

The Companies Act 1985

Company Limited by Shares

**Memorandum
and
Articles of Association**

of

**Bittern Countryside
Community Interest Company**

Date of Incorporation: 6th September 2007

Company Number: 6363720

The Companies Act 1985

Company Limited by Shares

Memorandum of Association

of

**Bittern Countryside
Community Interest Company**

As amended by special resolution 2nd November 2007

1. COMMUNITY INTEREST COMPANY

The Company is to be a community interest company.

2. NAME

The Company's name is
"Bittern Countryside Community Interest Company".

3. REGISTERED OFFICE

The Company's registered office will be in England and Wales

4. OBJECTS

The Company's object is to carry on activities, which benefit the community, and in particular (without limitation) the following work in and around the Arnside/Silverdale Area of Outstanding Natural Beauty:

The Company will work in close co-operation with the Arnside/Silverdale AONB Partnership, working practically to implement projects which complement the activities of all existing statutory and non-statutory organisations, which have responsibilities concerning managing landscape, habitats, flora, fauna, heritage and/or cultural features.

Additionally, the Company will seek to involve a wide community in nature conservation and environmental improvement work and promote with local communities, businesses and agencies active within the AONB, a more sustainable future.

Bittern Countryside Community Interest Company

(1) The Company's objects are to carry on activities which benefit the community, and in particular (without limitation) the following work in and around the Arnside/Silverdale Area of Outstanding Natural Beauty ("the Area"), and in particular, without prejudice to the generality of the above:

1. To support the conservation work of statutory and non-statutory partners working in the Area.
2. To promote, organise and deliver sustainable conservation grazing regimes on vulnerable sites within the Area.
3. To promote, organise and deliver sustainable habitat management and conservation of all kinds.
4. To develop and organise sustainable development initiatives with and in local communities within the Area.
5. To provide opportunities for community participation in all conservation activities in the Area.
6. To co-operate with social enterprises and local businesses to develop local economic activity, which benefits a wider community and nature conservation in and around the Area.
7. To set up, develop and support a shareholder membership group to support the Company.
8. To encourage and promote social enterprise, co-operating with other complementary bodies and organisations working locally, regionally, nationally and internationally.

(2) In furtherance of the above objects, the Company may:

1. Organise, deliver and participate in environmental management, conservation, enhancement and protection schemes, working in partnership or independently, in and around the Area.
2. Carry on other commercial activities and/or provide services appropriate to the activities of a Community Interest Company;
3. Organise, deliver and participate in community development opportunities and regeneration;
4. Arrange and deliver community involvement, consultation and advocacy opportunities.
5. Rent, lease and/or purchase premises, land (including ponds, lakes, rivers, bogs etc.), offices, storage facilities, agricultural land and buildings, garaging and/or workshops as necessary for the carrying out of any or all of its functions.

6. Employ staff, contractors and volunteers as may be appropriate to deliver all or any of the objectives of the Company.
7. Work with others (such as public authorities and private and voluntary sector organisations) to promote Sustainable Development, Alternative Energy and "Green Tourism".
8. Promote, sell and trade in locally made goods, products and produce, and locally based services, either by means of retail/wholesale trading, mail order and/or e-commerce.
9. Actively implement Sustainability and Fairtrade practices in purchasing and sales activities whenever feasible and work with others promoting Fairtrade and Sustainability.
10. Manage and co-operate in partnerships to bid for and deliver funding from external bodies to manage and/or develop conservation/cultural/heritage resources in and around the Area.
11. Organise, deliver and participate in community arts projects and interpretative opportunities.
12. Promote, develop and co-operate in partnerships with other bodies to deliver sustainable public transport services, infrastructure improvements and recreational opportunities.
13. Develop community-based woodfuel supply and/or bio/renewable energy supply operations.
14. Develop Environmental, Conservation and Sustainability consultancy services to support other initiatives and work of the Company

(3) In pursuit of its objects the Company will work in close co-operation with the Arnside/Silverdale AONB Partnership, working practically to implement projects which complement the activities of all existing statutory and non-statutory organisations, which have responsibilities concerning managing landscape, habitats, flora, fauna, heritage and/or cultural features.

(4) The Company will seek to involve a wide community in nature conservation and environmental improvement work and promote with local communities, businesses and agencies active within the AONB, a more sustainable future.

5. POWERS

The Company has the power to do anything which is incidental or conducive to the furtherance of its objects.

6. LIMITED LIABILITY

The liability of the Members is limited.

