



THE SCOTT BADER

CONSTITUTION

PRINCIPLES | PERFORMANCE | VOICE

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*Ernest's vision is now in your hands.
Help us not only keep it alive, but strengthen
it for the generations of colleagues ahead.*

Introduction

Welcome to the 2022 Constitution of the Scott Bader Commonwealth and Company Limited. The Members of the Commonwealth last undertook a revision of the articles and Memoranda of the Scott Bader Group in 2010 when the creation of the Members' Assembly was formalised and the Commonwealth Board increased the number of external trustees as part of enhancing the industrial democracy of the Group, and to better preserve and monitor its values and guiding principles.

The 2010 Constitutional changes served their purpose, but recent changes in the laws related to the UK Companies Act, and the Charities Commission, combined with the increasing internationalisation of the Scott Bader Group and a commitment to the 2036 vision adopted in 2016 required a more fundamental review of the Constitution and Articles underpinning our future success. As a result, the company committed to a root and branch review to ensure that:

- It was fit-for-purpose, delivering strong governance, risk and compliance processes and procedures
- It is aligned with our 2036 vision, which is built around three pillars of Business, Ecology and Humanity, and aligned with the current investor focus on EESG (Employee, Environment, Social and Governance principles)
- It protects and reinforces our values and guiding principles, and in particular, our continued independence and industrial democracy

The changes now adopted overwhelmingly by the Commonwealth Members reflect this determination to protect the core elements of the Scott Bader Group. They include a further strengthening of the

Commonwealth Board powers to hold the Group Board to account and, a further development of the successful Members' Assembly which will now operate as the Global Members Board with a full time Chair who will also sit as one of the three Member Directors on the Group Board providing greater transparency and contribution to the strategic direction and financial success of the Group.

The articles of both the Scott Bader Commonwealth Limited and Scott Bader Company Limited have been simplified. The articles offer greater clarity of purpose and accountability and avoid repetition of content to ensure a clear understanding of the specific purpose, freedom to operate and breadth of responsibility.

Representatives of all of the Governance bodies (the Commonwealth Board, The Members' Assembly (now Global Members' Board), the Group Board, the Group Leadership Team [GLT] and the Trustees) commenced its review under the leadership of a Steering team in 2020 with the aim of delivering a newly revised Constitution and Articles to coincide with the centenary of the founding of the Company, and 70 years since the Commonwealth was formed.

CONTINUITY

When Ernest Bader established the Commonwealth in 1951 he set out the fundamental values and principles which he believed should form the cornerstone for the way in which the Commonwealth and the Company operated. The original Preamble to the Constitution traced many of the values back to Christian, and particularly Quaker, beliefs. It also reflected the prevailing issues of the day. Today, the Constitution recognises the origins of these values, but is widened to better reflect the need for stronger ethical leadership and embracing of greater diversity and inclusion across our now global activities.

The present changes to the Constitution of Scott Bader reinforce those fundamental values and guiding principles envisioned by our Founder are as relevant in 2022 as they were in 1951. There is a constancy of purpose. The covenant that the Founders and the Commonwealth entered into bound both parties to a cause beyond themselves. Their aim was to create a viable alternative form of wealth creation to the traditional share owning/profit distributing joint stock company. The Common Trusteeship values of the organisation articulated in 1951 remain largely the same although the way in which they are expressed may be different. The Commonwealth now extends well beyond the UK and embraces many people of different cultures and religions.

At the heart of Scott Bader remains the belief that Common Ownership is a major contributor to social order and that everyone in the Commonwealth and Company can contribute to and be involved in the business activities and the disposition of the wealth created. The essence of the original Preamble that “leadership [is] founded on approval” and “employees [accept] their full share of responsibility for the policy, efficiency and general welfare of the undertaking” is re-affirmed. The challenge remains today, as it did in 1951, to make this Common Trusteeship a living reality. There is a mutual responsibility shared among all those involved to bring those words to life.

Each generation of Commonwealth Members has responsibility to contribute to the maintenance of the values of Scott Bader. Perhaps even more important, is a responsibility to ensure that core principles, which are central to this updating of the Constitution, are passed on to future generations. This includes the legal recognition that the Commonwealth has a social purpose, as expressed in the charitable objects as set out in the Articles of the Commonwealth.

