

**ARTICLES OF ASSOCIATION
COMPANIES ACTS 1985, 1989 AND 2006
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION OF SEAHOUSES DEVELOPMENT TRUST**

1. Definitions and interpretation

In these articles:

- 1.1 "the Act" means the Companies Act 1985 as amended by the Companies Act 1989 and the Companies Act 2006 and any other amendments from time to time in force;
- 1.2 "Committee" means the management committee of the Company;
- 1.3 "the Seal" means the common seal of the Company;
- 1.4 "Secretary" means any person appointed to perform the duties of the secretary of the Company;
- 1.5 "the United Kingdom" means Great Britain and Northern Ireland;
- 1.6 Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;
- 1.7 Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification of the Act in force at the date at which these articles become binding on the Company

2. Objects

The Company is established for the objects expressed in the memorandum of association

3. Members

- 3.1 The number of members with which the Company proposes to be registered is unlimited
- 3.2 The subscribers to the memorandum of association and such other persons as the committee shall admit to membership (subject nevertheless to the provisions of Articles 3.3 and 22) shall be members of the Company;
- 3.3 Any person or institution (as hereinafter defined) shall be admitted to membership upon receipt by the Company Secretary of a signed application in writing in a form to be approved by the Committee stating that such person or institution as the case may be approves the objects and general principles and aims of the Company as hereinbefore set out unless the Committee shall within six weeks of such receipt decide that in their view (which decision shall be final) the admission of the applicant to membership would be prejudicial to the interests of the Company.
- 3.4 For the purposes of article 3.3 above "institution" shall mean any incorporated or unincorporated body and an institution which becomes a member of the Company shall be known as a "corporate member" and save where otherwise provided the expression "member" shall in these Articles include a "corporate member".
- 3.5 An application for membership may be approved or rejected by the Committee. The Committee shall have the right for good and sufficient reason to terminate the membership of any member provided that the member concerned shall have a right to be heard before a final decision is made;

- 3.6 Unless the members of the Committee or the company in general meeting shall make other provision pursuant to the powers contained in article 21, the Committee members may in their absolute discretion permit any member of the Company to retire provided that after such retirement the number of members is not less than 5.

4. General meetings

- 4.1 The Company shall each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next provided that so long as the Company holds its first Annual General Meeting within 18 months of its incorporation, it need not hold it in the year of incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Committee shall appoint. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings;
- 4.2 The Committee may, whenever it thinks fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitions, as provided by the Act. If at any time there are not within the United Kingdom sufficient members of the Committee to form a quorum, any two members of the Committee or any 20 members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Committee.

5. Notice of general meetings

- 5.1 An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by at least 21 days' notice in writing. Other meetings shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day of the meeting and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner mentioned below or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the articles of the Company, entitled to receive such notices from the Company provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it is so agreed:
- 5.1.1 in the case of the Annual General Meeting, by all the members entitled to attend and vote; and
- 5.1.2 in the case of any other meeting, by a majority of the members having a right to attend and vote at the meeting, being a majority together representing not less than 95% of the total voting rights at the meeting of all the members.
- 5.2 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

6. Proceedings at general meetings

- 6.1 The business to be transacted at an Annual General Meeting shall include the consideration of the accounts, balance sheets, and the report of the Committee, the election of members of the Committee in the place of those retiring;
- 6.2 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; 5 members present in person shall be a quorum. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall be adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Committee may determine;
- 6.3 The Chairman, if any, of the Committee shall chair every general meeting of the Company, or if there is no such chairman, or if he shall not be present within 5 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members of the Committee present shall elect one of their number to chair the meeting.
- 6.4 If at any meeting no Committee member is willing to act as chairman or if no Committee member is present within 5 minutes after the time appointed for holding the meeting, the members present shall choose one of their number to chair the meeting;
- 6.5 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting;
- 6.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
 - 6.6.1 by the chairman; or
 - 6.6.2 by at least 2 members present;
 - 6.6.3 by any member or members present in person and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting;
- 6.7 Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution;
- 6.8 The demand for a poll may be withdrawn;
- 6.9 In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall not be entitled to a second or casting vote and the resolution shall be deemed to have been lost;
- 6.10 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken at such time and in such manner as the chairman of

the meeting directs, and any business other than that upon which a poll has been demanded may proceed pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded;

- 6.11 Subject to the provisions of the Act, a resolution in writing signed by all the members entitled to receive notice of and to attend and vote at general meetings (or being organisations by their duly authorised representatives) shall be as valid and effective as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of 2 or more documents in like form each signed by one or more members.

