

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

Memorandum and Articles of Association  
of  
STAKEHOLDER MODEL LIMITED



The Companies Act 1985  
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF  
STAKEHOLDER MODEL LIMITED

1 NAME

The Company's name is 'Stakeholder Model Limited'.

2 REGISTERED OFFICE

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

3 OBJECTS

The Company's objects are to carry on business as a general commercial company and in particular (without limitation):

A. To

B. To promote the principles and practices of ethical business and fair trade, and to have regard to the protection and conservation of the natural environment.

C. To promote and improve for the public benefit the economic and social well-being of people living and working in areas where the Company operates.

4 POWERS

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

5 LIMITED LIABILITY

The liability of the Members is limited.

6 SHARE CAPITAL

The Company's share capital is £1,000,000 divided into 1,000,000 Ordinary Shares of £1 each.

7 INTERPRETATION

Definitions in the Company's Articles of Association apply in this Memorandum.

*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, SIGNATURES & ADDRESSES OF SUBSCRIBERS:

Name	Address	Number of shares taken:
Signature		

Name	Address	Number of shares taken:
Signature		

Total number of shares taken:

Dated this ..... day of ..... 200 .....

WITNESS TO THE ABOVE SIGNATURES:

Name	Address
Signature	



The Companies Act 1985  
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF  
STAKEHOLDER MODEL LIMITED

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## The Company

### 1 Interpretation

1.1 In these Articles and the Memorandum the following terms have the following meanings:

'Act'	the Companies Act 1985 (including any modification or re-enactment);
'AGM'	an annual general meeting of the Company Members;
'Articles'	these Articles of Association;
'Board'	the board of management of the Company (comprising its "directors" for the purposes of the Act);
'Director'	a member of the board;
'chairperson'	a Director holding such office appointed under these Articles;
'Company'	Stakeholder Model Limited
'Company Member'	a company member of the Company as defined under the Act;
'clear days'	in relation to a notice period the period excluding both the day on which the notice is given and the day on which it is to take effect;
'EGM'	an extraordinary general meeting of the Company Members;
'Memorandum'	the Memorandum of Association of the Company;
'Secretary'	the company secretary of the Company as required under the Act;
'Special Resolution'	a resolution which must be passed by a 75% majority of Company Members present and voting at an AGM or EGM;
'Stakeholder'	the holder of a contract for the time being with the Company either as a customer or an employee
'in writing'	written, printed or electronically transmitted writing.

### 2 Exclusion of 'Table' statutory articles

2.1 The articles provided in "Table A" under the Act are excluded from these Articles unless expressly included.

### 3 Company ownership

3.1 The owners or members of the Company are the shareholders; the shares of the Company shall be issued as one of three classes of shares: **Stewardship Shares**, **Partnership Shares**, or **Investment Shares**.

3.2 The company may issue shareholders with one or more certificates for their respective shares in such form as the Directors decide.

#### 4 Stewardship Shares

- 4.1 Stewardship Shares are not-for-profit and carry no right to dividends. They may be issued only to the subscribers to the Memorandum, or to not-for-profit organisations agreed by the Board of Directors, or to other persons agreed by written resolution of the Directors.
- 4.2 Stewardship Share ownership is personal and Stewardship Shares may not be transferred without the consent of all shareholders; on the death or bankruptcy of the holder of a Stewardship Share, or (in the case of a corporate body) on receivership, liquidation, dissolution or striking-off of the body which constituted the holder of a Stewardship Share, the Stewardship Share shall be cancelled immediately.
- 4.3 Stewardship Shares shall be issued only as fully paid shares.
- 4.4 No person shall hold more than one Stewardship Share.

#### 5 Partnership Shares

- 5.1 Partnership Shares shall be under the control of the Board of Directors, and shall be issued, allotted or transferred only with the consent of the Board to persons who qualify as stakeholders in the Company.
- 5.2 A holder of a Partnership Share who ceases to be a stakeholder in the Company shall, if required to do so by the Board, upon ceasing to be a stakeholder in the Company, or as soon as reasonably practicable afterwards, transfer his/her shares to the Company, or to other Partnership Shareholders in proportion to their respective then current holdings (or as otherwise may be agreed) in return for payments equal to the value (if any) of the shares as certified by a firm of chartered accountants acting as experts instructed by the Company for the purpose.

