound by the obligations on them as set out in the Memorandum and Articles of Association of the Company. When acting as members they shall act at all times in the best interest of the Company.
- 12.6 Membership shall not be transferable and shall cease on death or on the liquidation or dissolution of a corporate member.
- 12.7 A member shall be removed as a member of the Company by a passing of a resolution by those members entitled to vote at a general meeting.
- 12.8 Any corporate body, partnership, Strategic Agency, Local Authority or unincorporated association admitted as a member of the Company shall nominate an individual to act as a representative of such body in respect of the Company from time to time and shall exercise all rights as a member provided that:
- 12.9 Where such a body acts through a representative the body shall first deposit a letter of appointment of authority with the Company before such representatives shall have authority to act in respect of the Company;
- 12.10 West Somerset Council or Somerset County Council or Minehead Town Council may only nominate one officer or member as a director representative
- 12.11 Minehead Chamber of Commerce may nominate as its representative a director member of the Chamber.
- 12.12 A member may at any time withdraw from the Company by giving at least 3 months' notice in writing duly signed to the Company and thereupon such member shall be deemed to have ceased to be a member from the date of the expiration of such notice.
- 12.13 A member shall automatically cease to be a member of the Company if:
- a) any annual or other subscription or entrance fee has not been paid six months after it has become due;
 - b) the directors resolve after giving the member concerned a proper opportunity to be heard, that it is not in the interests of the Company that membership should continue.
- 12.14 No refund shall be made of any annual or other subscription or entrance fee on the termination of membership for any reason.

Local Authority Persons

- 12.15 No Local Authority Person may be admitted to membership of the Company if, by virtue of such admission, more than 18% 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.

- 12.16 If for any reason the Local Authority Persons together have 18% 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 (pro rata among them) and/or the number of votes that may be cast in aggregate by all other members shall be increased (pro rata among them) (as is most appropriate in the circumstances) so that the aggregate number of votes which may be cast by those Local Authority Persons shall represent 18% of the total number of votes which may be cast by all the members at the meeting.
- 12.17 No Local Authority Person may be appointed as proxy or representative or otherwise vote on behalf of any other non-local authority member.
- 12.18 Only one member may represent each hereditament but may appoint a proxy. This must be submitted in writing 7 days prior to a general meeting.
- 12.19 All members must consent to receiving electronic communication and must provide a valid e-mail address for this purpose

13 MEMBERS' LIABILITY

- 13.1 The liability of the members is limited to £1
- 13.2. Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company 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, such amount as may be required not exceeding £1.

14 GENERAL MEETINGS

- 14.1 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 notices 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 times and places as the directors shall appoint.
- 14.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 14.3 The directors may call general meetings by a majority vote by at least twenty-one clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- 14.4 in the case of an annual general meeting, by all the Members entitled to attend and vote; and

- 14.4.1 in the case of any other meeting by a majority of not less than 95% of the total votes of Members entitled to attend and vote at the meeting.
- 14.5 The notice for any general meeting shall be given to all the Members and to the directors, secretary and auditors detailing the time, place and general nature of the business. If an annual General Meeting it should be noted as such.
- 14.6 The accidental omission to give notice of a meeting to any person entitled to receive it, or the non-receipt of notice by such person, shall not invalidate any proceedings at that meeting.
- 14.7 Non-members may attend the general meeting but may not speak nor be eligible to vote during the proceedings.
- 14.8 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the Chairperson; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; and
 - (d) a demand by a person as proxy for a member shall be the same as a demand by the member.
- 14.9 Unless a poll is duly demanded a declaration by the Chairperson that a resolution has been carried or carried unanimously, or by a simple majority, or lost, or not carried by a simple majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 14.10 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairperson and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 14.11 A poll shall be taken as the Chairperson directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 14.12 A poll demanded on the election of a Chairperson or on a question of adjournment

shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairperson directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

14.13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

14.14 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

14.15 Subject to a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes, whether on a show of hands or a poll, the Chairperson shall have a second or casting vote.

15 MEANS OF COMMUNICATION TO BE USED

15.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient, if properly addressed and sent by electronic means, one hour after the document or information was sent or supplied.

Proposed and agreed by Minehead BID Company Ltd	
Approved by Members Minehead BID Company Ltd	