7. Votes of members

- 7.1 Every member shall have one vote;
- 7.2 No member shall be entitled to vote at any general meeting unless all money presently payable by him to the Company has been paid.
- 7.3 A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by her/his committee, receiver or curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
- 7.4 On a poll votes may be given either personally or by proxy.
- 7.5 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company.
- 7.6 The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, at any time before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 7.7 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 7.8 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

8. Organisations acting by representatives at meetings

Any organisation which is a member of the Company may by resolution of its committee or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so

authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as that organisation could exercise if it were an individual member of the Company.

9. Committee of Management

9.1 The maximum number of committee members shall be 15 and the minimum number shall be 5 unless otherwise determined by the Company under article 13.5 below.

9.2 The members of the Committee shall be:

9.2.1 Such persons as shall be nominated by the member organisations listed below which organisations shall at all times be entitled to nominate one representative to act as a Committee member save for those organisations listed jointly below who shall only be permitted to nominate one person to act as their joint representative and those representatives shall subject to articles 12 and 13 be entitled so to act PROVIDED ALWAYS that nothing in this article shall prevent further representatives from any of the said organisations being appointed as Committee members by the way of election or co-option

- i. Northumberland County Council
- ii. North Sunderland Parish Council
- iii. Community Action Northumberland
- iv. National Trust
- v. North Sunderland and Seahouses Sports and Community Centre Committee
- vi. The Trustees of Lord Crewe's Charity
- vii. Farne Churches Together
- viii. North Northumberland Tourism Association
- ix. Farne Business Gateway
- x. North Sunderland Harbour Commissioners

9.2.2 Such other persons being members of the Company up to a maximum of five as shall from time to time be elected thereto by the members from amongst their number present at an Annual General Meeting PROVIDED ALWAYS that a majority of the members of the Committee shall be entitled to refuse the nomination of any person under articles 9.2.2.2, 9.2.3. and 13.4 whose appointment as a Committee member they consider would result in an imbalance in the representation of geographical and sectional interests within the area of benefit.

9.3 The Committee members shall be paid all reasonable expenses properly incurred by them in attending and returning from Committee meetings or general meetings of the Company or in connection with the business of the Company.

10. Borrowing powers

The Committee may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking and property, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party. No lender or other person dealing with the Company shall be concerned to see or inquire whether such prior consent is given.

11. Powers and duties of the Committee

- 11.1 The business of the Company shall be managed by the Committee who may pay all expenses incurred in the formation of the Company, and may exercise all such powers of the Company as are not required to be exercised by the company in general meeting. Any such requirement may be imposed either by the Act or by these articles or by any regulation made by the Company in general meeting; but no such regulation shall invalidate any prior act of the Committee which would have been valid if that regulation had not been made.
- 11.2 All cheques and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Committee shall from time to time determine.
- 11.3 The Committee shall cause minutes to be made;
 - 11.3.1 of all appointments of officers made by the Committee;
 - 11.3.2 of the names of the Committee members present at each Committee meeting;
 - 11.3.3 of all resolutions and proceedings at all meetings of the Company, and of the Committee

12. Disqualification of Committee members

- 12.1 The office of Committee member shall be vacated if the member;
 - 12.1.1 becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - 12.1.2 becomes prohibited from being a Committee member by reason of any order made under Section 295 of the Act; or
 - 12.1.3 becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs; or
 - 12.1.4 resigns his office by written notice to the Company; or
 - 12.1.5 is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest as required by Section 317 of the Act.
 - 12.1.6 holds any office of profit under the Company
- 12.2 A Committee member shall not vote in respect of any contract in which he is interested or any matter arising out of it, and, if he does so vote, his vote shall not be counted.

