

Dulas Ltd

Articles of Association

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1. INTRODUCING DULAS LTD AND THESE ARTICLES OF ASSOCIATION

Dulas Ltd

1.1. Dulas Ltd is a company limited by shares and these are its Articles.

Purpose

- 1.2. The Purpose for which Dulas Ltd exists is to carry on business as a worker-governed organisation in accordance with its own Vision and Values and the Co-operative Values and Principles established by the International Co-operative Alliance. In doing this it will seek in particular:
- 1.2.1. to serve the needs of its customers by delivering high quality, appropriate, effective solutions and technical excellence;
 - 1.2.2. to ensure sustainable and rewarding employment for employees, promoting and developing working practices which combat discrimination against people on grounds of gender, race, age, sexual identity, disability, class or religion and to assist people in need by any means whatsoever;
 - 1.2.3. to advance the education and training of Members, encouraging democratic participation by all Members in the affairs of Dulas Ltd, and fostering and promoting Co-operative Values and Principles in its own affairs and in commerce and industry generally; and
 - 1.2.4. to promote the well-being of the community and to make a real contribution to improving people's lives and to the protection of the environment.

Governing documents

- 1.3. The documents setting out how Dulas Ltd is governed are these Articles (which always take precedence), together with any other codes, protocols, procedures or other documents adopted by Dulas Ltd under the Articles.
- 1.4. In the Articles:
- 1.4.1. words starting with a capital letter (like Articles) have a particular meaning and the Appendix at the end of these Articles identifies the provision in the Articles which makes this clear;
 - 1.4.2. words and phrases which are also ***highlighted in italics*** have a special meaning and the Appendix lists all of these words and phrases and explains their meaning.

Following these Articles

- 1.5. If as a result of pandemic, natural disaster, climate change or any other catastrophic event it is not possible to follow any of these Articles, they shall be followed with minimum variation in order to achieve their objective, subject to any such variation being approved by the Members, or a Quarterly Business Meeting, or the Board of Directors as appropriate.

2. GOVERNANCE

Overview of how Dulas Ltd is governed

2.1. The components of Dulas Ltd.'s governance are:-

- 2.1.1. the Members;
- 2.1.2. Quarterly Business Meetings; and
- 2.1.3. the Board of Directors.

Dulas Ltd also has a Company Secretary.

Members

2.2. Members have a voice in Dulas Ltd, are entitled to information, and have opportunities to engage in its democratic arrangements, but they also have responsibilities.

Voice

2.3. Members have a voice in Dulas Ltd by:

- 2.3.1. attending and speaking at Members Meetings and other meetings,
- 2.3.2. voting on certain resolutions, and
- 2.3.3. casting a vote in certain elections

as provided further in the Articles.

Information

2.4. Members are entitled to receive information about Dulas Ltd.'s company performance and relevant affairs as approved by the Quarterly Business Meeting and the Board of Directors, and as detailed further in these Articles.

Engagement in democracy

2.5. As well as their ability to participate in meetings and elections, Members are entitled to stand for election themselves and play such other part in Dulas Ltd.'s governance as provided in the Articles.

Members' Responsibilities

2.6. In exercising their rights, all Members are committed and have a duty at all times to comply with any Members Charter, and to behave collaboratively and respectfully with each other and with those holding particular offices in Dulas Ltd in order to enable the governance of Dulas Ltd to function efficiently and effectively and in order to help Dulas Ltd in pursuing its purpose.

Quarterly Business Meetings

2.7. Quarterly Business Meetings provide the forum in which Members regularly meet the Board of Directors and others holding positions of responsibility in Dulas Ltd in order to reflect on the past, discuss important matters of present relevance, and collectively consider the future.

- 2.8. In particular, the Quarterly Business Meetings are a mechanism by which Members can participate in the business of Dulas Ltd through a monitoring role, a decision-making role and a support role as set out in more detail below (under 5. Quarterly Business Meetings).
- 2.9. As also set out there below, the Members Advisory Committee facilitates and supports Quarterly Business Meetings, with such other functions as are also set out there.

Board of Directors

- 2.10. Subject to the Articles, the Directors are responsible for the management of Dulas Ltd.'s business, for which purpose they may exercise all of its powers.
- 2.11. Directors are committed and have a duty at all times to behave collaboratively and respectfully with each other, the membership, and with those holding particular offices in Dulas Ltd in order to enable the governance of Dulas Ltd to function efficiently and effectively and in order to help Dulas Ltd in pursuing its purpose.
- 2.12. Responsibility for the day-to-day management of Dulas Ltd.'s business is delegated as follows:
 - 2.12.1. responsibility for the day-to-day management of the business of each of Dulas Ltd.'s **Teams**, as set out in each **Team**'s Strategy, budgets, business plan or other such documents as may be required from time to time, as approved by the Board of Directors, is delegated to the relevant Team Leader;
 - 2.12.2. responsibility for the day-to-day management of Dulas Ltd.'s **Central Services**, as set out in its Strategy and Budget approved by the Board of Directors, is delegated to an Executive Director.
- 2.13. Further details about such delegation and matters which the Board of Directors may not delegate are set out below (under 6. Board of Directors).

Company Secretary

- 2.14. The person holding this post is Company Secretary to Dulas Ltd which includes acting as secretary to Members Meetings, Quarterly Business Meetings and the Board of Directors.
- 2.15. The Company Secretary (and any deputy Company Secretary) is appointed by the Board of Directors, subject to the approval of a Quarterly Business Meeting, and the Quarterly Business Meeting also approves the Company Secretary's job description. The Company Secretary may hold other responsibilities as an employee of Dulas Ltd, but the Quarterly Business Meeting must be satisfied that the Company Secretary is sufficiently independent of the Directors.