It has also been a vital consideration in the development of the new corporate governance framework to ensure that the democratic trusteeship structure is protected for future generations and mechanisms remain in place to safeguard the Company from takeover.

BEHAVIOUR AND OPERATING VALUES

The Articles of the Company and the Commonwealth provide a roadmap for strong governance and clear guidance for our members. They set a level of behavioural principles for the way we treat our colleagues, customers and wider stakeholder base and it is expected that all our members accept and act to uphold these principles, to act as a beacon of the benefits of operating a better model of industrial democracy and respect for others.

Values provide a compass for an organisation. They define boundaries within which the organisation operates. They shape behaviour. They provide a litmus test for decisions. The leadership and membership of the wider Scott Bader Commonwealth has re-committed itself to these values and guiding principles. It recognises that conflicts can and will occur in regard to the direction and delivery of our economic success but the Group benefits from operating within a tried and tested Constitution to guide us in pursuit of its aspiration to deliver long term, sustainable financial success for future generations whilst protecting the environment and being socially responsible.

DEDICATION

Shortly after delivering the 2022 Constitution, we announced with sadness, the death of Godric Bader, son of our founder and Life President of the Company, at the age of 98. It was through his tenure in key positions within the Company – Managing Director of Scott Bader Company Limited from 1957 to 1971, and Chairman of Scott Bader Company Limited from 1966 to 1989 – that Godric guided and evolved this innovative employee-owned business model over the years.

The legacy he has brought to Scott Bader has been widely recognised and it will continue for generations. We dedicate this newly revised Scott Bader Constitution to the memory of Godric Bader.

Adopted by special resolution at the Annual General Meeting held on 24th May 2022

Paul L Smith,
Chair of Scott Bader Company Limited

Articles of Association of Scott Bader Commonwealth Limited

Articles of Association of Scott Bader Commonwealth Limited

Companies Act 2006

Private company limited by guarantee

Registered charity number 206391

Company number 00496082

(Adopted by special resolution on 20 May 2014)

(Originally adopted by special resolution passed on 26 April 2010)

(Adopted by special resolution passed on 24 May 2022)

The SBCW Board's purpose is to promote the long-term sustainable success of the Scott Bader Group, generating value for all stakeholders and contributing to wider society.

NAME AND REGISTERED OFFICE

1. The name of the company is **The Scott Bader Commonwealth Limited** ("SBCW").

2. The registered office of SBCW is situated in England.

DEFINITIONS

3. In these Articles (if not inconsistent with the subject or context) the following meanings shall apply:

Act	the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force
Affiliate	any entity other than a Subsidiary controlled either directly or indirectly by SBCW or any joint venture of any Affiliate
Articles	these articles of association, as amended from time to time
Charities Acts	the Charities Act 2011 and/or the Charities Act 2022 in so far as applicable including any statutory modification or re-enactment thereof for the time being in force
Code of Practice	the Code of Practice which embodies the obligations for SBCW Colleagues as underpinned by the Guiding Principles
Colleagues	employees, unless otherwise stated, of the Scott Bader Group, whether or not they are SBCW Members
Company Member	the SBCW trustee who is also the Chair for the time being of SBCL
Connected person/s	(a) a child, parent, grandchild, grandparent, brother or sister of a member of the SBCW Board; (b) the spouse or civil partner of the member of the SBCW Board or of any person falling within (a); (c) a person carrying on business in partnership with the member of the SBCW Board or with any person falling within (a) or (b); (d) an institution which is controlled either by the member of the SBCW Board or any connected person falling within (a), (b) or (c); a body corporate in which the member of the SBCW Board or any connected person falling within (a), (b) or (c) has a substantial interest. Sections 350-352 of the Charities Act 2011 apply for the purposes of interpreting this definition
Financial distress	the business cannot fund any activity outside its immediate operations and has difficulty meeting commitments to lenders and trade creditors, or has sustained operating losses
GMB Chair	the individual appointed to this role in accordance with the Rules