#### 6 Investment Shares

- 6.1 Investment Shares shall be under the control of the Board, and may be issued, allotted or transferred with the consent of the Board to any persons, and with such special, deferred or preferential rights as the Board may decide upon, but the rights attached to Investment Shares shall not in any case exceed those permitted to Investment Shares by these Articles.
- 6.2 In case of the death of an Investment Share Holder the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where s/he was a sole holder, shall be the only persons recognised by the Company as having any title to her/his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by her/him with other persons.
- 6.3 Any person becoming entitled to a share in consequence of the death or bankruptcy of an Investment Share Holder may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered her/himself as holder of the share or to have some person nominated by her/him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Share Holder before her/his death or bankruptcy, as the case may be.
- 6.4 If the person so becoming entitled shall elect to be registered her/himself, s/he shall deliver or send to the Company a notice in writing signed by her/him stating that s/he so elects. If s/he shall elect to have another person registered s/he shall testify her/his election by executing to that person a transfer of the share. All the limitations, restrictions and

provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Share Holder had not occurred and the notice or transfer were a transfer signed by that Member.

- 6.5 A person becoming entitled to a share by reason of the death or bankruptcy of the Investment Share Holder shall, upon supplying to the Company such evidence as the Directors may reasonably require to show her/his title to the share, be entitled to the same dividends and other advantages to which s/he would be entitled if s/he were the registered holder of the share, except that s/he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by the share holding in relation to meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered her/himself or to transfer the share, and, if the notice is not complied with within sixty days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

## 7 Dividends

- 7.1 Subject to the Acts, the Board of Directors may decide to declare and pay such dividends to Partnership Shareholders and Investment Shareholders as:
- 7.1.1 appear to the Directors to be justified by the company's profits; and
  - 7.1.2 are in accordance with shareholders' respective rights.
- 7.2 Subject to articles 7.1.1 and 7.1.2, the Company shall pay any dividend or other money payable by it in respect of a share by means of:
- 7.2.1 a transfer to a bank account specified in writing by the holder; or
  - 7.2.2 a cheque sent by post to the registered address of the holder.
- 7.3 Any dividend which has remained unclaimed for twelve 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.

## 8 Equal opportunities

- 8.1 The Company shall not be entitled to withhold or reject membership on the grounds of social class, age, politics, race, creed, religion, culture, ethnic origin, sex or sexual orientation, marital status, disability or illness.
- 8.2 Individuals incapacitated and who require the services of an advocate may be admitted to membership, at the discretion of the Board of Directors. In such circumstances, the advocate shall be deemed responsible for exercising any rights and powers required by the individual, as agreed with the Board of Directors. Those acts of the advocate, on behalf of the individual, shall be deemed the same as that of the individual.
- 8.3 The Board of Directors, in managing the business of the Company, shall have regard to the equal opportunities implications of the issues under their deliberation and in particular the extent to which equal opportunities might be furthered by their decisions but, for the avoidance of doubt, shall not be bound to treat equal opportunities as the overriding consideration.

## The Board

### 9 Composition of the Board

9.1 The number of Directors shall not be less than two nor more than ten.

9.2 Following the first AGM the composition of the Board shall be as follows:

9.2.1 one person appointed by the Board of Directors to the executive office of Managing Director, upon such terms and remuneration as the Directors determine, who shall not be subject to retirement by rotation;

9.2.2 not less than one person nor more than three persons who are Stewardship Shareholders;

9.2.3 up to three persons who are Partnership Shareholders;

9.2.4 up to three persons who are Investment Shareholders.

### 10 Appointment of Directors

10.1 The first Directors shall be the individuals named in Form 10 submitted to Companies House on incorporation of the Company, or persons appointed in writing by them.