3. MEMBERS

Employee Entitlement

- 3.1. Each Eligible Employee shall be entitled to:
 - 3.1.1. one A Share in Dulas Ltd; and
 - 3.1.2. in each year, subject to Article 3.2, one B Share for each Quarter Day that the Member is contracted to work for Dulas Ltd during a Full Working Week as at 30th September (**B Share Date**) (**B Share Allocation**).
- 3.2. The first Quarter Day shall be disregarded for the purposes of determining the B Share Allocation.
- 3.3. Each Member in Waiting and Qualifying Non Member shall be entitled to apply for:
 - 3.3.1. 1 A Share; and
 - 3.3.2. such number of B Shares as may be determined in accordance with Article 3.1.2, by submitting a Membership Application to the Company Secretary, such Membership Application to be made subject to and in accordance with the process set out in Article 3.5 (**Initial Share Application**).
- 3.4. If a Member holds at the B Share Date in any year:-
 - 3.4.1. more B Shares than their B Share Allocation (the difference between the actual number of B Shares held by the relevant Member and that Member's B Share Allocation being the **Excess B Shares**), they shall:
 - 3.4.1.1. within 21 days of the B Share Date in that year transfer to the Company's Nominee (or as the Board of Directors otherwise directs) the Excess B Shares at par value; and
 - 3.4.1.2. if on the expiration of 21 days from the B Share Date no such stock transfer form has been received by the Company's Nominee (or such other person as the Board of Directors directs) in respect of the Excess B Shares, two members of the Board of Directors will be deemed to be the duly appointed attorney of the relevant Member and shall execute a stock transfer form in respect of the Excess B Shares in favour of the Company's Nominee (or as the Board of Directors otherwise directs) on their behalf and deliver it to the Company's Nominee (or such other person as the Board of Directors directs),
 - 3.4.2. less B Shares than their B Share Allocation:
 - 3.4.2.1. the Member shall be entitled to apply for their entitlement of additional B Shares by submitting to the Company Secretary a Membership Application in respect of those B Shares, such Membership Application to be made subject to and in accordance with the process set out in Articles 3.5 to 3.6 (**B Share Application**); and
 - 3.4.2.2. any Shares to be allotted and issued or (as the case may be) transferred by the Company's Nominee to the Applicant pursuant to any B Share Application, shall be allotted and issued or (as the case may be) transferred to the Applicant in accordance with Article 3.7.

Membership Applications

- 3.5. Membership Applications shall be in the form approved by the majority of the Members at the Quarterly Business Meeting and may be submitted to the Company Secretary:
 - 3.5.1. in the case of any Initial Share Application made by a Member in Waiting, not more than 60 days prior to the date that the Member in Waiting becomes an Eligible Employee;

- 3.5.2. in the case of any Initial Share Application made by an Eligible Employee who is a Qualifying Non Member, any time after the Qualifying Non Member becomes a Qualifying Non Member; and
- 3.5.3. in the case of any B Share Application, within 3 months of the B Share Date.
- 3.6. The form of the Membership Application together with details of the Subscription Price payable for any Subscription Shares shall be available on request from the Company Secretary.
- 3.7. Subject to Article 3.5 and Article 3.8 Subscription Shares shall be allotted and issued or (as the case may be) transferred by the Company's Nominee to:
 - 3.7.1. an Applicant who is a Member in Waiting, on the later of:
 - 3.7.1.1. the date that the Applicant becomes an Eligible Employee; and
 - 3.7.1.2. such date as is determined by the Company Secretary which is within 60 days of receipt by the Company Secretary of:
 - 3.7.1.2.1.1. the Member in Waiting's Membership Application; and
 - 3.7.1.2.1.2. the Subscription Price (in cleared funds) for the Subscription Shares,

PROVIDED THAT the Member in Waiting is an Eligible Employee upon the date that the Member in Waiting receives the Subscription Shares,
 - 3.7.2. any other Applicant, within 60 days of the date that the Company Secretary receives:
 - 3.7.2.1. the Applicant's Membership Application; and
 - 3.7.2.2. the Subscription Price (in cleared funds) for the Subscription Shares,

PROVIDED THAT the Applicant is an Eligible Employee upon the date that the Applicant receives the Subscription Shares.
- 3.8. Any Membership Application may be revoked in writing by the Applicant at any time prior to the allotment and issue or (as the case may be) transfer by the Company Nominee of Shares to the Applicant.

Cessation of Membership

- 3.9. A Member who:
 - 3.9.1. ceases to be an Eligible Employee, for any reason (including as a result of death); or
 - 3.9.2. serves written notice to the Company Secretary confirming that they no longer wish to hold Shares,

(Exiting Member) shall, with effect from the date that:

 - 3.9.3. they cease to be an Eligible Employee; or
 - 3.9.4. (where Article 3.9.2 applies) they serve written notice to the Company Secretary confirming that they no longer wish to hold Shares,

(Exit Date),

 - 3.9.5. cease to be entitled to exercise any rights afforded to them under these Articles as a holder of Shares;
 - 3.9.6. be deemed to have offered to transfer to the Company's Nominee (or such other person as the Board of Directors shall direct) at par value all A Shares and B

Shares held by them and the Company's Nominee (or such other person as the Board of Directors shall direct) will be deemed to have accepted the offer.

