

SOCIOCRATIC, ECOLOGICAL AND ECONOMIC DEVELOPMENT LTD

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

INDEX TO THE ARTICLES

PART 1 – ORGANISATIONAL STRUCTURE

PART 2 – MEMBERS AND SHARES

PART 3 – PROFIT DISTRIBUTION

PART 4 – DIRECTORS

PART 5 – CIRCLES

PART 6 – AMENDING THE ARTICLES

PART 7 – WINDING UP THE COMPANY

PART 8 – SHAREHOLDERS' MEETINGS

PART 9 – ADMINISTRATIVE ARRANGEMENTS

PART 10 – DEFINED TERMS

The Companies Act 2006

Sociocratic, Ecological and Economic Development LTD

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

PART 1

ORGANISATIONAL STRUCTURE

SOCIOCRATIC PRINCIPLES

1.1 The Company shall be structured in accordance with the sociocratic (dynamic self-governance) model of organisation, the underlying principles of which are as follow:-

The principle of consent

1.2 The principle of consent governs decision-making at a policy level. Consent means that no participant in the making of a policy decision maintains an argued and paramount objection to a proposed course of action. Operational decisions may be made using a method other than consent (for example, by majority vote) provided that the method used to make a particular decision, or a class of decisions, has itself been agreed according to the principle of consent.

The principle of circles

1.3 The organisation is composed of a hierarchy of self-organising circles (committees), each comprising a group of people who are operationally related. Participants in circles may but need not be members of the Company.

The principle of double-linking

1.4 A lower circle is always linked to a higher circle in such a way that at least two persons belong to and participate in the decision-making of the next higher circle. One takes primary responsibility for communicating upwards, from lower to higher circle, and the other takes primary responsibility for communicating information downwards.

The principle of election by consent

1.5 Where the structure of the Company requires someone to be elected to position or function, this election is secured by consent following open discussion.

CO-OPERATIVE PRINCIPLES

1.6 The company shall be run in accordance with internationally recognised co-operative principles as published by the International Co-operative Alliance (at the time of incorporation of this company, these principles were published online at <http://www.ica.coop/coop/principles.html>), except in so far as those principles shall conflict with these articles or the law.

PART 2 MEMBERS AND SHARES

Private company

2.1 The Company is a private company. No offer or invitation will be made to the public to subscribe for shares in or debentures of the Company and the Company shall not allot or agree to allot any shares in or debentures of the Company with a view to any of them being offered for sale to the public.

Classes of shares

2.2 There shall be two classes of shares, Employee Shares and Investment Shares. Shares shall have a nominal (par) value of £1. A holder of either class of share shall be a member of the Company subject to the provisions of these Articles.

Employee shares

2.3 Employee Shares may only be held by employees of the Company. An employee shall not be entitled to hold more than one Employee Share in the Company (except as a nominee). Employee Shares shall carry the right to participate in the profits of the Company. All employees shall be issued with an Employee Share upon taking up employment with the Company, subject only to any reasonable probationary period as may be in force.

2.4 Employee Shares may only be transferred to the Company, to a nominee of the Company or to a new employee of the Company. No consideration shall be payable in respect of an Employee Share transferred. If an Employee Share is transferred to a nominee of the Company, the Company may re-issue the share to a new employee member.

2.5 A person who ceases to be an employee of the Company, for any reason, shall within 21 days of the date of cessation of employment deliver to the Company a signed stock transfer form in respect of the Employee Share. If on the expiration of the 21 day

period no stock transfer form has been received from the ex-employee, two Directors will be deemed to be the duly appointed attorney of the ex-employee and shall execute a stock transfer form on her or his behalf and deliver it to the Company.

Investment shares

2.6 Investment Shares may be held by any persons, including employees, and by corporations. There is no limit to the number of Investment Shares that may be held by an individual or a corporation. Investment Shares shall carry the right to participate in meetings of the Investment Shareholders and to participate in the profits of the Company.

2.7 The Company may pay a commission to persons in consideration of their subscribing or agreeing to subscribe for shares in the company to the extent that is allowed for in section 553 of the Companies Act 2006.

2.8 The Company shall have the right to redeem the Investment Shares at par value, and on a winding up the holders of the Investment Shares shall be entitled to receive their par value plus any share of the Company's surplus assets that may be due to them.

2.9 The rights attached to the Investment Shares may only be varied or abrogated with the consent of the Investment Shareholders in addition to the consent of the General Circle.

All shares to be fully paid up

2.10 No share is to be issued for more or less than its nominal value and all shares must be paid up in full on issue.

Company not bound by less than absolute interests

2.11 Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share transfers

2.12 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.