7. SHARE CAPITAL

The Company's initial share capital is £125,000 divided into 12,000 Ordinary Shares of £10 each and 5,000 Management shares of £1 each

We, the subscribers to this Memorandum, wish to form a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

Names, Addresses and Signatures of Subscribers

Number of Shares subscribed for

1. Signature:  150 £1 Management Shares

Name: Ian Henderson
Address: 53, Emesgate Lane, Silverdale, CARNFORTH LA5 0RN
Date: 28th August 2007

Witness to the above signature:

Signature:

Name:
Address:

2. Signature:  150 £1 Management Shares

Name: David Askew
Address: 1, Orton Road, Tebay, PENRITH CA10 3TL
Date: 28th August 2007

Witness to the above signature:

Signature:

Name:
Address:

The Companies Act 1985

Company Limited by Shares

Articles of Association

of

**Bittern Countryside
Community Interest Company**

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PART ONE: DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In these Articles the following terms shall have the following meanings.

Term	Meaning
“1985 Act”	the Companies Act 1985
“2004 Act”	the Companies (Audit, Investigations and Community Enterprise) Act 2004
“address”	in relation to electronic communications, includes any number or address used for the purposes of such communications
“the Area”	the Arnside/Silverdale Area of Outstanding Natural Beauty
“Articles”	the Company’s Articles of Association
“Asset Locked Body”	a community interest company, Charity or Scottish Charity or a body established outside Great Britain that is equivalent to any of those persons
“Chair”	the meaning given in article 17
“Charity”	(except in the phrase, “Scottish Charity”) the meaning given by Section 96 of the Charities Act 1993
“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
“Company”	Bittern Countryside Community Interest Company
“Director”	a Director of the Company, including any person occupying the position of Director, by whatever name called
“Directors’ functions”	the meaning given in article 5(1)
“electronic communication”	the meaning given in the Electronic Communications Act 2000
“holder”	in relation to any shares, the Member whose name is entered in the Company’s register of members as the

holder of those shares

Term	Meaning
“in writing”	written printed or transmitted writing including by electronic communication
“majority decision”	the meaning given in article 12
“Members”	the members of the Company as defined in the 1985 Act
“Memorandum”	the Company’s Memorandum of Association
“Regulations”	the Community Interest Company Regulations 2005
“Regulator”	the Regulator of Community Interest Companies
“relevant quorum”	the meaning given in article 16(1)
“remuneration”	any reasonable payment or benefit received, or to be received, by a Director or employee of the Company in consideration for that Director’s or employee’s services to the Company, and any arrangement in connection with the payment of a pension, allowance or gratuity to or in respect of any person who is to be, is, or has been a Director or employee of the Company or any of its predecessors in business
“Scottish Charity”	A body entered in the Scottish Charity Register
“Secretary”	the individual appointed as Company Secretary under article 42
“shares”	shares in the Company
“subsidiary”	the meaning given in section 736 of the Companies Act 1985
“unanimous decision”	the meaning given in article 11.

2. INTERPRETATION

- (1) Unless the context requires otherwise, words or expressions defined in:
 - (a) the 1985 Act,
 - (b) the 2004 Act, or
 - (c) the Regulations,have the same meaning in the Articles.

- (2) Without prejudice to the generality of paragraph (1):
 - (a) “**community**” is to be construed in accordance with section 35 of the 2004 Act and Part 2 of the Regulations;
 - (b) “**financial year**” has the meaning given in section 223 of the 1985 Act; and
 - (c) “**transfer**” includes every description of disposition, payment, release or distribution and the creation or extinction of an estate or interest in, or right over, any property, or, in Scotland, a right, title or interest in or over any property.

- (3) Unless the context requires otherwise, all references to legislative provisions are to the legislation concerned as amended, repealed, re-enacted or replaced and in force from time to time.

- (4) Unless the context requires otherwise, words in the singular include the plural and words in the plural include the singular.

- (5) All headings and explanatory notes are included for convenience only: they do not form part of the Articles, and shall not be used in the interpretation of the Articles.

3. TABLE A

The provisions contained in Table A of the Schedule to the Companies (Table A to F) Regulations 1985 shall not apply.

PART TWO: ASSET LOCK

4. TRANSFER OF ASSETS

- (1) The Company shall not transfer any of its assets other than for full consideration.
- (2) Provided the conditions specified in paragraph (3) are satisfied, paragraph (1) shall not apply to:
 - (a) the transfer of assets to any Asset Locked Body specified in the Memorandum or Articles for the purposes of this article or (with the consent of the Regulator) to any other Asset Locked Body;
 - (b) 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;
 - (c) the payment of dividends in respect of shares in the Company;
 - (d) the distribution of assets on a winding up;
 - (e) payments on the redemption or purchase of the Company's own shares;
 - (f) payments on the reduction of share capital; and
 - (g) the extinguishing or reduction of the liability of Members in respect of share capital not paid up on the reduction of share capital.
- (3) The conditions are that the transfer of assets:
 - (a) must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum or the Articles; and
 - (b) must not exceed any limit imposed by, or by virtue of, Part 2 of the 2004 Act.
- (4) If:
 - (a) the Company is wound up under the Insolvency Act 1986; and
 - (b) all its liabilities have been satisfied,

then any remaining residual assets shall be given or transferred to the specified Asset Locked Body specified in the Memorandum and Articles for the purposes of this article.