10.2 At the first AGM all the Directors who are subject to retirement by rotation shall retire from office, and at every subsequent AGM one-third of the Directors who are subject to retirement by rotation 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.

10.3 Subject to the 1985 Act, the Directors to retire by rotation shall be those who are subject to retirement by rotation and who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be decided by lot.

10.4 For the avoidance of doubt, a Director appointed to the executive office of Managing Director is not subject to retirement by rotation and shall not be required to retire from office at any AGM.

### 11 Removal and disqualification

11.1 No person may be appointed as a Director who is under 18 or disqualified from acting.

11.2 The office of a Director shall be vacated if he/she:

11.2.1 ceases to be a Director under any provision of the Act, or becomes prohibited from acting;

11.2.2 dies becomes bankrupt or makes any arrangement or composition with his/her creditors;

11.2.3 is unable to act through ill health and the Directors resolve that he/she be removed for that reason;

11.2.4 resigns in writing as a Director;

- 11.2.5 fails to attend three consecutive meetings of the Board without reasonable apology or excuse and the Directors resolve that he/she be removed for that reason; or
- 11.2.6 is removed by resolution at a Board meeting at which at least half of the Directors are present, provided that the Director has been given at least 14 clear days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify removal and has been afforded a reasonable opportunity of being heard by, or of making written representations to, the Board.

## 12 Powers of the Board

- 12.1 Subject to the Act, the Memorandum and the Articles and any directions given by Special Resolution the business of the Company shall be managed by the Board which may exercise all the powers of the Company.
- 12.2 No alteration of the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if that alteration had not been made.
- 12.3 All acts done by a person acting as a Director shall, if it is afterwards discovered that there was a defect in his/her appointment, or that he/she was disqualified from holding office, or had vacated office, be as valid as if such person had been duly appointed and was qualified and had continued to be a Director.
- 12.4 The Board may delegate any of its powers to any committee or person on the basis that:
  - 12.4.1 the resolution making the delegation shall specify the members of such committee, or such person (who need not be Directors) and state any additional appointments the committee may make;
  - 12.4.2 the committee shall report regularly to the Board;
  - 12.4.3 the delegation shall be revocable;
  - 12.4.4 the Board may make regulations for any such committee;
  - 12.4.5 the committee shall not incur expenditure except as approved by the Board;
  - 12.4.6 financial matters and the operation of any bank account may be delegated; and
  - 12.4.7 committee proceedings shall be governed by the provisions of the Articles regulating the proceedings of the Board so far as the same are applicable and are not superseded by any regulations made by the Board.
- 12.5 Subject to these Articles the Directors may regulate their proceedings as they think fit.

## 13 Remuneration and expenses

- 13.1 The Directors shall be entitled to such remuneration as the Company Members shall resolve and to be paid all reasonable expenses properly incurred in connection with the discharge of their duties.

## Meetings

### 14 Board meetings

14.1 The chairperson or any two Directors may call a Board meeting.

### 15 AGMs

15.1 Subject to the passing of any Elective Resolution dispensing with the need to hold an AGM (as provided by the Act), the Company shall hold an AGM within 18 months of incorporation and afterwards once in every calendar year. Not more than 15 months shall pass between one AGM and the next.

15.2 AGM business includes (as appropriate):

15.2.1 presentation of annual accounts and an annual report for adoption by the Company Members;

15.2.2 reappointment of the auditors and authorisation for the Board to fix their remuneration;

15.2.3 election of Directors;

15.2.4 Special Resolutions amending the Memorandum or the Articles.

### 16 EGMs

16.1 The Directors may call an EGM.

### 17 Notices

17.1 Notice of meetings shall be given to each person entitled to vote at the meeting.

17.2 A Board meeting shall be called by at least 7 clear days' notice in writing unless urgent circumstances require shorter notice.

17.3 An AGM and an EGM called to pass a Special or Elective Resolution must be called by at least 21 clear days' written notice and any other EGM must be called by at least 14 clear days' written notice.