2.13 Investment Shares may only be transferred at their nominal value. Employee Shares shall be transferred for no consideration.

2.14 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

2.15 The Company may retain any instrument of transfer which is registered.

2.16 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

2.17 The Directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

PART 3 PROFIT DISTRIBUTION

3.1 The profit of the Company shall be applied as follows, in such proportion and in such a manner as the Directors shall decide from time to time following a recommendation from the General Circle:-

(a) First, to a general reserve for the continuation and development of the Company.

(b) Second, to paying fixed compensation (interest) to Investment Shareholders. This fixed compensation shall be set by reference to the Bank of England base lending rate, plus a percentage agreed by the Directors.

(c) The remaining profit shall be made available to Employee Shareholders and Investment Shareholders by way of variable compensation (dividends). Such variable compensation shall be allocated on the basis of each employee's salary and the value of each Investment Shareholder's shareholding, calculated as a fraction of the Company's turnover, in accordance with a formula approved by the Directors.

3.2 If the accounts for any year shows that a loss has been made which cannot be offset against a reserve or cleared in some other way, then no profit shall be distributed as variable compensation in subsequent years until the loss has been made good.

3.3 If the fixed compensation in respect of a financial year is not paid, in whole or in part, to the Investment Shareholders, then the amount due shall be paid to the Investment Shareholders out of the profit made in one or more subsequent financial years.

3.4 Payments by way of profit distribution which have not been taken up within five years of being made payable shall revert to the Company.

3.5 The Directors may make interim distributions to members at intervals if it appears to them that the profits available for distribution justify such payments.

PART 4 DIRECTORS

Status of Directors as “top circle”

4.1 In terms of sociocratic practice, the Company’s Board of Directors constitute the “top circle”.

Appointment of Directors

4.2 The Board of Directors shall comprise:

- (a) a senior member of the Company’s staff, selected by the other Directors to serve as Operational Leader for the Company;
- (b) at least one person elected by and from the General Circle;
- (c) one person elected by and from the Investment Shareholders, at their annual meeting;
- (d) at least four external expert members, appointed by the Directors.

4.3 The external experts shall be drawn from outside the Company’s membership and shall be selected on the basis of particular skills, experience or contacts that will be useful to the Company.

4.4 The external expert members shall be appointed by the Directors for a period of one year, at the end of which period they shall be eligible for immediate reappointment.

4.5 The Directors may at any time terminate the Directorship of an external expert. The external expert in question may participate in discussions concerning the proposed dismissal but her or his consent is not required to reach a decision.

4.6 The General Circle shall determine the period of service of persons it elects to the Board of Directors, and may periodically review its choice of representatives and replace one or more of them.

4.7 The Directors may periodically review the Directorship of the employee who has been appointed under 4.2(a) and may replace her or him with another suitably qualified member of staff. The employee in question may participate in discussions concerning the proposed replacement but her or his consent is not required to reach a decision.

4.8 The Directors may by consent appoint any person to fill a casual vacancy if that person would have qualified to be elected to that position. Any Director so

appointed shall hold office until the expiration of the term of office of the person she or he has replaced.

4.9 A person shall not be a Director unless he or she:

- (a) is willing to serve as a Director and has attained the age of 16 years; and
- (b) is appointed as a Director in accordance with the Articles.

4.10 No person shall be appointed as a Director who is:

- (a) an undischarged bankrupt or in breach of any county court administration order;
- (b) disqualified by law from serving as a company director.

Termination of Director's appointment

4.11 The office of a Director shall be immediately vacated if he or she:

- (a) resigns his or her office in writing to the Company; or
- (b) becomes bankrupt or is in breach of any county court administration order; or
- (c) having been elected as a representative of the Employee Shareholders or of the Investment Shareholders, ceases to be a holder of that class of shares; or
- (d) otherwise ceases to be a Director by virtue of any provision of the Companies Acts or is prohibited from being a company director by law.

Directors' remuneration

4.12 Directors may undertake any services for the Company that the Directors decide. Directors are entitled to such remuneration as the Directors determine—

- (a) for their services to the Company as Directors, and
- (b) for any other service which they undertake for the Company.

4.13 Subject to the Articles, a Director's remuneration may—

- (a) take any form, and
- (b) 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.

4.14 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.

Directors' expenses

4.15 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at meetings concerning the Company.

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

4.16 The Directors shall establish the policy of the Sociocratic Company and supervise its implementation, in so far as such functions have not been delegated to the General Circle. 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.

Directors may delegate

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

- (a) to such circle, person or committee;
- (b) by such means;
- (c) to such an extent; and
- (d) on such terms and conditions;

as they think fit.