- (5) For the purposes of this article, the following Asset Locked Body ("the Designated Asset Locked Body") is specified as a potential recipient of the Company's assets under paragraphs (2) and (4).

Name: The Arnside/Silverdale AONB Landscape Trust

Registered Charity Number 702624

Registered Office / Principal office address:

The Old Station Building, Arnside, CARNFORTH. LA5 0HG

PART THREE: DIRECTORS' FUNCTIONS

5. DIRECTORS' GENERAL AUTHORITY TO MANAGE THE COMPANY

- (1) The Directors' functions are:
 - (a) to manage the Company's business; and
 - (b) to exercise all the powers of the Company for any purpose connected with the Company's business.
 - (c) to provide direction and vision in developing social enterprise in and around the AONB, particularly in nature conservation, countryside management, environmental and sustainability issues.
- (2) The Directors may delegate their functions in accordance with the Articles.

6. LIMITS ON DIRECTORS' FUNCTIONS

- (1) The Members may, by special resolution:
 - (a) alter the scope of the Directors' functions; or
 - (b) require the Directors to act in a specified manner.
- (2) No special resolution passed under paragraph (1) shall have retrospective effect nor may it require the Directors to act in a manner clearly contrary to conservation interests

7. DIRECTORS' GENERAL AUTHORITY TO DELEGATE FUNCTIONS

- (1) Subject to the Articles, the Directors may delegate any of their functions to any person they think fit.
- (2) The Directors must not delegate to any person who is not a Director any decision connected with:
 - (a) the taking of decisions by Directors;
 - (b) the appointment of a Director or the termination of a Director's appointment; or
 - (c) the declaration of a dividend.
- (3) Any delegation under paragraph (1) may authorise further delegation of the Directors' functions by any person to whom they are delegated.
- (4) The Directors may revoke any delegation arrangement – in full or in part, as they think fit.

8. COMMITTEES OF DIRECTORS

- (1) Two or more Directors are a "committee" if the Directors have:
 - (a) delegated any of the Directors' functions to them; and
 - (b) indicated that they should act together in relation to that function.
- (2) The provisions of the Articles about how the Directors take decisions shall apply, as far as possible, to the taking of decisions by committees.
- (3) The Directors may establish committees for any and all functions of the Company as they think fit

PART FOUR: DECISION-MAKING BY DIRECTORS

9. SCOPE OF RULES

- (1) References in the Articles to decisions of Directors are to decisions of Directors, which are connected with their functions.
- (2) Except where the Articles expressly provide otherwise, provisions of the Articles about how the Directors take decisions do not apply:
 - (a) to decisions delegated to a single Director; or
 - (b) to decisions delegated to a formally approved committee of Directors.

10. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Any decision which the Directors take:

- (a) must be either a unanimous decision or a majority decision; and
- (b) may, but need not, be taken at a meeting of Directors.

11. UNANIMOUS DECISIONS

- (1) The Directors take a unanimous decision when they all indicate to each other that they share a common view on a matter.
- (2) A unanimous decision need not involve any discussion between Directors.

12. MAJORITY DECISIONS

- (1) The Directors take a majority decision if:
 - a) every Director has been made aware of a matter to be decided; and
 - b) all Directors who indicate that they wish to discuss or vote on the matter have had a reasonable opportunity to communicate their views to each other; and
 - c) a majority of those Directors vote in favour of a particular conclusion on that matter.
- (2) Paragraph (1)(a) does not require communication with any Director with whom it is not practicable to communicate, having regard to the urgency and importance of the matter to be decided.
- (3) In case of an equality of votes, the Chair shall have a second or casting vote.
- (4) A Director who is an alternate Director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.
- (5) Except as provided by paragraphs (3) and (4), in all proceedings of Directors each Director must not have more than one vote.
- (6) Directors participating in the taking of a majority decision otherwise than at a meeting of Directors:
 - (a) may be in different places, and may participate at different times; and
 - (b) may communicate with each other by any practicable means.

13. MEETINGS OF DIRECTORS

- (1) Any Director may call a meeting of Directors.
- (2) Every Director must be given reasonable notice of a meeting of Directors.
- (3) Paragraph (2) does not require notice to be given:
 - (a) in writing; or
 - (b) to Directors to whom it is not practicable to give notice, having regard to the urgency and importance of the matters to be decided, or who have waived their entitlement to notice.
- (4) Directors participating in a meeting of Directors:
 - (a) must participate at the same time, but may be in different places; and
 - (b) may communicate with each other by any practicable means.