Global Members' Board/GMB	the representative body of the SBCW Members as governed by the Rules
Guardian Trustee/s	those persons described in these Articles as Guardian Trustees and validly appointed to such role/s
Guardian Trustee Shares	the 10,000 ordinary shares of 50 pence each in the share capital of SBCL
Guiding Principles	the aims and principles on and for which SBCW was founded, and which are set out in Article 5
Internally Elected Director/s	those members of the SBCW Board elected in accordance with Article 35
Joint Nomination Committee	the committee which comprises two SBCW Board members (one of which must be a Guardian Trustee), two SBCL Board members, one Elected Representative of the GMB, and another individual who from time to time the Joint Nomination Committee appoints in consultation with the GMB
Life President	the individual appointed to the role as set out in article 55(a)
Member Director/s	director/s of SBCL appointed by SBCW Members in accordance with the articles of association of SBCL and the Member Directors' Guidelines
Member Directors' Guidelines	the guidelines in respect of the appointment of Member Directors to the SBCL Board
Membership Policy	the criteria for admission and termination of SBCW Membership and the rules and regulations affecting SBCW Membership as may be determined by the SBCW Board from time to time
Rules	the rules which govern the GMB and which may be amended from time to time in accordance with the Rules and with these Articles
SBCL	Scott Bader Company Limited, a company limited by shares registered in England and Wales, number 00189141
SBCL Board	the board of directors of SBCL or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present
SBCL CEO	the chief executive officer of SBCL or, in the absence of a chief executive officer, the individual with overall responsibility for the management of SBCL
SBCL Shares	the 100,000 ordinary shares of 50 pence each in the share capital of SBCL comprising the 90,000 SBCW Shares and the 10,000 Guardian Trustee Shares
SBCW Board	the board of directors of SBCW or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present
SBCW Member and SBCW Membership	a member of SBCW as set out in Article 55 and SBCW Membership has a corresponding meaning
SBCW Shares	the 90,000 ordinary shares of 50 pence each in the share capital of SBCL
Scott Bader Group	(a) SBCW; and (b) Every Subsidiary (including SBCL); and (c) Affiliates

Scott Bader Group's Consolidated Share Capital and Reserves	the number reported annually in the balance sheet in the relevant audited group accounts of SBCL as Total Shareholders' Funds (Equity)
Scott Bader Group Borrowing Facility	the aggregate of all borrowing facilities of the Scott Bader Group, whether short term, long term or related to leasing, converted into Pounds Sterling at the latest exchange rates, and as reported to the GMB by the Finance Director of the Scott Bader Group
Seal	the common seal of SBCW
Secretary	includes a temporary or assistant secretary and any person appointed by the Board of SBCW to perform any of the duties of the secretary
Shares	includes shares, debentures or other securities or interests in the relevant company (and interests therein)
Subsidiary	SBCL and any other direct subsidiary or direct subsidiary undertaking for the time being of SBCW
United Kingdom	Great Britain and Northern Ireland
Writing	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied by electronic communication or otherwise

Any reference to show of hands shall include the electronic equivalent for virtual and hybrid meetings.

Save as aforesaid any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

OBJECTS AND POWERS OF SBCW AND THE GUIDING PRINCIPLES

4. The objects for which SBCW is established (the "Objects") are for the benefit of the public the promotion of such purposes being exclusively charitable according to the law of England and Wales as the SBCW Board may from time to time determine and in particular but without limitation to the foregoing:

- (a) the promotion of ethical principles in industry with a view to ensuring the discharge by persons engaged in industry of their social obligations for the welfare of the communities within which they operate; and
- (b) the promotion of "sustainable development" for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of natural resources and the promotion of sustainable means of achieving economic growth and regeneration and for the purposes of this sub-clause "sustainable development" shall mean development that meets the needs of the present without compromising the abilities of future generations to meet their own needs.