4.18 Unless the Directors specify otherwise, any such delegation will authorise further delegation of the Directors' powers by any person to whom they are delegated.

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

DECISION-MAKING BY DIRECTORS

Principle of consent

4.20 Decision-making shall be in accordance with the principle of consent or "no objection". Certain decisions may be made using a method other than consent (for example, by majority vote) provided that the method used to make a particular decision, or a class of decisions, has itself been agreed according to the principle of consent. The agreement to use some system of decision-making other than consent may always be revoked. The election of a person to a position or function shall always be secured by consent.

4.21 Should there be a paramount objection to a proposal, arguments for the objection must be given. An objection without reasoned argument will not be considered.

4.22 Any decision requiring consent which is made at a meeting where one or more Directors is not participating shall be promptly communicated to those absent Directors along with the minutes for that meeting. If no objection is received within 48 hours of the delivery of minutes for review, it will be assumed that the Director has given their consent to the proposal. If a decision needs to take effect before the 48 hour review period has elapsed, the chairperson (or another delegated member) shall contact all the directors by telephone (or using a similar communication method) for consent.

4.23 If the Directors are unable to reach a decision on a particular matter, the issue shall be considered again at a subsequent meeting of the Directors held at least 24 hours after the first meeting.

Calling a Directors' meeting

4.24 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.

4.25 Notice of any Directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) 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.

4.26 Notice of a Directors' meeting must be given to each Director, but need not be in writing.

Participation in Directors' meetings

4.27 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the Articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

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

4.29 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.

Quorum for Directors' meetings

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

4.31 The quorum for Directors' meetings shall be two Directors.

4.32 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision—

- (a) to appoint further Directors, or
- (b) to call a meeting of the General Circle so as to enable its members to appoint further Directors.

Chairing of Directors' meetings

4.33 The Directors shall elect a Director to chair their meetings, according to the consent principle and after open discussion. The person so appointed for the time being is known as the Chairperson.

4.34 A chairperson should have either previously been trained as a facilitator of sociocratic meetings or be currently undergoing such training, either under the direct supervision of a certified sociocratic trainer or consultant or as part of a training program approved by a certified sociocratic trainer or consultant.

4.35 The Directors may terminate the Chairperson's appointment at any time.

4.36 If the Chairperson is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of their number to chair it.

Conflicts of interest

4.37 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director has a personal interest, that Director may participate in discussions concerning the matter but her or his consent is not required to reach a decision.

4.38 The above article shall not apply, and Director may participate in the decision-taking by consent, in any of the following circumstances:

- (a) if the General Circle has agreed to disapply the provision of the above article in a particular case;
- (b) if the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) if the Director's conflict of interest arises from a permitted cause.

4.39 For the purposes of the above article, the following are permitted causes:

- (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.

Records of decisions to be kept

4.40 The Directors must keep minutes of all:

- (a) appointments of officers made by the Directors;
- (b) meetings of the Directors and committees of Directors including:
 - i. the names of the Directors present at the meeting;
 - ii. the decisions made at the meetings; and
 - iii. where appropriate, the reasons for the decisions.

Minutes of meetings shall be kept for a minimum of 10 years.

PART 5 CIRCLES

5.1 The circle organization of the Sociocratic Company shall be as follows:

- the top circle (i.e. the Board of Directors)
- the General Circle
- sector circles, department circles and group circles.

Circle powers

5.2 Each circle shall be a separate organ of the Sociocratic Company and shall be empowered to draft its own circle regulations, which must not be in conflict with these Articles of Association nor with any regulations prescribed by a circle directly above it which are applicable to the circle.

5.3 Each circle may decide if and when a new lower circle should be created, and may also decide if and when existing lower circles should be split up, combined or dissolved. Where it is proposed to dissolve a circle, that circle and its representative(s) may participate in the discussion but their consent is not required to reach a decision.

5.4 The General Circle may create one or more Sector Circles; a Sector Circle may create one or more Department Circles; a Department Circle may create one or more Group Circles.

Circle aim

5.5 Each circle shall have and shall work in furtherance of an aim that has been agreed, by consent, by the higher circle that created it.

Decision-making

5.6 Decision-making within circles shall be in accordance with the principle of consent or “no objection”. Certain decisions may be made using a method other than consent (for example, by majority vote) provided that the method used to make a particular decision, or a class of decisions, has itself been agreed according to the principle of consent. The agreement to use some system of decision-making other than consent may always be revoked. The election of a person to a position or function shall always be secured by consent.