14. CONFLICTS OF INTEREST

- (1) In this article, a “relevant interest” is:
 - (a) any interest which a Director has in; or
 - (b) any duty which a Director owes to a person other than the Company in respect of,an actual or proposed transaction or arrangement with the Company.
- (2) For the purposes of paragraph (1)(a), a Director shall be deemed to have an interest in a transaction or arrangement if:
 - (a) the Director or any partner or other close relative of the Director has an actual or potential financial interest in that transaction or arrangement;
 - (b) any person specified in paragraph (2)(a) is a partner in a firm or limited partnership, or a director of or a substantial shareholder in any Company, which has an actual or potential commercial interest in that transaction or arrangement; or
 - (c) any other person who is deemed to be connected with that Director for the purposes of section 317 of the 1985 Act has a personal interest in that transaction or arrangement.
- (3) Subject to paragraph (8)(b), a Director who has a relevant interest must disclose the nature and extent of that interest to the other Directors.
- (4) Subject to paragraphs (5) and (6), when the Directors take a majority decision on any matter relating to a transaction or arrangement in which a Director has a relevant interest:
 - (a) no Director who has such a relevant interest may vote on that matter; and
 - (b) for the purposes of determining whether a relevant quorum is present, or whether a majority decision has been taken in relation to that matter, such a Director’s participation in the decision-making process shall be ignored.

- (5) Paragraph (4) does not apply:
 - (a) if the Director's interest cannot reasonably be regarded as giving rise to any real possibility of a conflict between the interests of the Director & the Company; or
 - (b) if the Director's interest only arises because the Director has given, or has been given, a guarantee, security or indemnity in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries.
- (6) The Members may by ordinary resolution decide to disapply paragraph (4), either in relation to majority decisions generally or in relation to a particular decision.
- (7) Subject to the 1985 Act, if a Director complies with paragraph (3):
 - (a) that Director:
 - (i) may be a party to, or otherwise interested in, the transaction or
 - (ii) arrangement in which that Director has a relevant interest; and
 - (iii) shall not, by reason of being a Director, be accountable to the Company for any benefit derived from that transaction or arrangement; and
 - (b) the transaction or arrangement in which that Director has a relevant interest shall not be liable to be treated as void as a result of that interest.
- (8) For the purposes of paragraph (3):
 - (a) a general notice given to the Directors that a Director is to be regarded as having a specified interest in any transaction or arrangement shall be deemed to be a disclosure that the Director has an interest in any such transaction or arrangement of the nature and extent so specified; and
 - (b) any interest of which a Director has no knowledge, and could not reasonably be expected to have knowledge, shall be disregarded.

15. RECORDS TO BE KEPT

- (1) The Directors are responsible for ensuring that the Company keeps a record, in writing, of:
 - (a) every unanimous or majority decision taken by the Directors; and
 - (b) every declaration by a Director of an interest in an actual or proposed transaction with the Company.
- (2) Any record kept under paragraph (1) must be kept:
 - (a) for at least 10 years from the date of the decision or declaration recorded in it;
 - (b) together with other such records; and
 - (c) in such a way that it is easy to distinguish such records from the Company's other records.

16. SPECIFIED NUMBER OF DIRECTORS FOR MAJORITY DECISIONS

- (1) Subject to paragraph (2), no majority decision shall be taken by the Directors unless three-fifths of the Directors (the “relevant quorum”) participate in the process by which the decision is taken & are entitled to vote on the matter on which the decision is to be taken.
- (2) If the Company has two or more Directors, but the total number of Directors is less than the relevant quorum, the Directors may take a majority decision:
 - (a) to appoint further Directors; or
 - (b) that will enable the Members to appoint further Directors.

17. CHAIRING OF MAJORITY DECISION MAKING PROCESSES

- (1) The Directors shall appoint a Director to Chair the taking of all majority decisions by them.
- (2) If the person appointed under paragraph (1) is for any reason unable or unwilling to Chair a particular majority decision making process, the Directors shall appoint another Director to Chair that process.
- (3) The Directors may terminate an appointment made under paragraph (1) or paragraph (2) at any time.
- (4) A Director appointed under paragraph (1) shall be known as the Chair for as long as such appointment lasts, usually a period of 12 months, except as under paragraph (3).

18. DIRECTORS’ DISCRETION TO MAKE FURTHER RULES

- (1) Subject to the Articles, the Directors may make any rule, which they think fit about how they take decisions.
- (2) The Directors must ensure that any rule, which they make about how they take decisions, is communicated to all persons who are Directors while that rule remains in force.

19. DEFECT IN APPOINTMENT

- (1) This article applies if:
 - (a) a decision is taken by the Directors, or a committee of the Directors, or a person acting as a Director; and
 - (b) it is subsequently discovered that a person who, acting as a Director, took, or participated in taking, that decision:
 - (i) was not validly appointed as a Director;
 - (ii) had ceased to hold office as a Director at the time of the decision;
 - (iii) was not entitled to take that decision; or
 - (iv) should, in consequence of a conflict of interests, not have voted in the process by which that decision was taken.
- (2) Where this article applies:
 - (a) the discovery of any defect of the kinds specified in paragraph (1)(b) shall not invalidate any decision which has been taken by, or with the participation of, the person in relation to whom that defect existed; and
 - (b) any such decision shall be as valid as if no such defect existed in relation to any person who took it or participated in taking it.

