

Company No 2993054

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

OF SHROPSHIRE CAREERS SERVICE LIMITED

(Adopted by special resolution passed on 27 March 1995)

(Amended by special resolution 28 January 1999)



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PRELIMINARY

1. The regulations contained in Table A in the schedule to the Companies (Table A to F) regulations 1985 (as amended) ("Table A") shall apply to the company unless or to the extent that they are excluded or modified by, or are inconsistent with, these articles and, with these articles, shall constitute the articles of association of the company.
2. References in these articles to numbered regulations shall, unless the context requires otherwise, be deemed to be references to regulations in Table A. Regulations 38, 41, 50, 59, 60, 61, 64, 67, 73 to 81 inclusive, 90, 94, 95, 115, 117 and 118 shall not apply.
3. Where an ordinary resolution of the company is required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is required for any purpose, a special resolution shall also be effective.

SHARE CAPITAL

4. The Share Capital of the company at the date of adoption of these Articles is £1,000 divided into 1,000 Ordinary Shares of £1.00 each.

5. The directors are generally and unconditionally authorised, for the purposes of section 80 of the Act, at any time or times during the period of five years after the date of adoption of these articles, to allot, grant options over, offer or otherwise deal with or dispose of relevant securities (as defined in the said section 80) to such persons on such terms and conditions and at such times as the directors think fit unless previously renewed, varied or revoked by the company in general meeting, and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the company at the date of adoption of these articles or, where the authority is renewed, at the date of renewal.
6. The directors shall be entitled, pursuant to the authority conferred by article 5 or any renewal of such authority, to make any offer or agreement at any time before its expiry which would or might require relevant securities of the company to be allotted after expiry of such authority, and to allot relevant securities pursuant to such offer or agreement.
7. In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the company.

#### LIEN

8. The lien conferred by regulation 8 shall extend to fully paid shares and to all shares registered in the name of any person indebted or under liability to the company whether as a member or not and whether he is the sole registered holder or one of several joint holders, and regulation 8 shall be modified accordingly.

#### TRANSFER OF SHARES

9. The instrument of transfer of a share must be in writing and regulation 23 shall be modified accordingly.

10. 10.1 Any member desiring to transfer or dispose of any Ordinary Shares (the "Vendor") shall give notice in writing (a "transfer notice") to the company of such desire. A transfer notice shall constitute the company the agent of the Vendor for the sale of the shares specified in it (the "Sale Shares") at the price fixed in accordance with clause 10.5 below (the "Sale Price") and may not be withdrawn without the consent of the directors.


10.2 The directors shall offer such shares to the members then holding the remaining Ordinary Shares pro rata as nearly as may be to their existing holdings of Ordinary Shares and such offer may specify a time in which, if not accepted, it will be deemed to be refused. The directors shall invite each member to state in writing whether he is willing to purchase any of the Sale Shares so offered and the maximum number he is willing to purchase. If all such members do not accept their entitlement, the unaccepted shares shall be distributed amongst those claiming additional shares pro rata as nearly as may be to their existing holdings of Ordinary Shares, but no member shall be bound to take more shares than those he has claimed. The directors may select as a purchaser of any share not taken up in accordance with this article any person whom they desire to admit to membership.

10.3 If the directors shall pursuant to article 10.2, find a purchaser for any of the Sale Shares, the Vendor shall be bound, on receipt of the Sale Price, to transfer such shares accordingly. If he shall fail to do so, the company may appoint any person to make a transfer on his behalf and may receive and hold the purchase money on trust for the Vendor without interest against delivery of the certificate for such shares. The receipt of the company shall be good discharge for the purchaser, who shall be registered as the holder of the share so transferred to him, and his title

shall not be affected by any irregularity in the proceedings.

10.4 If the directors shall not have found a purchaser for any of the Sale Shares pursuant to article 10.3, the Vendor shall be free to sell and transfer such Sale Share to any person at a price no less than that at which the Sale Shares were offered for sale under clause 10.2 for a period of three months.