5.7 Should there be a paramount objection to a proposal, arguments for the objection must be given. An objection without reasoned argument will not be considered.

5.8 If a circle is unable to reach a decision on a particular matter, the issue shall be considered again at a subsequent meeting of the circle held at least 24 hours later. If still no decision is reached, the question shall be referred to the next higher circle for resolution or recommendation.

5.9 Decision-making processes shall be formulated in accordance with recommended best practice from recognised sociocratic institutions.

Elected posts

5.10 Each circle shall elect one or more persons to represent that circle in the next higher circle. Anyone may be elected to represent the circle, whether or not a member of the Company, provided the candidates are connected to the Sociocratic Company in some way.

5.11 Each circle shall elect from among its members a chairperson and a secretary.

5.12 A chairperson should have either previously been trained as a facilitator of sociocratic meetings or be currently undergoing such training, either under the direct supervision of a certified sociocratic trainer or consultant or as part of a training program approved by a certified sociocratic trainer or consultant.

5.13 Individuals shall be elected in accordance with the principle of consent after open discussion, at a meeting duly convened for that purpose. Elections shall be conducted annually or as deemed necessary by the circle.

5.14 Each circle shall have an operational leader appointed by the next higher circle.

5.15 Individuals may fulfill several functions simultaneously, provided such is not incompatible on constitutional, functional, or legal grounds. A circle's elected representative to the next higher circle may not be the same person as the operational leader appointed by the higher circle to the lower circle.

Circle membership

5.16 Each circle shall adopt procedures for the appointment and dismissal of members of the circle. A circle shall be responsible for the internal and integral development of circle members.

5.17 A circle may make a decision on the dismissal of a member only after the member in question has had opportunity to present her or his case. A member whose dismissal is proposed may not take part in this decision.

5.18 In the event that a circle objects to the appointment of or seeks to dismiss a representative of the next lower circle, the circle shall submit objections to the next lower circle concerning the representative. Should consideration of these objections not result in consent between the two circles, the higher circle may (as a final resort) deny the representative the right to participate in the higher circle.

Circle meetings

5.19 Circle meetings shall be convened by the chairperson of the circle. All members shall be given reasonable and adequate notice of the meeting, including the exact time and place of the meeting, the agenda, and any relevant information necessary to make decisions on matters to be considered at the meeting.

5.20 The chairperson shall convene a special meeting within seven days of a request received from any member of the circle. Should the chairperson fail to convene a special meeting in accordance with this article, the circle member who made the request may convene a meeting of the circle.

5.21 Circles may develop their own policies with regard to the setting of agendas for meeting, which may allow for agenda items to be added or amended during the course of the meeting.

5.22 Each circle shall establish a quorum for the conduct of its business.

5.23 Each circle shall establish a procedure for obtaining consent from members who are absent from a meeting that makes a decision for which consent is required. The default position shall be that circle members shall have three days

from the date on which the minutes of the meeting are circulated to object to a decision that has been made, but individual circles may vary this policy to suit their own requirements.

5.24 Each circle must keep minutes of all:

- (a) appointments of officers made by the circle;
- (b) meetings of the circle including:
 - i. the names of the members present at the meeting;
 - ii. the decisions made at the meetings; and
 - iii. where appropriate, the reasons for the decisions.

GENERAL CIRCLE

5.25 The Company shall have a General Circle comprising:

- (a) the senior employee appointed under article 4.2(a) to serve as Operational Leader for the Company;
- (b) the operational leader of each Sector Circle;
- (c) at least one representative of each Sector Circle, elected by the members of that circle.

5.26 The General Circle shall manage the operations of the Company within limits set by the Directors.

5.27 The General Circle shall:

- (a) determine and control policy to realise its own aims;
- (b) delegate any of its decision-making authority to lower (sector, department or group) circles so their aims can be achieved;
- (c) assign functions and tasks to its own members to execute its own policies.
- (d) elect one or more representatives to the Top Circle (Board of Directors) to serve as Directors of the company, for whatever term the General Circle wishes to set.

5.28 Any holder of an employee share who is not a member of a Sector, Department or Group circle shall have the right to participate in decisions of the General Circle, unless that person has been dismissed by their previous circle and is undergoing proceedings for termination of employment.

PART 6

AMENDING THE ARTICLES

6.1 The Directors or the General Circle may propose an amendment to the Company's Articles. Any such proposal shall be circulated to all members and Directors of the Company in the manner prescribed for sending out notices of meetings, at least 30 days before a decision is to be made.

6.2 Circles may wish to select persons other than their regular representatives to represent them at meetings which will consider the proposed amendment to the Articles.