PART FIVE: DIRECTORS' APPOINTMENT AND TERMS OF SERVICE

20. MINIMUM & MAXIMUM NUMBER OF DIRECTORS

The number of Directors shall not be less than two and not more than ten.

21. ELIGIBILITY TO BE A DIRECTOR

- (1) A person shall not be a Director unless that person
 - (a) is a Member and (if that person is an individual) is willing to serve as a Director and has attained the age of 18 years; and
 - (b) is elected or appointed as a Director in accordance with the Articles.
- (2) No person shall be elected or appointed as a Director in circumstances which, if that person had already been a Director, would have resulted in that person ceasing to be a Director under the Articles.
- (3) No more than two of the Directors appointed to the Company may be elected members of any Local Authority or representatives of Agency bodies from the AONB Partnership
- (4) At least one-half of the appointed directors should be local community members/residents

22. METHODS OF APPOINTING DIRECTORS

- (1) The first Directors shall be the persons named in the Form 10 upon incorporation.
- (2) Thereafter, Directors may be appointed:
 - (a) by decision of the Directors; or
 - (b) by ordinary resolution of the Members,

provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors and does not exceed limitations placed on eligibility under 21(3) and 21(4)

- (3) No powers to appoint Directors may be given to persons who are not Members which immediately after their exercise could result in the majority of the Directors having been appointed by persons who are not Members.

23. RETIREMENT OF DIRECTORS AND ELECTION AT ANNUAL GENERAL MEETING

- (1) At the first annual general meeting all the Directors shall retire from office, and at every subsequent annual general meeting one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. If only one Director is subject to retirement by rotation, that Director shall retire.

- (2) Subject to the 1985 Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Director on the same day those to retire shall (unless they otherwise agree among themselves) be decided by lot.
- (3) If the Members at the meeting at which a Director retires by rotation do not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless:
 - (a) at the meeting it is resolved not to fill the vacancy; or
 - (b) a resolution for reappointment of the Director is put to the meeting and lost.
- (4) A retiring Director who wishes to be considered for re-election shall give notice to the Secretary at least fourteen but not more than thirty-five clear days before the date appointed for the annual general meeting.
- (5) A Member other than a retiring Director who wishes to be considered for election as a Director shall give notice to the Secretary at least fourteen but not more than thirty-five clear days before the date appointed for the annual general meeting.
- (6) At least seven but not more than twenty-eight clear days before the date appointed for holding an annual general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is eligible for election or re-election as Director and has given notice under paragraph (4) or paragraph (5) (each such person being, for the purposes of this article, a "candidate").
- (7) Every notice given under paragraphs (4), (5) or (6) shall state those particulars which would be required to be included in the notice required to be sent to Companies House to notify the appointment of the Director.
- (8) Subject to paragraph (9), the question whether each such person is to be elected as a Director shall be decided by a separate ordinary resolution of the Members at the annual general meeting.
- (9) When the number of candidates exceeds the maximum number of Directors permitted under these Articles less the number of those directors who are not retiring, then the election of Directors shall follow the procedure set out in paragraph (10) below, rather than that set out in paragraph (8).
- (10) Where the conditions specified in paragraph (9) are fulfilled:
 - (a) each Member shall be invited to vote on the candidates by ranking them in order of preference on ballot papers which they must sign and return to the Company at or before the annual general meeting in order to cast their votes on the candidates (and any ballot papers returned at the annual general meeting must be returned before the time appointed for the return of ballot papers by the Chair of the meeting);

- (b) the annual general meeting may be adjourned for the counting of votes under paragraph (10)(a) (and, if it is so adjourned, the existing Directors shall continue in office until the outcome of the vote has been determined); and
 - (c) the candidates elected as Directors shall be those who have been ranked highest in order of preference, taking account of the average of all Members' votes, and shall be equal in number to the relevant maximum less the number of those directors who are not retiring.
- (11) If fewer than the minimum number of Directors are elected at an annual general meeting, the Directors shall be able to appoint further Directors to fill any vacancy.

24. TERMINATION OF DIRECTORS' APPOINTMENTS

- (1) A person ceases to be a Director as soon as:
- (a) that person ceases to be a Member;
 - (b) that person ceases to be a Director by virtue of any provision of the 1985 Act, or is prohibited by law from being a Director;
 - (c) any notification to the Company that that person is resigning or retiring from office as Director takes effect (except that where such resignation or retirement would otherwise lead to the Company having fewer than two Directors, it shall not take effect until sufficient replacement Directors have been appointed);
 - (d) the Members pass an ordinary resolution removing that person from office;
 - (e) a contract under which that person is appointed as a Director of, or personally performs services for, the Company or any of its subsidiaries terminates, and the Directors decide that that person should cease to be a Director;
 - (f) the Directors decide, at a meeting of Directors, that that person should be removed from office, but such a decision shall not be taken unless the person in question has been given:
 - (i) at least fourteen clear days' notice in writing of the proposal to remove that person from office, specifying the circumstances alleged to justify removal from office; and
 - (ii) a reasonable opportunity of being heard by, or of making representations in writing to, the Directors.
- (2) No powers to remove Directors may be given to persons who are not Members which immediately after their exercise could result in either:
- (a) the majority of the remaining Directors having been appointed by persons who are not Members:
- or
- (b) the number of Directors removed during the financial year of the Company by persons who are not Members exceeding the number of the remaining Directors, but this shall not prevent a Director from appointing, or subsequently removing, an alternate director, if permitted to do so by the Articles.