5. In furtherance of the Objects (but not otherwise) SBCW has and may exercise all or any of the following powers:

- (a) to do any lawful thing in furtherance of the Objects having constant regard to the Guiding Principles;

- (b) to exercise oversight of the Scott Bader Group to ensure appropriate governance risk and compliance processes are in place to ensure the long-term success of the business

- (c) to make grants and to provide other forms of financial assistance or assistance in kind, including loans (with or without interest) in accordance with the SBCW grant-making policy;

- (d) to safeguard, apply or transfer any part of the assets or income of SBCW towards any charitable objects or to be held on any charitable trust consistent with the Objects;

- (e) subject to such consents as may be required by law including the requirements of the Charities Acts, to sell, lease or otherwise dispose of property of any kind and to borrow money and obtain any form of credit or finance on such terms and on such security as may be thought fit;

- (f) to provide indemnity insurance to cover the liability of any member of the SBCW Board, employee or agent, independent contractor or voluntary worker of SBCW in accordance with these Articles;

- (g) to devise a funding strategy to enable the GMB to fulfil its responsibilities contained within the Rules and ensure that any material changes in such strategy will be proposed to the SBCW Members for their approval prior to implementation

PROVIDED THAT SBCW shall have power to engage in political activity IF the SBCW Board is satisfied that the proposed activities will further the Objects to an extent justified by the resources committed and the activity is not the dominant means by which SBCW carries out its Objects.

AND further provided that SBCW shall only use its products in applications beneficial to the community. Explicitly, SBCW shall exclude applications used in manufacturing weapons of war and SBCW shall not support directly or indirectly products and/or services primarily intended for manufacturing weapons of war.

GUIDING PRINCIPLES

The basic purpose of the Scott Bader Group is to provide the best possible service as a corporate body to humankind. Toward this end the Scott Bader Group shall strive to adhere to these principles in the way it deals with key stakeholders:

Resilience and Longevity

- I. to develop the overall strength of the Scott Bader Group, and to act as stewards of its resources in order to ensure its long-term sustainability and prosperity through effective, accountable management and efficiency to ensure those working in the Scott Bader Group can be economically secure and will not need to strive for personal advancement at the cost of others;

Fair Trading

- II. to produce goods beneficial to customers of the Scott Bader Group at a fair price and of as high a quality as possible, and as far as possible to source raw materials and supplies ethically;

Environmental Sustainability

- III. to ensure that the Scott Bader Group's activities have the minimum possible adverse impact on the natural environment and that it strives for responsible use of natural resources in support of the transition to a sustainable planet;

Responsible Innovation

- IV. to provide a learning environment to unleash Colleagues' potential and to conduct research and enable innovation directly and through long-term partnerships and to provide education in fields relevant to the Scott Bader Group both now and in the future;

Developing Partnerships

- V. to develop mutually beneficial internal and external long-term partnerships with Colleagues, customers, suppliers and collaborators based on fairness, honesty, integrity and openness;

International Presence

- VI. to promote the concept of employee ownership both within the Scott Bader Group and in a wider

context and to contribute towards the general welfare of society in the Scott Bader Group's immediate neighbourhoods as well as nationally and internationally;

Ethical Business

- VII. at all times to be a role model for the ethical approach to successful business; so that the Scott Bader Group's approach to wealth creation and use is clearly seen to be sustained by its Guiding Principles and common trusteeship nature.

Diversity, Inclusion and Mutual Respect

- VIII. to provide an inclusive, diverse and mutually respectful culture and environment where everyone is treated equally and given equal opportunities regardless of their race, age, gender, sexuality, disability, culture or individual differences;

Safety and Wellbeing

- IX. to provide a safe working environment and culture to ensure that the health, safety and wellbeing of all Colleagues is a priority and where all Colleagues have the right to challenge unsafe behaviours to ensure the safety of themselves and each other.

APPLICATION OF INCOME AND PROPERTY

6. The income and property of SBCW shall be applied solely towards the promotion of the Objects.

6.1 A member of the SBCW Board is entitled to be reimbursed from the property of SBCW or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of SBCW.

6.1.1 A member of the SBCW Board may benefit from trustee indemnity insurance cover purchased at SBCW's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

6.1.2 A member of the SBCW Board may receive an indemnity from SBCW in the circumstances specified in article 81.

6.1.3 A member of the SBCW Board may not receive any other benefit or payment unless it is authorised by articles 7 - 9.

6.2 None of the income or property of SBCW (which for the avoidance of doubt shall not include a Subsidiary or non-charitable Affiliate) may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any Member of SBCW. This does not prevent a SBCW Member who is not also a member of the SBCW Board receiving:

6.2.1 a benefit from SBCW in the capacity of a beneficiary of SBCW;

6.2.2 reasonable and proper remuneration for any goods or services supplied to SBCW.