13. Election of Committee members

- 13.1 At every Annual General Meeting of the Company all the Committee members elected under article 9.2.2 shall retire from office;
- 13.2 A retiring Committee member being a member of the Company shall be eligible for re-election:
- 13.3 The Company at the meeting at which a Committee member retires in the above manner may fill the vacated office by electing a person to it, and in default the retiring Committee member shall if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such member shall have been put to the meeting and lost;
- 13.4 No person other than a Committee member retiring at the meeting shall, unless recommended by the Committee, be eligible for election to the Committee at any general meeting unless, not less than 3 nor more than 21

days before the date set for the meeting, there shall have been left at the registered office of the Company notice in writing signed by a member qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected which person to be eligible for election must also be present at the meeting at which election is sought;

- 13.5 The Company may from time to time by ordinary resolution increase or reduce the number of Committee members;
- 13.6 The Committee shall have power at any time to appoint any person to be a Committee member, either to fill a casual vacancy or as an addition to the existing members but so that the total number of Committee members shall not at any time exceed any maximum number fixed in accordance with these articles. Any Committee member so appointed shall hold office only until the next following Annual General Meeting and shall then, being a member of the Company, be eligible for re-election;
- 13.7 The Company may by extraordinary resolution, of which special notice has been given in accordance with Section 303 of the Act, remove any Committee member before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the Company and such member. The Company may by ordinary resolution appoint another person in place of a Committee member removed under this article.
- 13.8 Notwithstanding anything in these articles the Company through their Committee may remove any Committee member before the expiration of his period of office who is absent from the meetings of the Committee for a period in excess of six months PROVIDED ALWAYS that the relevant period shall not commence unless the Committee, having considered any apology and/or reason given for the member's absence at the meeting from which the member is absent, by a majority decide that the period should so commence.

14. Proceedings of the Committee

- 14.1 The Committee may meet together for the dispatch of business, adjourn, and otherwise regulate its meetings, as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote and the resolution shall be deemed to have been lost. A Committee member may, and the Secretary on the request of a Committee member shall, at any time summon a Committee meeting. It shall not be necessary to give notice of a Committee meeting to any member for the time being absent from the United Kingdom;
- 14.2 The quorum necessary for the transaction of the business of the Committee may be fixed by the Committee and, unless so fixed, shall be one-third of the membership of the Committee, subject to a minimum of 5;
- 14.3 The Committee may act notwithstanding any vacancy in its body, but, if and so long as its number is reduced below the number fixed by or pursuant to the articles of the Company as the necessary quorum of members, the Committee may act for the purpose of increasing the number of members to that number, or of summoning a general meeting of the Company, but for no other purpose;

- 14.4 The Committee shall elect a chairman of its meetings; but, if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the Committee members present may choose one of their number to chair the meeting;
- 14.5 The Committee may delegate any of its powers to sub-committees consisting of such persons as it thinks fit; any sub-committee so formed should consist of at least two members of the Committee and shall conform to any regulations that may be imposed on it by the Committee and shall report all acts and proceedings to the Committee as soon as is reasonably practicable.
- 14.6 A sub-committee, unless its chairman is appointed by the Committee, shall elect a chairman of its meetings; but, if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their number to chair the meeting;
- 14.7 A sub-committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote and the resolution shall be deemed to have been lost;
- 14.8 The chairman of the Committee or of any sub-committee shall not hold office for more than three successive terms but shall be eligible for re-election after one term out of office.
- 14.9 All acts done by any meeting of the Committee or of a sub-committee, or by any person acting as a Committee member, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member or person acting as a member, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Committee member.
- 14.10 A resolution in writing, signed by all the Committee members entitled to receive notice of a Committee meeting, shall be as valid and effectual as if it had been passed at a Committee meeting duly convened and held, and may consist of several documents in like form each signed by one or more Committee members.
- 14.11 Any Committee member who intends to be absent from a meeting of the Committee shall not less than two days from the date of the meeting give notice of their intended absence to the Secretary together with a reason for that absence.