25. DIRECTORS' REMUNERATION AND OTHER TERMS OF SERVICE

- (1) Subject to the 1985 Act, the Articles, the Company satisfying the community interest test, and any resolution passed under paragraph (2) of this Article, the Directors may decide the terms (including as to remuneration) on which a Director is to perform Directors' functions, or otherwise perform any service for the Company or any of its subsidiaries.
- (2) The Members may by ordinary resolution limit or otherwise specify the remuneration to which any Director may be entitled, either generally or in particular cases.

26. DIRECTORS' EXPENSES

- (1) The Company may meet all reasonable expenses, which the Directors properly incur in connection with:
 - (a) the exercise of their functions; or
 - (b) the performance of any other duty which they owe to, or service which they perform for, the Company or any of its subsidiaries.

PART SIX: SHARES

27. ALL SHARES TO BE FULLY PAID AND ISSUED AT NOMINAL VALUE

- (1) Upon allotment, all shares shall be fully paid-up in respect of their nominal value.
- (2) No shares shall be issued at a price greater than their nominal value.
- (3) Shareholders must be members of either the Designated Asset Locked Body, the AONB Partnership or other approved conservation, community, heritage or cultural body at the time the shares are issued. The Directors shall draw up and periodically review a list of approved bodies.
- (4) Each person appointed as a Director of the Company must be the registered holder of not less than 100 and not more than 500 Management Shares in the Company. Such shares may be acquired either by exchanging Ordinary shares from an existing share holding of equivalent value or by purchasing such shares at their nominal value.
- (5) Persons ceasing to be Directors and remaining members of the Company shall exchange their Management Shares for Ordinary Shares at the equivalent nominal value of the share holding (so that, by way of example, 100 Management Shares of £1 each shall be exchanged for 10 Ordinary shares of £10 each)

28. SHARE CERTIFICATES

- (1) The Company may issue Members with one or more certificates for their respective shares in such form as the Directors decide.
- (2) Lost, destroyed, damaged or defaced Share Certificates may be replaced provided reasonable evidence of the loss/destruction is provided to the Company and the holder

indemnifies the Company for any use of such lost or destroyed certificates or the damaged/defaced certificates are surrendered.

The shareholder will be expected to meet any reasonable costs incurred in any investigation regarding the loss or destruction of share certificates.

29. TRANSFER OF SHARES

- (1) Shares may be transferred by means of an instrument of transfer as permitted by law.
- (2) The Directors may refuse to register the transfer of a share:
 - (a) to a person of whom they do not approve;
 - (b) if it is not lodged at the registered office of the Company or such other place as the Directors may appoint; or
 - (c) if it is not accompanied by:
 - (i) such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and
 - (ii) such other information as they may reasonably require.
 - (d) to a person, association or body corporate, which is not approved under Article 27(3)
- (3) If the Directors refuse to register a transfer of a share they shall, within 2 months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- (4) Shares which are held by a local authority, any agency partnership body or other corporate bodies may not be transferred by merger, combination or reorganisation of such bodies where such merger, combination or reorganisation may mean an individual body or organisation would gain a share holding of more than 20% of the issued shares, without notification of such event to the Directors, who may at their discretion, require such a merged body to reduce its holding in a manner approved by the Directors
- (5) The provisions of this article apply in addition to any restrictions on the transfer of a share, which may be set out elsewhere in the Memorandum or Articles.

30. PURCHASE OF OWN SHARES

- (1) Subject to the 1985 Act and the Articles, the Company may purchase its own shares (including any redeemable shares) and may make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares. Any shares so purchased shall be purchased at the nominal value.

31. ALTERATION OF CAPITAL

- (1) Subject to the 1985 Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Members by special resolution determine.
- (2) The Members may by special resolution:
 - (a) increase the Company's share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the 1985 Act, sub-divide its shares, or any of them, into shares of smaller amount, and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have preference or advantage as compared with others;
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

PART SEVEN: DIVIDENDS

32. PROCEDURE FOR DECLARING DIVIDENDS

- (1) Subject to the 1985 Act, the 2004 Act, the Regulations and the Articles, the Directors may decide to declare and pay such dividends to Members as:
 - (a) appear to the Directors to be justified by the Company's profits;
 - (b) are in accordance with Members' respective rights; and
 - (c) are authorised by an ordinary resolution of the Members.