3.10. The Exiting Member:

- 3.10.1. shall within 21 days of the Exit Date deliver to the Board of Directors (or such other person as the Board of Directors directs) a signed stock transfer form in favour of the Company's Nominee (or such other person as the Board of Directors shall direct) in respect of all A Shares and B Shares held by them; and
- 3.10.2. if on the expiration of 21 days from Exit Date no such stock transfer form has been received by the Board of Directors (or such other person as the Board of Directors directs), two members of the Board of Directors will be deemed to be the duly appointed attorney of the Exiting Member and shall execute a stock transfer form on their behalf in favour of the Company's Nominee (or such other person as the Board of Directors shall direct) and deliver it to the Board of Directors (or such other person as the Board of Directors directs).

3.11. Qualifying Non Members

3.11.1. A Qualifying Non Member shall not be:

- 3.11.1.1. entitled to exercise the rights that a Member in Waiting may have under these Articles; and
- 3.11.1.2. permitted to attend any Members' Meetings nor any Quarterly Business Meetings.

4. MEMBERS' MEETINGS

- 4.1. Members' Meetings are either Annual General Meetings or Special General Meetings.
- 4.2. The Members Advisory Committee shall nominate a Chair and Vice-chair for the purpose of chairing Members' Meetings and Quarterly Business Meetings, and these appointments are to be approved by either a Members' Meeting or a Quarterly Business Meeting. The Chair and Vice-chair shall hold office for a year, ending at the conclusion of the Annual General Meeting.
- 4.3. The Chair of a Members' Meeting shall aim to achieve a consensus before putting a matter to a formal vote. Consensus for this purpose means that no Member indicates that they would vote against the matter if it were put to a formal vote. A Member wishing to indicate such an objection shall communicate their reason for such objection to the meeting (or prior to the meeting by notice in writing to the Company Secretary if the Member appoints a proxy), and the objecting Member shall have the opportunity to withdraw their objection following discussion at the meeting.
- 4.4. At an Annual General Meeting, if a consensus cannot be achieved during the meeting, the matter shall be put forward for a formal vote.
- 4.5. If at a Special General Meeting a consensus cannot be achieved, the meeting shall be adjourned for at least 7 days. If a consensus cannot be achieved at the adjourned meeting, the matter will then be put to a formal vote.
- 4.6. The Board of Directors may make arrangements for meetings to be held in any way and through any medium which permits those attending to hear and comment on the proceedings. Any Members who attend in this way are considered to be present at the meeting whether or not they are all assembled at one place.
- 4.7. **Holding General Meetings**
 - 4.7.1. Dulas Ltd shall hold an Annual General Meeting once a year. Each Annual General Meeting shall be held not more than fifteen months after the preceding Annual General Meeting.
 - 4.7.2. The Board of Directors or a minimum 5% of the Members may, through the Company Secretary, convene a Special General Meeting.

4.8. Quorum

- 4.8.1 Before any Members' Meetings can start its business, there must be a minimum number of Members (quorum) present.
- 4.8.2 A Quorum is half the number of Members entitled to vote.
- 4.8.3 If within half an hour from the time appointed for the meeting a quorum is not present, it shall stand adjourned to the same day in the following week at the same time and place unless the Company Secretary notifies anything different. If at the reconvened meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.

4.9. Procedure at Members' Meetings

- 4.9.1. Members' Meetings are open to all Members, proxies for Members, Members-in-Waiting, and Directors, all of whom have the right to speak, but only Members may vote.
- 4.9.2. The chair of a Members' Meeting can:
 - 4.9.2.1. adjourn the meeting if a majority of the Members present agree. An adjourned meeting can only deal with matters adjourned from the original meeting; and
 - 4.9.2.2. with or without the agreement of the Members present, adjourn the meeting where, in the chair's opinion, the conduct of those present has become too unruly to permit an orderly meeting to continue.
 - 4.9.2.3. All Members' Meetings called to pass a special resolution shall require at least 21 days' notice. All other Members Meetings require at least 14 days' notice.

4.10. Voting at Members' Meetings

- 4.10.1. Every Member holding A Shares has one vote on a show of hands or a ballot, whether voting in person, by proxy or electronically.
- 4.10.2. A resolution put to the vote at a Members Meeting shall be decided by a show of hands unless a ballot is demanded in accordance with these Articles.
- 4.10.3. Where a ballot is demanded, it shall be confidential and carried out in a manner directed by the Chair.
- 4.10.4. A ballot can be demanded at any point until immediately after the result of a show of hands on that resolution is declared, by the Chair, or a Director, or two or more Members.
- 4.10.5. A demand for a ballot may be withdrawn if the vote has not yet been taken, or the Chair agrees to the withdrawal.
- 4.10.6. Any objection to a Member's right to vote must be referred to the Chair. The Chair's decision is final.
- 4.10.7. A Member may appoint another Member as their proxy, but a proxy may only be appointed when a Proxy Notice in writing is given:
 - 4.10.7.1. confirming the name and address of the Member appointing the proxy;
 - 4.10.7.2. confirming the name and address of the Member appointed as proxy;
 - 4.10.7.3. signed by, or on behalf of, the Member;
 - 4.10.7.4. delivered to Dulas Ltd at least 48 hours before the Members Meeting; and
 - 4.10.7.5. if the notice is not delivered in the manner described above, it shall be invalid unless accepted at the Company Secretary's discretion.