6.3 A proposal to amend the Articles must be approved by both the Directors and the General Circle.

PART 7 WINDING UP THE COMPANY

7.1 The Directors or the General Circle may propose a voluntary liquidation of the Company. Any such proposal shall be circulated to all members and Directors of the Company in the manner prescribed for sending out notices of meetings, at least 30 days before a decision is to be made.

7.2 Circles may wish to select persons other than their regular representatives to represent them at meetings which will consider the proposed liquidation.

7.3 A proposal to liquidate the Company must be approved by both the Directors and the General Circle.

Residual assets on dissolution

7.4 In the event of the winding up or dissolution of the Company the liquidator shall first, according to law, use the assets of the Company to satisfy its debts and liabilities, including the repayment at par value of share capital held by Investment Shareholders. In the event that any assets remain to be disposed of after its liabilities are satisfied, these assets shall be divided amongst the Employee Shareholders and the Investment Shareholders on the basis of each employee's salary and the value of each Investment Shareholder's shareholding, calculated as a fraction of the Company's turnover, in accordance with a formula approved by the Directors

PART 8 SHAREHOLDERS' MEETINGS

8.1 Meetings of the Investment Shareholders shall be convened annually for the purposes of:

- (a) considering the annual report and accounts produced by the Directors;
- (b) electing a representative to serve on the Board of Directors; and
- (c) such other business as may have been specified in the notices calling the meeting.

8.2 A Special Investment Shareholders' Meeting shall be convened at the request of 10% of the holders of Investment shares.

8.3 All Directors of the Company are entitled to receive notice of, attend and speak at Shareholders' Meetings.

8.4 Those serving as Directors of the Company by virtue of their status as elected representatives of the General Circle and the Director of the Company who is Operational Leader for the Company shall have the right to participate in decision-making at a Shareholders' Meeting. Other Directors of the Company may only participate in decision-making if they hold shares of the appropriate class.

8.5 The quorum necessary for the conduct of a Shareholders' Meeting shall be two holders of shares of the appropriate class present.

8.6 Any member who is entitled to participate in a Shareholders' Meeting may appoint any other member to act as proxy for him or her, and shall provide written authorisation for the appointed person so to act.

8.7 Shareholders' Meetings shall be conducted in accordance with sociocratic principles. By consent, the shareholders may choose methods and structures of decision-making at Shareholders' Meetings other than consent.

8.8 The members present at a Shareholders' Meetings shall choose one of their number to be chairperson of that meeting, whose function shall be to conduct the business of the meeting in an orderly manner.

PART 9

ADMINISTRATIVE ARRANGEMENTS

Share certificates

9.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

9.2 Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;

- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

9.3 No certificate may be issued in respect of shares of more than one class.

9.4 If more than one person holds a share, only one certificate may be issued in respect of it.

9.5 Certificates must be executed in accordance with the Companies Acts.

Replacement share certificates

9.6 If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

9.7 A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

Means of communication to be used

9.8 Any notice that is required to be given by these Articles may be delivered:

- (a) in person to the recipient;
- (b) by posting it to an address provided for that purpose (or by leaving it at that address);
- (c) by fax or by electronic communication (e-mail) to an address provided for that purpose; or
- (d) by posting it on a website, where the recipient has been notified of such posting in a manner agreed in advance.

Accounts

9.9 The Directors shall comply with the requirements of the Companies Acts and any other applicable law as to keeping financial records and the preparation and transmission to the Registrar of Companies of annual reports and accounts.

9.10 The Company must send a copy of its annual accounts and reports for each financial year to:

- (a) every Member of the Company,
- (b) any circle member who is not also a Member of the Company, and
- (c) every holder of the Company's debentures.

9.11 Copies of the Company's annual accounts and reports must be sent out prior to the date on which it delivers its accounts and reports to the Registrar of Companies.

Directors' Indemnity

9.12 The Company may indemnify any Director, auditor or other officer of the Company against any liability incurred by him or her in that capacity to the extent permitted by sections 232 to 234 of the Companies Act 2006.

PART 10 DEFINED TERMS

In the Articles, unless the context requires otherwise—

“Articles” means the Company's Articles of Association;

“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;

“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;

“Director” means a Director of the Company, and includes any person occupying the position of Director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid” in relation to a share, means that the nominal value has been paid in full to the Company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“member” means a person who is the holder of a share (as does “shareholder”);

“instrument” means a document in hard copy form;

“paid” means paid or credited as paid;

“shareholder” means a person who is the holder of a share (as does “member”);

“shares” means shares in the Company;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“writing” means 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.

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 these Articles become binding on the Company.