10.5 The Sale Price shall be the price agreed between the members or, failing agreement, the price certified to the members by the Auditors of the company ("the Auditors"). For this purpose, the Auditors shall, at the request of any member, determine the Sale Price value on a date no later than 40 days after the date of service of a Transfer Notice. The Sale Price of the Shares being transferred shall be determined in the following manner:



10.5.1 by valuing the entire issued ordinary share capital of the company at the net asset value of the company as shown in the last audited accounts of the company provided that the Auditors shall have regard to the latest management accounts and if they reasonably believe that the net asset value as shown in the last audited accounts has materially changed they shall make such adjustments as they consider reasonably appropriate to the Sale Price;

10.5.2 by disregarding the fact (if relevant) that the shares to be transferred may represent a minority shareholding.

11. The Auditors shall act as experts and not as arbitrators, and their expenses, together with all legal costs incurred in connection with the transfer of shares, shall be borne rateably in proportion to

the number of shares owned by each member immediately before the transfer.

#### **PURCHASE OF OWN SHARES**

12. The company shall have no power to purchase its own shares and Regulation 35 shall not apply to the company.

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

13. Regulation 37 shall be modified by deleting the words "eight weeks" and substituting instead the words "28 days".
14. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:
- 14.1 in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- 14.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or, if no such elective resolution is in force, a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

#### **PROCEEDINGS AT GENERAL MEETINGS**

15. If a quorum is not present within half an hour of the time appointed for a general meeting, or if during a meeting such a

quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such day and at such time and place as the directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

16. A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote, and regulation 46 shall be modified accordingly.
17. Regulation 53 shall be modified by adding the following sentence at the end: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly".
18. A member of the company which is a corporation may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member. Unless the directors otherwise decide, a copy of such authority certified notarially or in some other way approved by the directors shall be left at or sent by post or facsimile transmission to the office or such other place within the United Kingdom as the directors may determine before such representative is entitled to exercise any power on behalf of the corporation which he represents.

#### VOTES OF MEMBERS

19. Regulation 57 shall be modified by including after the word "shall" the phrase "unless the directors otherwise determine".
20. On a show of hands or on a poll, votes may be given either personally or by proxy. Deposit of an instrument of proxy shall

not preclude a member from attending and voting at the meeting or at any adjournment.

21. An instrument appointing a proxy shall be in writing in any form which is usual or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor.
22. Regulation 62 shall be modified by deleting from paragraph (a) the word "deposited at" and by substituting instead the words "left at or sent by post or by facsimile transmission to", by substituting in paragraph (a) the words "one hour" instead of "48 hours" and by substituting in paragraph (b) the words "one hour" instead of "24 hours",

#### **NUMBER OF DIRECTORS**

23. Unless otherwise determined by ordinary resolution, the maximum number of directors (other than alternate directors) shall be 11 and the minimum number shall be one.
24. When one director only is in office he shall have power only to call and shall forthwith call a general meeting of the members to consider and if thought fit approve the appointment of further directors.

#### **ALTERNATE DIRECTORS**

25. For the purpose of voting at Board Meetings a director appointed by the Council under article 29.1.1 may appoint any other Council appointed director to be an alternate director on his behalf and a director appointed by TEC under 29.1.2 may appoint any other TEC appointed director as alternate director on his behalf and the Chief Executive Officer of the company may appoint any other director as alternate director on his behalf and any person so appointed need not be approved by resolution of the directors, and regulation 65 shall be modified accordingly PROVIDED THAT written notice of the appointment of the alternate director



signed by the director so appointing the alternate shall be produced to any Board Meeting at the commencement of such meeting at which it is proposed that the alternate shall vote. For the avoidance of doubt an alternate directors shall not count in the quorum of board meetings in his capacity as alternate director.

26. An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 shall be modified accordingly.
27. Regulation 68 shall be modified by adding the following sentence at the end: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors".