15. Secretary

- 15.1 Subject to Section 293 of the Act, the Secretary shall be appointed by the Committee for such term at such remuneration and on such conditions as the Committee may think fit; and any Secretary so appointed may be removed by it provided that no Committee member may occupy the salaried position of Secretary;
- 15.2 A provision of the Act or these articles requiring or authorising a thing to be done by or to a committee member and the Secretary shall not be satisfied by its being done by or to the same person acting both as committee member and as, or in place of, the Secretary.

16. The Seal

The Committee shall provide for the safe custody of the seal, which shall be used only by the authority of the Committee or a sub-committee authorised by the Committee in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Committee member and shall be countersigned by the Secretary or by a second Committee member or by some other person appointed by the Committee for the purpose.

17. Accounts

- 17.1 The Committee shall cause accounting records to be kept in accordance with Sections 221 and 222 of the Act:
- 17.2 The accounting records shall be kept at the registered office of the Company or, subject to Section 222 of the Act, at such other place or places as the Committee thinks fit, and shall always be open to the inspection of the officers of the Company;
- 17.3 The Committee shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Committee members, and no member (not being a Committee member) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Committee or by the Company in general meeting;
- 17.4 The Committee shall from time to time in accordance with Sections 238 to 242 of the Act cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those Sections;
- 17.5 A copy of every balance sheet (including every document required by law to be annexed to it) which is to be laid before the Company in general meeting, and the Committee's report, shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company provided that this article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any debentures.

18. Notices

- 18.1 A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. Proof that an envelope containing a notice was properly addressed, prepared and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 18.2 Notice of every general meeting shall be given in any manner authorised by these articles to:
 - 18.2.1 every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them:

- 18.2.2 every person being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting;
- 18.2.3 each Committee member.
- No other person shall be entitled to receive notices of general meetings.

19. Indemnity

In the execution of her/his duties and the exercise of her/his rights in relation to the affairs of the Company (and without prejudice to any indemnity to which s/he may otherwise be entitled) every member of the Committee shall be entitled to be indemnified out of the assets of the Company against any costs, losses, claims, actions or other liabilities suffered or incurred by her/him and arising by reason of any improper investment made by or for the Company in good faith (so long as s/he shall have sought professional advice before making or procuring the making of such investment) or by reason of any negligence or fraud of any agent engaged or employed by her/him in good faith (provided reasonable supervision shall have been exercised) notwithstanding the fact that the engagement or employment of such agent was strictly not necessary or by reason of any mistake or omission made in good faith by her/him or by reason of any other matter or thing other than deliberate fraud, wrongdoing or wrongful omission on the part of the member of the Committee who is sought to be made liable. This article shall only have effect insofar as it is not avoided by any provision of the Act.

20. Dissolution

Clause 7 of the memorandum of association relating to the winding-up and dissolution of the Company shall have effect as if its provisions were repeated in these articles.

21. Rules or byelaws

- 21.1 The Committee may from time to time make such rules or byelaws as it may deem necessary or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the above, it may by such rules or byelaws regulate:
- 21.1.1 the admission and classification of members of the Company, and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by members;
- 21.1.2 the conduct of members of the Company in relation to one another, and to the Company's employees;
- 21.1.3 the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
- 21.1.4 the procedure at general meetings and meetings of the Committee and sub-committees in so far as such procedure is not regulated by these articles; and

- 21.1.5 generally all such matters as are commonly the subject matter of Company rules.
- 21.2 The Company in general meeting shall have power to alter or repeal the rules or byelaws and to make additions to them, and the Committee shall adopt such means as it deems sufficient to bring to the notice of members of the Company all such rules or byelaws, which so long as they shall be in force, shall be binding on all members of the Company provided nevertheless that no rule or byelaw shall be inconsistent with, or shall affect or repeal anything contained in, the memorandum or articles of association of the Company.

22. Patron

- 22.1 The Committee may appoint and remove any person as a patron of the Company and on such terms as the Committee shall think fit.
- 22.2 A patron shall have the right to attend and speak (but not vote) at any general meeting of the Company and to be given notice thereof as if a Member and shall also have the right to receive the accounts of the Company when available to Members.

23. Headings

The headings in these articles shall not be taken as part of them or in any manner affect the interpretation or construction of the same.