17.4 Any meeting may be called by shorter notice agreed in writing by everyone entitled to attend and vote at it.

17.5 Every notice calling a meeting shall specify the place, day and time of the meeting, whether it is a Board meeting, an AGM or an EGM and the general nature of the business to be transacted. If a Special Resolution is to be proposed, the notice shall include the proposed resolution and specify that it is proposed as a Special Resolution.

17.6 Any notice to be given to or by any person pursuant to the Articles shall be in writing to an address (including any electronic address) for the time being notified for that purpose to the person giving the notice.

17.7 A person present at any meeting of the Company shall be deemed to have received due notice of the meeting.

## 18 Quorum

- 18.1 No business shall be transacted at any meeting unless a quorum of 2 persons entitled to vote is present. (unless there is only one person entitled to vote).
- 18.2 If such a quorum is not present within half an hour from the time appointed for an AGM or EGM, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting those present and entitled to vote shall be a quorum.

## 19 Chairperson

- 19.1 There shall be a chairperson of the Board, who shall be appointed (and may be removed) by resolution of the Board.
- 19.2 The chairperson or in his/her absence another Director agreed by the Board shall preside as chairperson of each Board meeting, AGM and EGM.

## 20 Adjournment

- 20.1 The chairperson may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting, but no additional business may be transacted at a reconvened meeting following an adjournment.

## 21 Voting

- 21.1 Every person present and entitled to vote at a Board Meeting shall have one vote.
- 21.2 Except where otherwise required by the Act, questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairperson shall not be entitled to a casting vote in addition to any other vote he or she may have, and the resolution shall be deemed to be lost.
- 21.3 At an AGM or EGM, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being her or himself a member entitled to vote) shall have one vote, but on a paper ballot, subject to any rights or restrictions attached to any shares, every member shall have one vote for every voting share of which s/he is the holder, provided that if voting shares are issued in more than one of the permitted classes of shares, each class of voting shares shall have an equal share of the total votes cast, and if there are differing numbers of shares cast in each class the following voting procedure shall apply.
  - 21.3.1 The total votes cast (excluding abstentions) shall be counted and this total shall be divided by the number of classes of shares taking part in the vote.
  - 21.3.2 The total votes cast in each class shall be counted.
  - 21.3.3 The votes cast for and against the resolution in each class shall be counted.
  - 21.3.4 To adjust the votes of each class of shares so that each class has an equal share of the total votes cast, for each class the number calculated in article 23.3.1 shall be divided by the number calculated in article 23.3.2, and the resulting number multiplied by the number of votes cast for the resolution in each class, and the same procedure followed for votes against the resolution in each class.

21.3.5 The adjusted totals for votes cast for and against the resolution in each class of shares shall then be added together, and the highest number of votes so adjusted shall determine whether the resolution is won or lost.

21.4 Unless a paper ballot is demanded, a declaration by the chairperson that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or 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.

21.5 The demand for a paper ballot may, before the paper ballot is taken, be withdrawn but only with the consent of the chairperson and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

21.6 A paper ballot shall be taken as the chairperson directs and s/he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the paper ballot. The result of the paper ballot shall be deemed to be the resolution of the meeting at which the paper ballot was demanded.

21.7 A paper ballot demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith. A paper ballot demanded on any other question shall be taken either forthwith or at such time and place as the chairperson directs, not being more than thirty days after the paper ballot is demanded. The demand for a paper ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the paper ballot was demanded. If a paper ballot is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

21.8 No notice need be given of a paper ballot not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the paper ballot is to be taken.

## 22 Irregularities

22.1 The proceedings at any meeting shall not be invalidated by reason of:

22.1.1 any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice); or

22.1.2 a person present or voting not being qualified to be present or vote;

22.1.3 any business being considered at the meeting which is not specified in the notice for the meeting (unless such specification is a requirement of the Act).

## 23 Conflicts of interest

23.1 If a person has a personal interest in a matter to be discussed at a meeting, or has an interest in another organisation whose interests are reasonably likely to conflict with those of the Company in relation to such matter he/she must declare the interest before discussion begins on the matter.

## 24 Written resolutions

24.1 A resolution in writing signed (including by way of electronic signature) (respectively) by all the Directors/Company Members shall be as valid as if it had been passed at a proper meeting and may consist of several duplicate signed forms. The date of a written resolution shall (subject to contrary provision) be the date on which the last person signs.

## 25 Virtual meetings

- 25.1 A meeting may be held by telephone or by televisual or other electronic or virtual means agreed by resolution of the Board in which all participants may communicate simultaneously with all other participants.

## Administration

## 26 Secretary

- 26.1 This article applies if the company has a Secretary.
- 26.2 The Secretary shall be appointed (and may be removed) by the Board for such term, at such remuneration and upon such conditions as it considers appropriate.

## 27 Minutes

- 27.1 The Board shall ensure minutes are kept of:
- 27.1.1 all appointments made by the Board; and
  - 27.1.2 all proceedings at Board, and committee meetings, AGMs and EGMs;
  - 27.1.3 and any minute signed by the chairperson of the meeting at which the proceedings were held, or of the next succeeding meeting shall be sufficient evidence of the proceedings.

## 28 Records and accounts

- 28.1 The Board shall ensure that the Company complies with the requirements of the Act as to the keeping of financial records, the audit or examination of accounts and the preparation and transmission to Companies House of:
- 28.1.1 annual reports;
  - 28.1.2 annual returns; and
  - 28.1.3 annual accounts.
- 28.2 A social audit of the Company's activities may, by resolution of the Directors, be undertaken annually in addition to the financial audit required by law.
- 28.2.1 The role of the social audit shall be to identify the social costs and benefits of the Company's work, and to enable an assessment to be made of the Company's overall performance in relation to its objects more easily than may be made from financial accounts alone.
  - 28.2.2 Such a social audit may be drawn up by an independent assessor appointed by the Directors, or by the Directors, who may submit their report for verification or comments to any independent assessor.
  - 28.2.3 A social audit may include an assessment of the internal democracy and decision making of the Company; the wages, health and safety, skill sharing and education opportunities of its employees, or other matters concerning the overall personal or job satisfaction of employees; and an assessment of the Company's activities externally, including its effects on customers and suppliers, on people living in areas where the Company operates, and on the natural environment.

29 Company seal

29.1 This article applies if the company has a seal (the "common seal").

29.2 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.

29.3 If the common seal is applied to a document, the document shall be:

29.3.1 signed by an authorised person; and

29.3.2 countersigned by another authorised person.

29.4 For the purposes of this article, an authorised person is:

29.4.1 any director of the company;

29.4.2 the company secretary (if any); or

29.4.3 any person authorised by the directors for the purpose of signing and countersigning documents to which the common seal is applied.

30 Indemnity

30.1 Subject to the provisions of the Act (without prejudice to any indemnity to which a Director is otherwise entitled) every Director of the Company shall be indemnified out of the assets of the Company:

30.1.1 against all costs, charges, losses, expenses or liabilities incurred by him/her in the proper execution and discharge of his/her duties in relation to the Company; and

30.1.2 against all costs, charges, losses, expenses, or liabilities incurred by him/her:

30.1.3 in defending any civil or criminal proceedings in which judgement is given in his/her favour, or in which he/she is acquitted; and

30.1.4 in connection with any issue in which relief from liability is granted to him/her;

30.1.5 where such proceedings or issue arise(s) as a result of any actual or alleged negligence, default, breach of duty or breach of trust in relation to the Company.

NAMES, SIGNATURES & ADDRESSES OF SUBSCRIBERS:

Name	Address	Number of shares taken:
Signature		

Name
Signature

Address
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Number of shares taken:

--

Total number of shares taken:

--

Dated this ..... day of ..... 200 .....

WITNESS TO THE ABOVE SIGNATURES:

Name
Signature

Address
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