- 4.10.8. A Proxy Notice may also specify how the appointed proxy is to vote, or abstain, for each resolution.
- 4.10.9. Where a Proxy Notice does not specify how a proxy is to vote, it is at the proxy's discretion as to how to vote on any resolution, and the proxy's appointment will carry through if the meeting is adjourned.
- 4.10.10. A proxy notice can be revoked at any time before the start of the meeting by the Member who appointed the proxy delivering a written notice to the Company Secretary.
- 4.11. **Amendments to Resolutions**
 - 4.11.1. A proposed ordinary resolution may be amended by ordinary resolution if Dulas Ltd receive the proposed amendment, in writing by a Member entitled to vote, at least 48 hours before the meeting, and the Chair concludes that the amendment does not materially change the scope of the resolution.
 - 4.11.2. A proposed special resolution may be amended by ordinary resolution if the amendment is to only correct the grammar or an error within the resolution, and the Chair proposes the same at the Members' Meeting.

5. Quarterly Business Meetings

- 5.1. Quarterly Business Meetings are open to all Members and Members in Waiting, shall be held not less than every three months or four times per year, and are to have the role and functions set out below (**Quarterly Business Meeting**). Quarterly Business Meetings are supported by the Members Advisory Committee.
- 5.2. Role
 - 5.2.1. The role of Quarterly Business Meetings is to provide a mechanism by which Members can participate in the business of Dulas Ltd, through the monitoring, decision-making and other support functions set out below.
- 5.3. Monitoring function
 - 5.3.1. At Quarterly Business Meetings:
 - 5.3.1.1. Team Leaders (which expression includes any person nominated by the Board of Directors on behalf of a Team) and the Managing Director shall provide a brief progress report on their respective Strategy and Budget in a format to be approved from time to time by the Members Advisory Committee.
 - 5.3.1.2. Members may ask questions and put forward new matters to be taken into account by Team Leaders and the Managing Director.
 - 5.3.1.3. Any matter which cannot be dealt with briefly shall be followed up outside the meeting by the Member through the Members Advisory Committee with the relevant Team Leader and reported back to the next Quarterly Business Meeting.
- 5.4. Decision-making function
 - 5.4.1. The following matters must all be referred to Quarterly Business Meetings for their approval:
 - 5.4.1.1. the process for the recruitment and appointment of a Managing Director by the Non-Executive Directors;
 - 5.4.1.2. the appointment of the Company Secretary
 - 5.4.1.3. the appointment or removal of Elected Member Directors and Independent Non-Executive Directors;

- 5.4.1.4. the remuneration of the Member Directors and of any Independent Non-Executive Director;
- 5.4.1.5. procedures for the appraisal of the performance of Directors;
- 5.4.1.6. changes to Dulas Ltd vision, values and working practices document;
- 5.4.1.7. the corporate strategy;
- 5.4.1.8. the opening or closure of any significant location, as proposed by the Board of Directors;
- 5.4.1.9. any substantial acquisition, disposal or merger, as proposed by the Board of Directors;
- 5.4.1.10. any strategic matter outside the approved corporate strategy;
- 5.4.1.11. any change to the number or scope of business of Dulas Ltd.'s **Teams**.

5.5. Support functions

- 5.5.1. Quarterly Business Meetings provide a mechanism for Members to work collaboratively with management and the Board of Directors including in the following ways:
 - 5.5.1.1. securing the good governance of Dulas Ltd in the best interests of the Members and the wider community;
 - 5.5.1.2. developing future plans, strategy and vision;
 - 5.5.1.3. providing advice and support to the Board of Directors when requested to do so;
 - 5.5.1.4. undertaking such tasks as the Board of Directors may request.

5.6. Duty of Members at Quarterly Business Meetings

- 5.6.1. In carrying out their functions at Quarterly Business Meetings, Members have a duty:
 - 5.6.1.1. to behave collaboratively with other Members and with the Board of Directors, and in all matters concerning the governance of Dulas Ltd, and
 - 5.6.1.2. at all times to act in what they consider to be the best interests of Dulas Ltd in achieving its Purpose.

5.7. Members Advisory Committee

- 5.7.1. There shall be a Members Advisory Committee.
- 5.7.2. The role of the Members Advisory Committee is to provide support in:
 - 5.7.2.1. facilitating Quarterly Business Meetings,
 - 5.7.2.2. following up matters after Quarterly Business Meetings,
 - 5.7.2.3. liaising with Team Leaders and the Board of Directors between Quarterly Business Meetings, and
 - 5.7.2.4. carrying out any other functions delegated to them by Quarterly Business Meetings.
- 5.7.3. The Members Advisory Committee shall comprise the following:
 - 5.7.3.1. a Member representative elected by and from each of Dulas Ltd.'s **Teams**;
 - 5.7.3.2. a Member representative elected by and from Dulas Ltd.'s **Central Services**;

- 5.7.3.3. the Member representative elected by each of Dulas Ltd.'s Teams and Central Services shall not be an elected Member Director except in exceptional circumstances with the approval of the Quarterly Business Meeting.
- 5.7.3.4. an elected member of the Board of Directors, appointed by the Board of Directors; and
- 5.7.3.5. the Company Secretary.
- 5.7.4. The Chair shall be appointed from time to time by the Members of the Members Advisory Committee.