33. PAYMENT OF DIVIDENDS

- (1) Subject to paragraphs (2) (3) and (4), the Company shall pay any dividend or other money payable by it in respect of a share by means of:
 - (a) a transfer to a bank account specified in writing by the holder; or
 - (b) a cheque sent by post to the registered address of the holder.
- (2) If two or more persons hold a share, or are jointly entitled to it by reason of the death or bankruptcy (or, in Scotland, sequestration) of the holder (or one of two or more joint holders), the Company shall pay any dividend or other money payable by it in respect of the share:

- (a) by means of a transfer to a bank account specified in writing by the holder who is named first in the register of Members, or a cheque sent by post to that holder's registered address; or
 - (b) if the death or bankruptcy (or, in Scotland, sequestration) of the first named holder has resulted in two or more persons becoming jointly entitled to the share; by means of a transfer to a bank account specified in writing by all the persons jointly entitled to it, or a cheque sent by post to an address specified in writing by them.
- (3) The Company may agree another means of paying such dividend or other money with any person entitled to specify a bank account for the payment of a dividend or other money under paragraph (2) .
- (4) The Company may agree to pay a dividend, or part thereof "in kind". Where a portion of dividend is paid in money the provisions of paragraph 1 shall apply to that portion. Any "in kind" portion of dividend payment shall be made available to the recipient either for collection from a recognised address or premises notified to the registered address of the holder or be sent by post to the registered address of the holder, as the Directors may instruct and deem appropriate.
- (5) Any "in-kind" dividend payable in accordance with these Articles, will not under any circumstances be redeemable as a monetary dividend, nor will they be transferable in to goods or services of any other form than that which the Directors shall decide at the time of declaring such an "in-kind" dividend.

34. RIGHT TO DIVIDEND FORFEITED IF UNCLAIMED FOR TEN YEARS

- (1) Any monetary dividend which has remained unclaimed for ten years from the date when it became due for payment shall, if the Directors so decide, be forfeited and cease to remain owing by the Company.
- (2) Any "in-kind" dividend payment which has remained unclaimed for a period in excess of **three months** from the date of notification to the holder at their registered address shall be forfeited and cease to remain owing by the Company to the holder.
- (3) Any such forfeited "in-kind" dividend payment may be disbursed as the Directors may deem appropriate either by distribution to other eligible holders, more widely among the local community served by the Company or transferred to the appointed Asset Locked Body set out in the Articles.
- (4) Any "in-kind" dividend so forfeited will not be redeemable as a monetary (cash) dividend.

PART EIGHT: GENERAL MEETINGS (MEETINGS OF MEMBERS)

35. ANNUAL GENERAL MEETING

- (1) The Company shall hold an annual general meeting:
 - (a) within 18 months of the Company's date of incorporation and afterwards once in each calendar year (provided that not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next); and
 - (b) at such date, time and place as the Directors shall determine.

36. OTHER GENERAL MEETINGS

- (1) The Directors may decide to call a general meeting at any time.
- (2) The Directors shall call a general meeting on receiving a requisition to that effect in accordance with the 1985 Act.

37. NOTICE

- (1) Notice of general meetings shall be given to every Member, the Directors and the Company's auditors (if any).
- (2) All general meetings shall be called by at least 21 clear days' notice in writing.
- (3) Every notice calling a general meeting shall specify:
 - (a) the place, date and time of the meeting; and
 - (b) the general nature of the business to be transacted.
- (4) In the case of an annual general meeting, the notice shall specify that the meeting is an annual general meeting.
- (5) If a special resolution is to be proposed, the notice shall contain a statement to that effect and set out the text of the special resolution.

38. QUORUM

- (1) No business shall be transacted at any meeting unless a quorum is present.
- (2) The quorum for a general meeting shall be twelve Members present in person (or, in the case of a corporate Member, by its duly authorised representative) and entitled to vote on the business to be transacted.
- (3) If a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned for a minimum of seven days until such time as the Directors determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start, those present shall constitute a quorum.

39. CONDUCT OF BUSINESS – GENERAL

- (1) The Chair shall preside as the Chair of the general meeting. In the Chair's absence, the Members shall appoint some other Director, or (if no Director willing to preside is present) Member to preside.
- (2) The Chair:
 - (a) may adjourn the meeting from time to time and from place to place, with the consent of a meeting at which a quorum is present; and
 - (b) shall do so if so directed by the meeting or in accordance with the Articles.
- (3) No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- (4) When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- (5) Except as required by law, all decisions of the Members at a general meeting shall be made by ordinary resolution.