BENEFITS AND PAYMENTS TO MEMBERS OF THE SBCW BOARD AND CONNECTED PERSONS

7. General Provisions

7.1 No member of the SBCW Board or Connected Person may:

- 7.1.1 buy any goods or services from SBCW on terms preferential to those applications to members of the public;
- 7.1.2 sell goods, services or any interest in land to SBCW;
- 7.1.3 be employed by, or receive any remuneration from, SBCW;
- 7.1.4 receive any other financial benefit from SBCW;

unless the payment is permitted by article 8 or authorised by the court or the prior written consent of the Charity Commission has been obtained.

In this article a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

7.2 for the avoidance of doubt the Company Member and the Internally Elected Directors on the SBCW Board as defined at article 31(b) shall not be entitled to receive a salary or payment for provision of services in respect of their role as a member of the SBCW Board but shall be entitled to benefit in accordance with article 6.1

SCOPE AND POWERS PERMITTING MEMBERS OF THE SBCW BOARD OR CONNECTED PERSONS' BENEFITS

- 8.1 A member of the SBCW Board or Connected Person may receive a benefit from SBCW in the capacity of a beneficiary of SBCW provided that a majority of the members of the SBCW Board do not benefit in this way.
- 8.2 A member of the SBCW Board or Connected Person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to SBCW where that is permitted in accordance with, and subject to the conditions in, section 185 and 186 of the Charities Act 2011.
- 8.3 Subject to article 9 a member of the SBCW Board or Connected Person may provide SBCW with goods that are not supplied in connection with services provided to SBCW by the member of the SBCW Board or Connected Person.
- 8.4 A member of the SBCW Board or Connected Person may receive interest on money lent to SBCW at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).

8.5 A member of the SBCW Board or Connected Person may receive rent for premises let by the member of the SBCW Board or Connected Person to SBCW. The amount of rent and the other items of the lease must be reasonable and proper. The member of the SBCW Board concerned must withdraw from any meeting at which such a proposal of the rent or other terms of the lease are under discussion.

8.6 A member of the SBCW Board or Connected Person may take part in the normal trading and fundraising activities of SBCW on the same terms as members of the public.

PAYMENT FOR SUPPLY OF GOODS ONLY – CONTROLS

9.1 SBCW and the members of the SBCW Board may only rely upon the authority provided by article 8.3 if each of the following conditions is satisfied:

- 9.1.1 The amount or maximum amount of the payment for the goods is set out in an agreement in writing between SBCW or the members of the SBCW Board (as the case may be) and the member of the SBCW Board or Connected Person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of SBCW.
- 9.1.2 The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
- 9.1.3 The other members of the SBCW Board are satisfied that it is in the best interests of SBCW to contract with the supplier rather than with someone who is not a member of the SBCW Board or connected person. In reaching that decision the members of the SBCW Board must balance the advantage of contracting with a member of the SBCW Board or Connected Person against the disadvantages of doing so.
- 9.1.4 The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to SBCW.
- 9.1.5 The supplier does not vote on any such matter and is not to be counted when calculating whether quorum of members of the SBCW Board is present at the meeting.
- 9.1.6 The reason for their decision is recorded by the members of the SBCW Board in the minute book.
- 9.1.7 A majority of the members of the SBCW Board then in office are not in receipt of remuneration or payments authorised by articles 7, 8 and 9.

DECLARATION OF SBCW BOARD'S INTERESTS

10. A member of the SBCW Board must declare the nature and extent of any interest, direct or indirect, which they have in a proposed transaction or arrangement with SBCW or in any transaction or arrangement entered into by SBCW which has not previously been declared. A member of the SBCW Board must absent themselves from any discussions of the SBCW Board in which it is possible that a conflict will arise between their duty to act solely in the interests of SBCW and any personal interests (including but not limited to any personal financial interest).

CONFLICTS OF INTERESTS AND CONFLICTS OF LOYALTIES

- 11. If a conflict of interests arises for a member of the SBCW Board because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted members of the SBCW Board may authorise such a conflict of interests where the following conditions apply:
 - 11.1 the conflicted member of the SBCW Board is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
 - 11.2 the conflicted member of the SBCW Board does not vote on any such matter and is not to be counted when considering whether a quorum of the SBCW Board is present at the meeting; and the unconflicted members of the SBCW Board consider it is in the interests of SBCW to authorise the conflict of interest in the circumstances applying.
- 12. A member of the SBCW Board shall not vote at a meeting of the SBCW Board or committee of the SBCW Board on any resolution concerning a matter in which they have, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the SBCW unless their interest or duty arises only because they are a director of a company in the Scott Bader Group or a member of staff.

In this article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a member of the SBCW Board or connected person.

13. SBCW shall be the registered holder of the SBCW Shares and the Guardian Trustee Shares.

SBCL SHARES AND SHARES IN OTHER SUBSIDIARIES

14. The SBCW Board shall have no power to dispose of any Shares in SBCL or any other Subsidiary or to exercise or direct the exercise of the votes or carry out any other responsibilities attached to any such Shares. The SBCW Members and the Guardian Trustees shall exercise such powers and any such other responsibilities in accordance with these Articles.

SBCW VOTING

15. The SBCW Board may only convene a general meeting of the SBCW Members or propose a resolution in Writing if prior approval in Writing of the resolution(s) submitted by the SBCW Board for voting or approval by the SBCW Members has been provided by the Guardian Trustees.

- 16.1 Voting of the SBCW Members on all resolutions of SBCW shall follow the procedures set out in Articles 57-73 except for the following ("SBCW Proposed Changes"):
 - (a) special resolutions;
 - (b) alterations to these Articles, the articles of association of SBCL or of any other Subsidiary;
 - (c) alterations to the share capital of SBCL or any other Subsidiary;
 - (d) disposals of the SBCL Shares;
 - (e) disposals of shares held by SBCW in any other Subsidiary;
 - (f) any proceedings for, or the passing of any resolution for, the voluntary winding up or administration of SBCL or any other Subsidiary
- 16.2 In respect of the SBCW Proposed Changes, in determining how the SBCW Board exercise the rights of SBCW attached to the SBCW Shares subject to article 18 the Guardian Trustees shall have in addition to their ordinary votes such a total number of votes as shall be equal to the total number of votes cast by the SBCW Members, such additional votes to be exercised by the Guardian Trustees acting unanimously (as defined by Article 43) and who shall each appoint either one of their number or the Secretary as their proxy to exercise these votes.

SUBSIDIARY VOTING

17. The approval of the GMB shall be sought in relation to the SBCW Proposed Changes set out in articles 16.1(c), 16.1(d) and 16.1(e), prior to the SBCW Board convening a general meeting of the SBCW Members for the proposal of such resolutions or the SBCW Board proposing such resolutions in Writing to the SBCW Members. For all other SBCW Proposed Changes, consultation with (rather than approval of) the GMB shall be required.

18.1 Subject to article 18.2, in respect of any SBCW Proposed Changes affecting SBCL, the SBCW Board shall exercise SBCW's voting rights attached to the SBCW Shares in accordance with the decision made by the SBCW Members and Guardian Trustees under article 16.2.

18.2 On any resolution to alter the articles of association of SBCL, SBCW shall have one vote for each SBCW Share and the Guardian Trustees shall have 10 votes for each Guardian Trustee Share.

19. In respect of any matter affecting SBCL which is not a SBCW Proposed Changes, the SBCW Board shall exercise SBCW's voting rights attached to the SBCW Shares as directed by an ordinary resolution of the SBCW Members.