5.8. Meetings, including calling, chairing, quorum and other procedures

- 5.8.1. Quarterly Business Meetings are called by the Company Secretary, by written notice to all Members and Members-in-Waiting.
- 5.8.2. A minimum of 5% of the Members may give written notice to the Company Secretary to call a Quarterly Business Meeting, specifying the business to be carried out. The Company Secretary shall send a written notice to all Members as soon as possible after receipt of such a request. If the Company Secretary fails to call such a meeting then the Members who have notified the Company Secretary shall call such a meeting.
- 5.8.3. Save in the case of emergencies or the need to conduct urgent business (to be decided by the Company Secretary in discussion with the Members Advisory Committee), the Company Secretary shall give at least fourteen days' written notice of the date and place of every Quarterly Business Meeting to all Members, Members-in-Waiting and Directors.
- 5.8.4. A Quorum is half the number of Members entitled to vote.
- 5.8.5. If within half an hour from the time appointed for the meeting a quorum is not present, it shall stand adjourned to the same day in the following week at the same time and place unless the Company Secretary notifies anything different. If at the reconvened meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.
- 5.8.6. The chair of a Quarterly Business Meeting shall aim to achieve a consensus before putting a matter to a formal vote. Consensus for this purpose means that no Member indicates that they would vote against the matter if it were put to a formal vote. A Member wishing to indicate such an objection shall communicate their reason for such objection to the meeting (or prior to the meeting by notice in writing to the Company Secretary if the Member appoints a proxy), and the objecting Member shall have the opportunity to withdraw their objection following discussion at the meeting; and
- 5.8.7. If a consensus cannot be achieved during the meeting, the matter shall be put forward for a formal vote.
- 5.8.8. Subject to the Articles, any question arising at a Quarterly Business Meeting shall be decided by consensus, or thereafter, a majority vote. On any resolution put to a Quarterly Business Meeting, each Member present shall have one vote. In the event of a tie, the Chair of the meeting shall have a second or casting vote.
- 5.8.9. Quarterly Business Meetings may be held in any way and through any medium which permits those attending to hear and comment on the proceedings. Any Members who attend in this way are considered to be present at the meeting whether or not they are all assembled at one place.
- 5.8.10. A Quarterly Business Meeting may establish committees, sub-committees or working groups comprising Members and any other persons to assist the Quarterly

Meeting in carrying out its functions, but it may not delegate any of the functions set out in the Articles. A Quarterly Business Meeting may, through the Company Secretary, request that advisors assist it or any committee, sub-committee or working group it appoints.

5.8.11. All decisions taken in good faith at a Quarterly Business Meeting or of any committee, sub-committee or working group shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the persons attending the meeting.

5.8.12. The Quarterly Business Meeting is to adopt its own written standing orders for its practice and procedure, in particular for its procedures at meetings.

5.8.13. The Quarterly Business Meeting shall have access to and shall take independent advice through the Company Secretary as required and appropriate.

5.9. Declaration or notification of interest

5.9.1. Any Member or Member in Waiting having an interest in any arrangement between Dulas Ltd and someone else which is to be considered at a Quarterly Business Meeting shall disclose their interest, before the matter is discussed. Such disclosure must comply with any code of conduct and/or governance adopted by the Quarterly Business Meeting from time to time. They shall not remain present unless requested to do so by the Quarterly Business Meeting, and if so requested they shall not have any vote on the matter in question.

5.9.2. If a question arises at a Quarterly Business Meeting or of a committee as to the right of a Member or Member in Waiting to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair of that meeting, whose ruling is to be final and conclusive.

5.9.3. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair of the meeting, the question is to be decided by a decision of the Members at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

5.9.4. Any decision of the Quarterly Business Meeting or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

5.9.5. Every Member and Member in Waiting shall ensure that the Company Secretary at all times has a list of all other bodies in which they have an interest as:

5.9.5.1. a director or officer; or

5.9.5.2. a member of a firm; or

5.9.5.3. an official or elected member of any statutory body; or

5.9.5.4. the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company; or

5.9.5.5. the occupier of any property owned or managed by Dulas Ltd which they occupy; or

5.9.5.6. the holder of any other significant or material interest.

6. BOARD OF DIRECTORS

Composition

6.1. The composition of the Board of Directors shall seek to meet the needs of the business from time to time. The Board of Directors shall make recommendations about this, and

subject to the following principles the actual composition shall be determined by Quarterly Business Meetings.

- 6.2. The Board of Directors comprises as a minimum:
 - 6.2.1. one full-time Executive Director who will be the Managing Director, appointed and removed by the Non-Executive Directors. Any other Executive Directors will be appointed and removed by the Managing Director and the Non-Executive Directors;
 - 6.2.2. a majority of Non-Executive Directors comprising:
 - 6.2.2.1. at least two Member Non-Executive Directors appointed and removed by the Quarterly Business Meeting; and
 - 6.2.2.2. at least one Independent External Non-Executive Director, appointed and removed by the Quarterly Business Meeting.
- 6.3. The Chair shall be an Independent External Non-Executive Director but they shall not have a casting vote.
- 6.4. Executive Directors are appointed for such term of office as is decided by the Non-Executive Directors and approved by the Quarterly Business Meeting.
- 6.5. Member Non-Executive Directors are appointed for a fixed term of office expiring at the end of the third Annual General Meeting after their appointment becomes effective.
- 6.6. The Quarterly Business Meeting shall formulate a mechanism for staggering the tenure of Elected Member Directors.
- 6.7. The Quarterly Business Meeting shall formulate a mechanism for mentoring and support of any Elected Member sufficient to meet their duties as a Company Director,
- 6.8. External Non-Executive Directors are appointed for one year with this tenure extending if approved by the Members.

Removal of Directors

- 6.9. A person ceases to be a Director when they resign, die, their term ends, or their position is terminated under the Articles.
- 6.10. A Director's position is terminated if:
 - 6.10.1. under law they are prohibited from being a director;
 - 6.10.2. they become bankrupt;
 - 6.10.3. a composition is made with that person's creditors generally in satisfaction of that person's debts; or
 - 6.10.4. they are removed from office under the Articles.
 - 6.10.5. relate to capability policy following a vote of the Members.
- 6.11. If a Director is terminated under Articles 6.5 and 6.8 above, the Members Advisory Committee and the Company Secretary shall complete and submit the necessary form to Companies House to terminate the appointment of Director.

Remuneration and Expenses

- 6.12. The remuneration of Executive Directors shall be decided by the Non-Executive Directors subject to any parameters set by the Quarterly Business Meeting. The Quarterly Business Meeting shall decide on the remuneration and re-imbursement of expenditure of the Non-Executive Directors.

Calling a Board Meeting

- 6.13. A meeting of the Board of Directors (**Board Meeting**) can be called by any two Directors with at least two working days' notice. An agenda must accompany the notice. Only in

emergencies will a shorter notice period be accepted, and a notice served without an agenda.

- 6.14. The Board of Directors may make arrangements for Board Meetings to be held in any way and through any medium which permits those attending to hear and comment on the proceedings. Any member of the Board of Directors who attends in this way is considered to be present at the meeting whether or not they are all assembled at one place

Quorum for Board Meetings

- 6.15. The quorum for a Board Meeting is not less than half of the Directors.
- 6.16. If a Quorum is not present within half an hour of the start time, the meeting shall be adjourned to the same time and same place, seven days later.
- 6.17. If a Quorum is not present within half an hour of the start time of the adjourned meeting, the Directors present shall be a quorum.

Directors' Declaration of Interests

- 6.18. Any Director who has an interest, whether directly or indirectly, in any proposed transaction or arrangement, or one that has already been entered into, must declare the full nature of the interest to the other Directors.
- 6.19. A Director who has declared an interest in a matter may still attend and speak on the matter if the other Directors present request them to do so, but they shall not be entitled to vote on it.

Directors' general authority

- 6.20. Subject to the Articles, the Directors are responsible for the management of Dulas Ltd.'s business, for which purpose they may exercise all the powers of Dulas Ltd.
- 6.21. Responsibility for the day-to-day management of Dulas Ltd.'s business is delegated as follows:
- 6.21.1. responsibility for the day-to-day management of the business of each of the **Teams**, as set out in each **Team's** Strategy and Budget approved by the Board of Directors, is delegated to the relevant Team Leader;
- 6.21.2. responsibility for the day-to-day management of the **Central Services**, as set out in its Strategy and Budget approved by the Board of Directors, is delegated to an Executive Director.
- 6.22. Detailed clarification of the matters delegated and not delegated may be set out in a Board of Directors delegation document, recommended by the Board of Directors and to be approved by the Quarterly Business Meeting. Any such document is to be reviewed annually. The following powers are expressly reserved to the Board of Directors and cannot be delegated:
- 6.22.1. oversight of any matters it has delegated;
- 6.22.2. the appointment and removal of Team Leaders;
- 6.22.3. responsibility for the preparation of the Annual Report and Accounts.
- 6.23. The Board of Directors may recommend changes to the number and scope of the **Teams**, but any such change requires the approval of the Quarterly Business Meeting.
- 6.24. The Board of Directors shall at all times act in accordance with Dulas Ltd.'s Purpose and their duties as set out in section 172 (1) and (2) of the Companies Act 2006 or as varied accordingly.

7. Reporting to Members

Maintenance of Records

- 7.1. Dulas Ltd shall keep proper books of accounts detailing its transactions, its assets and its liabilities as required by law.

Accounts

- 7.2. In respect of each year of accounts, the Board of Directors shall cause Accounts to be prepared comprising:
- 7.2.1. a revenue account or revenue accounts which singly or together deal with the affairs of Dulas Ltd as a whole for that year and which give a true and fair view of the income and expenditure of Dulas Ltd for that year; and
 - 7.2.2. a balance sheet giving a true and fair view as at that date of the state of affairs of Dulas Ltd.

Auditor

- 7.3. Dulas Ltd, if required by law to do so, shall appoint an Auditor to act in each financial year, who must be qualified as provided by the law.

Presentation of Annual Report and Accounts

- 7.4. The Annual Report and Accounts comprise of:
- 7.4.1. the Accounts;
 - 7.4.2. the Auditor's report (if one is required by law) in the Accounts;
 - 7.4.3. the Board of Directors' report on the affairs of Dulas Ltd; and
 - 7.4.4. details of remuneration and expenses paid in accordance with these rules to Directors.
- 7.5. The Board of Directors shall present the Annual Report and Accounts to the Annual General Meeting.

Filing and Returns

- 7.6. Whenever Dulas Ltd is required by law to file information or make returns, the Company Secretary shall be responsible for ensuring that it does so.

8. CHANGE

- 8.1. The Members may, by special resolution, amend these Articles. A special resolution is a resolution passed by at least 75% of the votes cast by those entitled to vote.
- 8.2. Dulas Ltd.'s Purpose may only be changed by the unanimous vote of all eligible Members.
- 8.3. In the event of the winding up or dissolution of Dulas Ltd the liquidator shall first, according to law, use the assets of Dulas Ltd to satisfy its debts and liabilities including any sums repayable to Members under the Articles. Any balance remaining must not (unless a majority of Members in general meeting decide to divide them up equally) be distributed amongst the Members of Dulas Ltd but shall be transferred by the liquidator or the Directors of Dulas Ltd to such charity or charities as the Members shall approve or, in the absence of clear approval, as the liquidator or the Directors may decide having used their or their best endeavours to consult with and follow the wishes of the Members. This Article may only be changed by the unanimous vote of all eligible Members.

9. Shares, profits and dividends

Share Capital

- 9.1. The share capital of Dulas Ltd at the date of adoption of these Articles shall comprise A Shares and B Shares.