40. VOTING PROCEDURES

- (1) Subject to the Articles, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is duly demanded before, or on the declaration of, the show of hands.
- (2) A poll may be demanded by:
 - (a) the Chair;
 - (b) at least two Members; or
 - (c) a Member or Members representing not less than one tenth of total voting rights of all the Members having the right to vote at the meeting.
- (3) On a show of hands every Member present in person or by proxy (or, in the case of a corporate Member, by its duly authorised representative) shall have one vote. On a poll, Members shall have one vote for each share, which they own.
- (4) A person who is not a Member shall not have any right to vote at a general meeting of the Company (except as the proxy or (in the case of a corporate Member) duly authorised representative of a Member).
- (5) Paragraphs (3) and (4) are without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.
- (6) Unless a poll is held:
 - (a) a declaration by the Chair that a resolution has been:
 - (i) carried;

- (ii) carried unanimously, or by a particular majority;
- (iii) lost; or
- (iv) not carried by a particular 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.

- (7) A poll shall be taken at the general meeting as the Chair directs and the Chair 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.
- (8) In the case of an equality of votes, whether on a show of hands or on a poll, the Chair shall be entitled to a casting vote in addition to any other vote he or she may have as a Member.
- (9) The proceedings at any general meeting or on the taking of any poll shall not be invalidated by reason of any accidental informality or irregularity (including with regard to the giving of notice) or any want of qualification in any of the persons present or voting.
- (10) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final and binding.

41. MINUTES

- (1) The Directors shall cause minutes to be made and kept, in writing, of all proceedings at general meetings of the Company.
- (2) Any such minute, if purported to be signed by the Chair of the meeting, or by the Chair of the next succeeding general meeting, shall be sufficient evidence of the proceedings.
- (3) The Directors shall cause the minutes to be published or otherwise made available within the community as they may consider appropriate.

PART NINE: MISCELLANEOUS

42. COMPANY SECRETARY

- (1) Subject to the provisions of the 1985 Act, the Directors shall decide to appoint an individual to act as Company Secretary for such term and at such remuneration and upon such other conditions as they may think fit.
- (2) The Directors may decide to remove a person from the office of Secretary at any time.

43. COMPANY SEAL

- (1) This article applies if the Company has a seal (the “common seal”).
- (2) The common seal shall only be applied to a document if its use on that document has been authorised by a decision of the Directors.
- (3) If the common seal is applied to a document, the document shall be:
 - (a) signed by an authorised person; and
 - (b) countersigned by another authorised person.
- (4) For the purposes of this article, an authorised person is:
 - (a) any Director;
 - (b) the Secretary; or
 - (c) any person authorised by the Directors for the purpose of signing and countersigning documents to which the common seal is applied.

44. ACCOUNTS AND REPORTS

- (1) The Directors shall comply with the requirements of the 1985 Act and any other applicable law as to keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies of annual reports and accounts.
- (2) Subject to paragraph (3), the Company’s statutory books and accounting records shall be open to inspection by the Members during usual business hours.
- (3) The Company may in general meeting impose reasonable restrictions as to the time at which and the manner in which the statutory books and accounting records of the Company may be inspected by Members.

45. NOTICES

- (1) Except where the Articles provide otherwise, any notice to be given to or by any person under the Articles shall be in writing to an address for the time being notified for that purpose to the person giving the notice.
- (2) The Company may give any notice to any person under the Articles:
 - (a) in person;

- (b) by sending it by post in a prepaid envelope addressed to that person at that person's registered address, or by leaving it at that address;
 - (c) by fax or by electronic communication 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 by that person.
- (3) A person present at any meeting shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.
- (4) Proof that:
- (a) an envelope containing a notice was properly addressed, prepaid and posted; or
 - (b) that an electronic communication or fax has been transmitted to the correct address or number,
- shall be conclusive evidence that the notice was given.
- (5) A notice shall, unless the contrary is proved, be deemed to be given:
- (a) at the expiration of 48 hours after the envelope containing it was posted; or
 - (b) in the case of a notice contained in an electronic communication or fax, at the expiration of 48 hours after the time it was transmitted.

46. INDEMNITY

- (1) Subject to the 1985 Act, a Director shall be indemnified out of the Company's assets against any expenses which that Director incurs:
- (a) in defending civil proceedings in relation to the affairs of the Company (unless judgement is given against the Director and the judgement is final);
 - (b) in defending criminal proceedings in relation to the affairs of the Company (unless the Director is convicted and the conviction is final);
 - (c) in connection with any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (unless the Court refused to grant the Director relief, and the refusal is final).
- (2) Judgement, conviction or refusal of relief becomes final if the period for bringing an appeal or any further appeal has ended and any appeal brought is determined, abandoned or otherwise ceases to have effect.
- (3) This article is without prejudice to any other indemnity to which a Director may be entitled.

47. NAMES, ADDRESSES AND SIGNATURES OF SUBSCRIBERS



1. Signature:

Name: Ian Henderson
Address: 53, Emesgate Lane, Silverdale, CARNFORTH LA5 0RN
Date: 28th August 2007

Witness to the above signature:

Signature:

Name:
Address:



2. Signature:

Name: David Askew
Address: 1, Orton Road, Tebay, PENRITH CA10 3TL
Date: 28th August 2007

Witness to the above signature:

Signature:

Name:
Address: