

Incorporated on 4 March 2005

**THE COMPANIES ACT 2006  
COMMUNITY INTEREST COMPANY LIMITED BY GUARANTEE**

**ADOPTED BY SPECIAL RESOLUTION ON 20 DECEMBER 2016**

**AMENDED BY SPECIAL RESOLUTION ON 15 JANUARY 2020**

**ARTICLES OF ASSOCIATION  
OF  
CO2SENSE CIC**

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**THE COMPANIES ACT 2008**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**CO2SENSE CIC**

**1. NAME**

The Company is called "CO2Sense CIC" (the "Company").

**2. COMMUNITY INTEREST COMPANY**

The Company shall be a community interest company.

**3. ASSET LOCK**

3.1 The following provisions are intended to ensure that the assets of the company are protected for community benefit and are not distributed to Members following the framework set out in the 2004 Act. The term Asset Locked Body is defined in Article 18.2 and refers to bodies which have similar protections in their constitution.

3.1.1 The Company shall not transfer any of its assets other than for full consideration.

3.1.2 Provided the conditions specified in Article 3.1.3 are satisfied, Article 3.1.1 shall not apply to

3.1.2.1 the transfer of assets to any specified Asset Locked Body or (with the consent of the Regulator) to any other Asset Locked Body; or

3.1.2.2 the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an Asset Locked Body.

3.1.3 The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Articles of the Company.

3.1.4 The Company shall reinvest any investment capital repayments that it receives, and income derived from the Company's investments shall be used to fund activities that achieve or are consistent with the Company's objects as set out in Articles 5.1.1 and 5.1.2, below.

3.1.5 If:

3.1.5.1 the Company is wound up under the Insolvency Act 1986; and

3.1.5.2 all its liabilities have been satisfied

any residual assets shall be given or transferred to an Asset Locked Body specified by the Members.

**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. OBJECTS**

The Company's objects are to carry on activities which benefit the community and in particular (without limitation) to carry on the business of investing in, developing and establishing the use of new technologies consistent with sustainable development, and the low carbon economy, within the UK.

## **6. NOT FOR PROFIT**

The Company is not established or conducted for private gain. Any surplus or assets are used principally for the benefit of the community.

## **7. LIABILITY OF MEMBERS**

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

- 7.1 payment of the Company's debts and liabilities contracted before he or she ceases to be a Member;
- 7.2 payment of the costs, charges and expenses of winding up; and
- 7.3 adjustment of the rights of the contributories among themselves.

## **8. GOVERNANCE**

### **8.1 Overview**

The Company has Members and a Board of Directors (the "Board"). It may, at the discretion of the Directors for the time being, also appoint a Secretary.

### **8.2 Governing documents**

- 8.2.1 These Articles set out the way in which the Company is owned, organised and governed.
- 8.2.2 The Board may make policies and procedures relating to the running of the Company. Such policies and procedures may include codes of conduct for Members and Directors and shall not be inconsistent with the Articles.

### **8.3 Board of Directors**

Subject to the Articles, the Board manages the affairs of the Company and may exercise all of its powers.

### **8.4 Secretary**

The Secretary. If at any time appointed, is secretary to the Company, and acts as secretary to the Board. If no Secretary is appointed the duties of a Secretary shall fall to the Board.

### **8.5 Members**

The Members shall be the Directors for the time being.

## **9. BOARD OF DIRECTORS**

### **9.1 Composition of the Board**

9.1.1 The Board comprises Directors, as follows:

- 9.1.1.1 the minimum number of Directors shall be 2.
- 9.1.1.2 the maximum number of Directors shall be 6.

### **9.2 Appointment of Directors**

Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director by a decision of the Directors.

### **9.3 Termination of Director's Appointment**

A person ceases to be a Director as soon as:

- 9.3.1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006, or is prohibited from being a Director by law;
- 9.3.2 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;
- 9.3.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 9.3.4 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);
- 9.3.5 the Director fails to attend three consecutive meetings of the Directors and the Directors resolve that the Director be removed for this reason; or
- 9.3.6 the Director ceases to be a Member.

### **9.4 Directors' remuneration**

- 9.4.1 Directors may undertake any services for the Company that the Directors decide, though the Members shall determine the standard form of Directors Service Agreements from time to time by Special Resolution.
- 9.4.2 Directors are entitled to such reasonable and proportionate remuneration as the Directors shall determine:
  - 9.4.2.1 for their services to the Company as Directors; and
  - 9.4.2.2 for any other service which they undertake for the Company.
- 9.4.3 Subject to the Articles, a Director's remuneration may:
  - 9.4.3.1 take any form; and
  - 9.4.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 9.4.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 9.4.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

### **9.5 Directors' expenses**

- 9.5.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
  - 9.5.1.1 meetings of Directors or committees of Directors;
  - 9.5.1.2 Members' meetings; or
  - 9.5.1.3 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.

**9.6 Chairing of Meetings of the Board**

- 9.6.1 The Directors may appoint one of their number to chair their meetings from time to time. The appointment and removal of the Chair shall be in accordance a procedure determined by the Board at any given meeting of the Board.

**9.7 Meetings of the Board : Notice and Quorum**

- 9.7.1 One Director may (and the Secretary, if any, must at request of a Director) call a meeting of the Board.
- 9.7.2 Meetings of the Board must be called on at least seven Clear Days' notice unless either:
- 9.7.2.1 all the Directors agree; or
  - 9.7.2.2 urgent circumstances require shorter notice.
- 9.7.3 Notice of meetings of the Board must be given to each Director, and must specify:
- 9.7.3.1 the place, day and time of the meeting; and
  - 9.7.3.2 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.
- 9.7.4 Notice need not be in writing.
- 9.7.5 Notice may be sent by electronic means to an Address provided by the Director for the purpose.
- 9.7.6 The quorum for meetings of the Board may be fixed from time to time by a decision of the board. In the event the Board comprises two Directors the quorum may be one but in the event the Board comprises three or more Directors it must never be less than two, and unless otherwise fixed it is two.
- 9.7.7 Directors may be counted in the quorum, participate in and vote at meetings of the Board by telephone, video or other electronic means.

**9.8 Meetings of the Board: Participation**

- 9.8.1 Subject to the Articles, Directors participate in a meeting of the Board, or part of a meeting of the Board, when:
- 9.8.1.1 the meeting has been called and takes place in accordance with the Articles; and
  - 9.8.1.2 they can each communicate to the others any information or opinions they have on any particular item or items of business of the meeting.
- 9.8.2 In determining whether Directors are participating in a meeting of the Board , it is irrelevant where any Director is or how they communicate with each other.
- 9.8.3 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.

**9.9 Meetings of the Board: Voting**

- 9.9.1 Questions arising at a meeting of the Board shall be decided by a majority of votes or in the event a quorum of one is sufficient in accordance with the Articles, a majority decision is made when that single Director makes a decision.
- 9.9.2 In all proceedings of the Board each Director must not have more than one vote.
- 9.9.3 The Chair may circulate or ask the Secretary, in the event one is in place, to circulate a resolution to all Directors to be signed. If it is returned to the Chairman or Secretary, as applicable, signed by at least three quarters of the Directors, then it shall have the same effect as a resolution validly passed at a meeting of the Board. Each Director may sign a separate copy of the resolution and send a signed copy to the Chairman or such person as is nominated by the Chairman pursuant to Article 9.10 or to the Secretary, as applicable, by email or any other electronic means.
- 9.9.4 The Board may make standing orders for the conduct of its meetings.

**9.10 Delegation of Director's Powers**

- 9.10.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles or the implementation of their decisions or day to day management of the affairs of the Company:
  - 9.10.1.1 to such person or committee;
  - 9.10.1.2 by such means;
  - 9.10.1.3 to such an extent;
  - 9.10.1.4 in relation to such matters or territories; and
  - 9.10.1.5 on such terms and conditions  
as they think fit.
- 9.11 If the Directors so specify, any such delegation of this power may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 9.12 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

**9.13 Conflict of Interests**

- 9.13.1 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.
- 9.13.2 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 or in the event of only two Directors comprising the Board at the time being by the other Director (provided that Director is not conflicted).
- 9.13.3 Whenever a matter is to be discussed at a meeting or decided in accordance with Article 9.9.4 and a Director has a Conflict of Interest in respect of that matter then he or she must:
  - 9.13.3.1 remain only for such part of the meeting as in the view of the other Directors or Director is necessary to inform the debate;
  - 9.13.3.2 not be counted in the quorum for that part of the meeting; and
  - 9.13.3.3 withdraw during the vote and have no vote on the matter.

- 9.13.4 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.

## **10. MEMBERS**

### **10.1 Becoming a Member**

- 10.1.1 The subscribers to the Memorandum are the first members of the Company.
- 10.1.2 Such other persons as are admitted to membership in accordance with the Articles shall be members of the Company.
- 10.1.3 Each member of the Company shall be a Director.
- 10.1.4 No person shall be admitted a member of the Company unless he or she is approved by the Directors.
- 10.1.5 Every person who wishes to become a member shall deliver to the Company an application for membership in such form (and containing such information) as the Directors require and executed by him or her.

### **10.2 Termination of Membership**

- 10.2.1 A Member ceases to be a Member of the Company in the following circumstances:
- 10.2.1.1 they cease to be a Director;
  - 10.2.1.2 they die or cease to exist or they are dissolved or are no longer in existence in the case of corporate bodies;
  - 10.2.1.3 they resign in writing;
  - 10.2.1.4 a Director or the Secretary, where one is appointed, removes them from the Register of Members, after completing procedures approved by the Board, on the grounds that:
    - (a) the Company has lost contact with the Member; or
    - (b) they are no longer interested in continuing as a Member
  - 10.2.1.5 they are removed from membership by resolution of the Directors on the ground that in their reasonable opinion the Member's continued membership is harmful to the Company. The Directors may only pass such a resolution after notifying the Member in writing and considering the matter in the light of any written representations which the Member concerned puts forward within 14 Clear Days after receiving notice; or
  - 10.2.1.6 otherwise in accordance with the Articles.
- 10.2.2 No person who has been expelled from membership is to be re-admitted except by a resolution carried by the votes of two-thirds of the Directors present and voting at a Directors' meeting.
- 10.2.3 Membership is not transferable to anyone else.

## **11. MEMBERS MEETINGS**

### **11.1 Members' Meetings: Notice and Quorum**

- 11.1.1 The Directors may call a general meeting of the Members at any time.
- 11.1.2 General meetings of the Members must be held in accordance with the provisions regarding such meetings in the Companies Act.

- 11.1.3 Notice of a general meeting of the Members is to be given at least 14 Clear Days before the date of the meeting or by shorter notice if it is so agreed by a majority of the members having a right to attend and vote at the meeting.
- 11.1.4 The Notice shall be circulated to each of the Members and Directors and shall:
  - 11.1.4.1 give the time, date and place of the meeting; and
  - 11.1.4.2 set out the business to be dealt with at the meeting.
- 11.1.5 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.
- 11.1.6 The quorum for Members' Meetings may be fixed from time to time by a decision of the Board, but it must never be less than one third of the Members.
- 11.2 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.
- 11.3 Article 11.4 shall not prevent a person who is a proxy for a Member or a duly authorised representative of a Member from voting at a general meeting of the Company.

## **12. WRITTEN RESOLUTIONS**

- 12.1 Subject to Article 12.3, a written resolution of the Company passed in accordance with this Article 12 shall have effect as if passed by the Company in a Members' meeting:
  - 12.1.1 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;
  - 12.1.2 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.
- 12.2 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.
- 12.3 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.
- 12.4 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.
- 12.5 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:
  - 12.5.1 If the Document is sent to the Company in hard copy Form, it is authenticated if it bears the Member's signature;
  - 12.5.2 If the Document is sent to the Company by Electronic Means, it is authenticated if the identity of the Member is confirmed in a manner agreed by the Directors.
- 12.6 A written resolution is passed when the required majority of eligible Members have signified their agreement to it.
- 12.7 A proposed written resolution lapses if it is not passed within 28 days beginning with the circulation date.



### **13. RECORDS AND ACCOUNTS**

13.1 The Board 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 and the Regulator of:

13.1.1 annual reports;

13.1.2 annual returns; and

13.1.3 annual statements of account.

13.2 Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents.

#### **13.3 Publication of reports by any other external auditor**

The Board may decide that external auditors shall be appointed to review and deliver a report on aspects of the Company's affairs other than finance. The Company shall provide that any such report is published in such manner as the Board shall determine.

### **14. ALTERATIONS TO ARTICLES**

Subject to the requirements of the Companies Acts and the Regulations, no new Article shall be made, nor shall any of the Articles be amended, unless approved by special resolution at a Members' meeting or by a Members written resolution passed as a special resolution in accordance with Article 12.1.2.

### **15. ADMINISTRATIVE**

#### **15.1 Settlement of Disputes**

Any dispute, between the Company or an officer of the Company on the one hand and a Member or a person who has for not more than six months ceased to be a Member on the other hand, as to the interpretation of or arising out of the Articles shall (except as otherwise provided in the Articles) be referred, in default of agreement between the parties to the dispute, to a person appointed by the President of the Chartered Institute of Arbitrators, on application by any of the parties. The person so appointed shall act as sole arbitrator in accordance with the Arbitration Act 1996 and such person's decision shall (including any decision as to the costs of the arbitration) be final.

#### **15.2 Secretary**

15.2.1 The Board appoints and may remove the Secretary.

15.2.2 The Secretary's role includes:

15.2.2.1 ensuring good information flows to the Board;

15.2.2.2 through the Chair advising the Board on governance matters; and

15.2.2.3 being accessible to all Directors to ensure that procedures are being complied with.

15.2.3 The Secretary:

15.2.3.1 has the functions set out in the Articles and any other functions which the Board assigns;

15.2.3.2 acts as secretary to Committees of the Board, and subject to its approval, may appoint another person for those purposes;

- 15.2.3.3 acts as returning officer at, and is responsible for the conduct of, all elections described in the Articles; and
- 15.2.3.4 has absolute discretion to decide any issue or question which the Articles require the Secretary to decide. In absence of the appointment of a Secretary such decision to be passed for determination by a third party legal advisor appointed by the Board.

## 16. INDEMNITY

- 16.1 Subject to Article 16.2, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against:
  - 16.1.1 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;
  - 16.1.2 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
  - 16.1.3 any other liability incurred by that Director as an officer of the Company or an associated company.
- 16.2 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.
- 16.3 In this Article:
  - 16.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 16.3.2 a "relevant Director" means any Director or former Director of the Company or an associated company.

## 17. INSURANCE

- 17.1 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.
- 17.2 In this Article:
  - 17.2.1 a "relevant Director" means any Director or former Director of the Company or an associated company;
  - 17.2.2 a "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
  - 17.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## 18. INTERPRETATION

- 18.1 The Articles should be read and understood on the basis of what is set out below:
  - 18.1.1 words in the singular include the plural, and words in the plural include the singular;
  - 18.1.2 any reference to legislation includes any subsequent enactments, amendments and modifications, or any subordinate legislation;
  - 18.1.3 the section, Article and paragraph headings are inserted for convenience only and shall not affect the interpretation of the Articles.

18.2 The following words and phrases have the special meaning set out below:

<b>"2004 Act"</b>	the Companies (Audit, Investigations and Community Enterprise) Act 2004
<b>"Address"</b>	includes a number or address used for the purposes of sending or receiving Documents by electronic means
<b>"Articles"</b>	the Company's Articles of Association
<b>"Asset Locked Body"</b>	a community interest company, charity or a Permitted Industrial and Provident Society or a body established outside the United Kingdom that is equivalent to any of those
<b>"Board"</b>	the Board of Directors comprised as set out in Article 9.1.1
<b>"Clear Days"</b>	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
<b>"Community"</b>	is to be construed in accordance with section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004
<b>"Companies Act"</b>	means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company
<b>"Company"</b>	a company registered with limited liability under the Companies Act 2006 or any previous Companies Act, or under any law of the country where it is situated whereby it acquires the right of trading as a body corporate with limited liability
<b>"Conflict of Interest"</b>	means 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
<b>"Director"</b>	means a person so appointed in accordance with Article 9.2
<b>"Document"</b>	includes, unless otherwise indicated, any document sent or supplied in electronic form
<b>"Member"</b>	means a person so appointed in accordance with Article 10.1
<b>"Permitted Industrial and Provident Society"</b>	means an industrial and provident society which has a restriction on the use of its assets in accordance with regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006 or regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006
<b>"Regulations"</b>	the Community Interest Company Regulations 2005
<b>"Regulator"</b>	the Regulator of Community Interest Companies

**"Specified"**

means specified in the articles of association of the Company for the purposes of this paragraph

**"Transfer"**

includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or a right over, any property