- 9.2. All Shares shall rank equally as one class for the participation in the profits and assets of Dulas Ltd and in all other respects save as expressly provided in these Articles.

Share Rights

- 9.3. The rights attaching to the respective classes of shares shall be as follows:-

9.3.1. the holders of the A Shares shall be entitled to:

- 9.3.1.1. vote on resolutions of Dulas Ltd;
- 9.3.1.2. receive notice of and to attend, speak and vote at all general meetings of Dulas Ltd;
- 9.3.1.3. participate in the profits of Dulas Ltd, but not in the assets of Dulas Ltd on a winding up beyond the par value of their Share unless otherwise agreed in writing by a majority of the holders of the A Shares,

9.3.2. the B Shares:

- 9.3.2.1. shares do not carry the right to vote; and
- 9.3.2.2. entitle the holders of the B Shares to participate in the profits of Dulas Ltd, but not the assets of Dulas Ltd on a winding up beyond the par value of the Shares, unless otherwise agreed in writing by a majority of the holders of the A Shares.

Restrictions on Membership

- 9.4. Only:

- 9.4.1. Eligible Employees; and
 - 9.4.2. the Company's Nominee,
- shall be permitted to hold Shares in Dulas Ltd.

- 9.5. The Company's Nominee shall be permitted to:

- 9.5.1. hold Shares accordance with and subject to the terms of Article 3.1 on their own behalf; and
 - 9.5.2. hold Shares as nominee, and
- where the Company's Nominee is holding Shares as nominee it shall:
- 9.5.3. not be entitled to exercise the rights attaching to those Shares;
 - 9.5.4. hold those Shares pending a transfer of the share to a new Eligible Employee; and
 - 9.5.5. transfer those Shares to such person as the Board of Directors directs.

Transfer of Shares

- 9.6. Shares may only be transferred in accordance with Article 3.

- 9.7. The Board of Directors may refuse to register the transfer of a Share if:-

- 9.7.1. the transfer is not lodged with the Company Secretary at Dulas Ltd.'s registered office or such other place as the Directors have appointed; and
- 9.7.2. the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the Directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf.

Allotment of Shares

- 9.8. Shares may only be allotted and issued in accordance with Article 3.

Profits

9.9. The profits of Dulas Ltd shall be applied as follows in such proportion as the General Meeting shall decide from time to time:

9.9.1. to a general reserve for the continuation and development of Dulas Ltd; and

9.9.2. in respect of the B ordinary shares, on the recommendation of the Board of Directors by way of dividend to all Members in proportion to the number of shares held as of 30th September each year or such other formula as the Members may decide at a General Meeting on the recommendation of the Board of Directors.

Dividends

9.10. Dulas Ltd may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

9.11. A dividend must not be declared unless the directors have made a recommendation as to its amount and if Dulas Ltd declares a dividend by ordinary resolution that dividend must not exceed the amount recommended by its directors.

9.12. By ordinary resolution, Dulas Ltd may pay all or part of a dividend by transferring a non-cash asset of equivalent value to a Member.

10. Administrative

Purpose

10.1. The income and property of Dulas Ltd however derived shall be applied solely toward the promotion of the Purpose and no portion shall be paid or transferred directly or indirectly to any Member or Employee of Dulas Ltd except by way of payment in good faith of reasonable and proper wages, bonuses and repayment of expenses, or by way of dividends on shares under the Articles.

Powers

10.2. Dulas Ltd shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its purpose and objects, except as expressly prohibited in these rules.

10.3. Without limiting its general powers, Dulas Ltd shall have the power to:

10.3.1. purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, including without limitation construct or carry out works to buildings;

10.3.2. help any charity or other body;

10.3.3. subject to these Articles borrow money or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing;

10.3.4. enter into and perform any derivative transaction on such terms as Dulas Ltd thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of Dulas Ltd;

10.3.5. invest the funds of Dulas Ltd in such manner as it decides; and

10.3.6. lend money on such terms as Dulas Ltd shall think fit.

Notices

10.4. Any notice required to be given by the Articles may be posted or delivered electronically to an address provided by the recipient.

10.5. Any accidental failure to deliver any notice to any person as required by these rules shall not invalidate the proceedings at that meeting. A notice or communication sent to a

Member at their address shown in the Register of Members shall be treated as having arrived two days after being posted and any sent by electronic communication shall be treated as having been served when received provided that it is in a readable form.

Company Seals

- 10.6. The Company Secretary shall keep the seal (if any). It shall not be used except under the authority of the Board of Directors. It must be affixed by one Director signing and Dulas Ltd Secretary countersigning or in such other way as the Board of Directors resolves. The Board of Directors may alternatively authorise the execution of deeds in any other way permitted.

Company Secretary and Deputy Secretary

- 10.7. The Company Secretary is appointed by the Board of Directors, subject to the approval of a Quarterly Business Meeting, which also approves the Company Secretary's job description. The Company Secretary may hold other responsibilities as an employee of Dulas Ltd, but the Quarterly Business Meeting must be satisfied that the Company Secretary is sufficiently independent of Executive Directors.
- 10.8. The Board of Directors may appoint a deputy secretary (who may also be an employee) to act as secretary in the Company Secretary's absence.
- 10.9. The Company Secretary shall in particular:
- 10.9.1. call and attend all Members Meetings, Quarterly Business Meetings and Board Meetings, and keep the minutes of those meetings;
 - 10.9.2. keep the registers and other books required by the Articles and by law;
 - 10.9.3. make any returns on behalf of Dulas Ltd including to the Registrar of Companies;
 - 10.9.4. have charge of the seal of Dulas Ltd (if any);
 - 10.9.5. monitor compliance with the Articles; and
 - 10.9.6. provide or secure the provision of professional support to Quarterly Business Meetings when it is needed.