#### **POWERS OF DIRECTORS**

28. The directors may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of its undertaking, property and uncalled capital and, subject to the provisions of the Act, to issue debentures, debenture stock and other securities, either outright or as security for any debt, liability or obligation of the company or of any third party.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

29. The directors shall not be subject to retirement by rotation. Reference in any regulation to retirement by rotation shall be disregarded.

##### **29.1**

- 29.1.1 For so long as Shropshire County Council ("the Council") shall hold shares in the company the Council may appoint up to five directors to the Board of Directors of the company so that at any given time there may be up to five directors

appointed by the Council, two of whom shall be nominated by Telford and Wrekin Council.

29.1.2 For so long as Shropshire Training and Enterprise Council Limited ("TEC") shall hold shares in the company TEC may appoint up to five directors to the Board of Directors of the company so that at any given time there may be up to five directors appointed by TEC.

29.2 Any appointment under article 29.1.1 or 29.1.2 shall be made by notice in writing signed by a duly authorised representative of TEC or the Council (as appropriate) served at the registered office of the company and be effective subject to the provision of this article forthwith upon service of such notice. Each of TEC and the Council shall be entitled from time to time to remove from office any director so appointed by them respectively and to appoint another director in the place of any director who may have been removed or who otherwise may have vacated office.

29.3 In addition a directors who shall be the Chief Executive Officer may be appointed by resolution of the Board who shall hold office for such period and upon such terms of employment as shall be agreed by the Board.

29.4

29.4.1 The right to appoint and remove directors under article 29.1 shall cease forthwith upon TEC or the Council ceasing to hold any shares in the company and upon such date the appointed directors of the member no longer holding shares shall forthwith be treated as having resigned.

29.4.2 In the event that TEC or the Council cease to hold any shares in the company, the rights of TEC and/or the council (as appropriate) to appoint

directors under article 29.1 shall pass to the person or persons which alone or together hold the majority of the shares formerly held by the Council or TEC as relevant.

29.5 There shall be appointed from among the directors nominated by the Council and by TEC a Chairman of the Board ("the Chairman") who shall hold office for two years at a time. The Chairman shall be appointed by the directors nominated by the Council for two years following the July 1998 AGM and for the following two years by the directors nominated by TEC and thereafter in turn on a biennial basis following the AGM by the directors nominated by the Council and the directors nominated by TEC alternately. The Chairman shall upon an equality of votes cast on any Board Resolution have a casting vote in addition to any other vote he may have as director at Board Meetings except that the Chairman shall have no casting vote

29.5.1 on any resolution for the appointment or removal of the Chief Executive Officer of the company from time to time; or

29.5.2 at anytime when the post of Chief Executive Officer of the company shall be vacant.

30. No person shall be or become incapable of being appointed a director by reason only of his having attained the age of 70 years or any other age, nor shall any special notice be required in connection with the appointment or the approval for the appointment of such person, and no director shall vacate his office at any time by reason only of the fact that he has attained the age of 70 years or any other age. Section 293 of the Act shall not apply to the company.

31. A director is not required to hold any qualification shares in the company.

## DISQUALIFICATION AND REMOVAL OF DIRECTORS

32. The office of a director shall be vacated at once if:-

32.1 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director; or

32.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

32.3 he is, or may be suffering from mental disorder and either:-

32.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

32.3.2 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; or

32.4 he resigns his office by notice to the Company; or

32.5 he and his alternate if any shall for more than six consecutive months 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

32.6 being an elected Councillor he shall be removed from his elected office or fail to gain re-election; or

- 32.7 being an employee of his appointor he shall cease for whatever reason to be so employed; or
- 32.8 a written notice is received by the Company from an appointing body revoking the appointment of that appointing body's director; or
- 32.9 the body which appointed the director shall cease for whatever reason to hold any shares in the Company; or
- 32.10 on the director reaching his 75th birthday; or
- 32.11 he commits in the opinion of the Board any act of gross misconduct or commits, repeats or continues (after written warning) any other breach of his obligations under the Articles or of his obligations to the Company; or
- 32.12 he is guilty of any conduct which in the reasonable opinion of the Board brings or is liable to bring him or the Company into disrepute; or
- 32.13 he is convicted of any criminal offence (excluding an offence under road traffic legislation in the United Kingdom or elsewhere for which he is not sentenced to any term of imprisonment whether immediate or suspended); or
- 32.14 he commits any act of dishonesty whether relating to the Company, and of its employees or otherwise

#### PROCEEDINGS OF DIRECTORS

33.

- 33.1 Regulation 88 shall be modified by deleting the third sentence and substituting instead the following sentence:  
"Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom provided that, if he is absent from the United Kingdom, he has given to the

company an address outside the United Kingdom to which notices should be sent."

33.2 The quorum for holding Board meetings shall be five directors in attendance in person and for the avoidance of doubt the Chief Executive Officer of the company shall not count in the quorum (and shall not be entitled to vote at Board meetings) in relation to any matter concerning his appointment or reappointment as a director or the terms of his employment with the company.

34.

34.1 Any director or his alternate may validly participate in a meeting of directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of directors shall, for the purposes of these articles, be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors even if fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

34.2 A resolution in writing (which may be on one or more identical documents) signed by all the directors shall be valid and effective as if it had been passed at a duly convened Board meeting.

## DIRECTORS' APPOINTMENTS AND INTERESTS

35. Any director who is interested whether directly or indirectly in any proposed or existing contract, transaction or arrangement with the company must declare such an interest and shall not be eligible to vote at any meeting as regards any part of the business which includes such proposed contract transaction or arrangement. For this purpose any director who is appointed by the Council under Article 29 shall not be regarded as being interested in any proposed contract transaction or arrangement with the Council.
36. Subject to clause 3.33 of the Memorandum of Association a director, may hold any other office or place of profit under the company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine, and no director or intending director shall be disqualified by his office from contracting with the company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship established by his holding of that office.
37. Subject to clause 3.33 of the Memorandum of Association any director may act by himself or through his firm in a professional capacity for the company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director provided that nothing contained in this article shall authorise a director or his firm to act as auditor to the company.

## THE SEAL

38. In accordance with section 39 of the Act, the company may have an official seal for use in any territory, district or place elsewhere than in the United Kingdom.

## DIVIDENDS

39. The company may not declare dividends and regulations 102 to 108 inclusive shall not apply to the company.

## NOTICES

40. Any notice required by these articles to be given by the company other than notice of a general meeting may be given by facsimile transmission and regulations 111 and 112 shall be modified accordingly.
41. Regulation 112 shall be modified by deleting the last sentence and substituting instead the following: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address".
42. Any notice sent to any member (or any other person entitled to receive notices under the articles) by the company by post to an address within the United Kingdom shall be deemed to have been given within 24 hours (if prepaid as first class) and within 48 hours (if prepaid as second class) after the notice has been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within 72 hours after it has been posted, if prepaid as airmail. Any such notice sent by facsimile transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. In proving the giving of notice, by post, it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted, and, by facsimile transmission, that the notice was received by production of a copy fax bearing the addressee's




answerback code or automatic record of correct transmission. Any notice not sent by post but left at a member's registered address shall be deemed to have been given on the day it was left there. Notwithstanding the foregoing provisions of this article no notice shall be deemed to be served upon any member who is a local authority unless clearly marked for the attention of such officer of the local authority as shall be notified to the company by the local authority for the purpose from time to time.

43. Regulation 116 shall be modified by deleting the words "within the United Kingdom".

#### INDEMNITY AND INSURANCE

44. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer or employee of the company shall be indemnified out of the assets of the company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation to them including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or employee of the company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
45. The directors may exercise all the powers of the company to purchase and maintain for any director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of

duty or breach of trust or any other liability in relation to the affairs of the company which may lawfully be insured against.

Signed  .....  
(Vice Chair)

Date 9 Feb 1999 .....