Indemnity and Insurance

- 10.10. Every officer and employee shall be indemnified by Dulas Ltd for any amount reasonably incurred in the discharge of their duty.
- 10.11. Except for the consequences of their own dishonesty or gross negligence, no officer or employee shall be liable for any losses suffered by Dulas Ltd.
- 10.12. Dulas Ltd shall pay insurance premiums in respect of insurance taken out to insure Directors, officers and employees.

APPENDIX

1. The Articles should be read and understood on the basis of what is set out below.
2. Words in the singular include the plural, and words in the plural include the singular.
3. Any reference to legislation includes any subsequent enactments, amendments and modification, or any subordinate legislation.
4. The headings above sections, Articles and paragraphs of Articles are inserted for convenience only and shall not affect the interpretation of the Articles.
5. The following words and phrases have the special meaning set out below.

| | |
|----------------------------|---|
| Appendix | means this Appendix. |
| Applicant | a person who submits a Membership Application. |
| Articles | Dulas Ltd.'s Articles of Association for the time being in force. |
| A Shares | A ordinary shares of £1.00 each in the capital of Dulas Ltd. |
| Board of Directors | the board of Directors of Dulas Ltd. |
| Board Meeting | shall have the meaning given to it in Article 6.13. |
| B Share Allocation | shall have the meaning given to it in Article 3.1.2. |
| B Share Application | shall have the meaning given to it in Article 3.4. |
| B Share Date | shall have the meaning given to it in Article 3.1.2. |
| B Shares | B ordinary shares of £1.00 each in the capital of Dulas Ltd. |
| Central Services | Those employees whose role falls mainly outside the scope of Dulas Ltd.'s Teams . Where it is unclear how an Employee should be treated for the purpose of the Articles, the final decision rests with the Quarterly Business Meeting. |
| Company's Nominee | the Company Secretary or such other person nominated by and approved by the majority in number of the holders of the A Shares at a Quarterly Business Meeting. |
| Company Secretary | means the person appointed to act as the secretary of Dulas Ltd and who is registered in the statutory books of Dulas Ltd as the secretary of Dulas Ltd. |
| Directors | the directors of Dulas Ltd from time to time. |

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|-------------------------------------|---|
| Eligible Employee | means an Employee who: (i) has completed their Minimum Period of Employment with Dulas Ltd; and (iii) has not served on Dulas Ltd or received from Dulas Ltd notice terminating their employment with Dulas Ltd. |
| Employee | means any person engaged by Dulas Ltd under a contract of employment. |
| Exit Date | shall be the person described in Article 3.9. |
| Exiting Member | shall be the person described in Article 3.9. |
| Full Working Day | the number of hours comprising one fifth of a Full Working Week. |
| Full Working Week | means hours determined by the Board of Directors worked over five Full Working Days. |
| Initial Share Application | shall have the meaning given to it in Article 3.3. |
| Member | a shareholder of Dulas Ltd. |
| Member in Waiting | means an Employee who: (i) is not yet an Eligible Employee; and / or (ii) has not served on Dulas Ltd or received from Dulas Ltd notice terminating their employment with Dulas Ltd. |
| Membership Application | an application for Shares in Dulas Ltd. |
| Minimum Period of Employment | 18 months from the commencement of the Employee's employment with Dulas Ltd or such longer period set out in the Employee's contract of employment with the Company. |
| Qualifying Non Member | any Eligible Employee who does not hold Shares. |
| Quarter Day | means the number of hours comprising one quarter of a Full Working Day. |
| Quarterly Business Meeting | shall mean the quarterly business meetings to be held pursuant to Article 2.7 and Article 5. |

| | |
|----------------------------|---|
| Shares | shares (of any class) in the capital of Dulas Ltd and a Share shall be construed accordingly. |
| Subscription Price | means the price payable by the Applicant the for the Subscription Shares. |
| Subscription Shares | any Shares subscribed for pursuant to a Membership Application. |
| Teams | A business unit of Dulas Ltd as approved from time to time by the Quarterly Business Meeting. Where an Employee's role falls within more than one of Dulas Ltd.'s Teams, the final decision about where that Employee should be included for the purpose of the Articles rests with the Quarterly Business Meeting. |

6. The meaning of the following words and phrases is made clear in each case in the Article identified below.

| | |
|---|---------|
| Accounts | 7.2 |
| Annual General Meeting | 4.7 |
| Annual Report | 7.4 |
| Auditor | 7.3 |
| Budget | 2.12.2 |
| Chair | 4.2 |
| Co-operative Values and Principles | 1.2 |
| Director | 2.10 |
| Member Director | 6.2.2.1 |
| Executive Director | 6.4 |
| Independent Non-Executive Director | 5.4.1.3 |
| Independent External Non-Executive Director | 6.2.2.2 |
| Managing Director | 5.4.1.1 |
| Members Advisory Committee | 5.7 |
| Members Charter | 2.6 |
| Members Meetings | 4.1 |
| Non-Executive Director | 6.5 |
| Proxy | 4.10 |
| Proxy Notice | 4.10.7 |
| Purpose | 1.2 |
| Quorum (for Members Meetings) | 4.8.2 |
| Quorum (for Directors Meetings) | 6.15 |
| Register of Members | 10.5 |
| Special General Meetings | 4.1 |
| Strategy | 2.12.1 |
| Team Leader | 5.3.1.1 |
| Vice-chair | 4.2 |
| Vision and Values | 1.2 |