COLLABORATION WITH SBCL

20. The prior approval of SBCW shall be sought in relation to:-

20.1 SBCL's Board's strategic aims and objectives including the Scott Bader Group's five year plan;

20.2 any decision to cease to operate all or any material part of the SBCL's business, representing 15% or more of its net assets;

20.3 any business/entity purchase or joint venture entered into by SBCL;

20.4 any changes to SBCL's status as a limited company;

20.5 any proposals to increase borrowing of the Scott Bader Group, where the increase would result in the Scott Bader Group Borrowing Facility exceeding 30% of the Scott Bader Group's consolidated share capital and reserves;

20.6 proposals for major investments, the cost of which exceeds 15% of the Scott Bader Group's Consolidated Share Capital and Reserves;

20.7 the decisions and the process for the disposal of businesses and assets that employ people who cannot be re-deployed or who would be made redundant, in accordance with Scott Bader Group policies and in particular to be satisfied with the intended arrangements for individuals so far as reasonably possible in accordance with applicable laws;

20.8 the appointment and reappointment, terms and conditions of office and removal of any of the directors of the SBCL excluding the Member Directors;

20.9 the remuneration (including increases) of:

- (a) the non-executive directors (which includes the Company Member)
- (b) the SBCL CEO;
- (c) any other SBCL Board director whose proposed remuneration is not within any existing graded pay structure of SBCL;

20.10 exceptional bonuses to any SBCL Board director/s;

20.11 the creation or permitting to be created any mortgage, charge, lien or other security interest in respect of either a material amount or liability over all or a substantial part of its assets.

20.12 SBCL incurring an obligation to do any of the foregoing.

LIABILITY OF SBCW MEMBERS

21. The liability of the SBCW Members is limited. Every SBCW Member undertakes to contribute to the assets of SBCW in the event of the same being wound up during the time that they are a member, or within one year afterwards, for payment of the debts and liabilities of SBCW contracted before the time when they ceased to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding five pence.

PERIOD OF SILENCE

22. As a communal expression of acceptance of the ethical principles inherent in the Scott Bader Group, all general meetings of SBCW Members and meetings of the SBCW Board shall start with a short period of silence and deep reflection.

SBCW BOARD

23. Each member of the SBCW Board is a charity trustee under the Charities Acts.

24. The business of SBCW shall be managed by the SBCW Board who may exercise all the powers of SBCW except insofar as they are subject to any restrictions imposed by the Act, the Charities Acts, these Articles, or otherwise by special resolution of the SBCW Members in general meeting, to whom the SBCW Board is ultimately subordinate.

25. The SBCW Board shall:

- (a) exercise their powers and perform their functions in their capacity as a trustee of SBCW in the way that they decide in good faith would be most likely to further the purposes of SBCW;
- (b) exercise, in the performance of those functions, such care and skill as is reasonable in the circumstances having regard in particular to:

- (i) any special knowledge or experience that they have or hold themselves out as having; and,
 - (ii) if they act as a charity trustee of SBCW in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession;
- (c) oversee the charitable giving of SBCW and regularly review the SBCW grant-making policy;
 - (d) at all times oversee adherence to the Guiding Principles;
 - (e) act to ensure the adherence of SBCL and each Subsidiary to the Guiding Principles;
 - (f) ensure that the Rules are reviewed periodically by the GMB and that the outcome of each such review is reported to the SBCW Members in general meeting;
 - (g) promote the development of the Scott Bader community as a whole in accordance with the Guiding Principles;
 - (h) call a meeting of SBCW Members on receipt of any notice of meeting of any company at which the SBCW is entitled to be present by reason of its holding of any shares in SBCL or the company concerned for the purpose of considering the mode of exercise of any votes exercisable by SBCW;
 - (i) review periodically the effectiveness of the governance structures in the Scott Bader Group;
 - (j) undertake regular trustee training or such other training as the SBCW Board may consider necessary to ensure good governance;
 - (k) seek the approval of the GMB in relation to any proposals to increase borrowing of the Scott Bader Group, where the increase would result in the Scott Bader Group Borrowing Facility exceeding 30% of the Scott Bader Group's Consolidated Share Capital and Reserves;
 - (l) seek the approval of the GMB in relation to any proposals for major investments, the cost of which exceeds 15% of the Scott Bader Group's Consolidated Share Capital and Reserves;
 - (m) periodically review the Code of Practice and amend it as necessary, following representation from the GMB, and report the outcome of each such review to all Colleagues within the Scott Bader Group.

26. The SBCW Board may:

- (a) report to and consult with SBCW Members in general meeting as it thinks fit;
- (b) require a Subsidiary to put in place a plan for recovery if at any time that Subsidiary is in a state of financial distress. The power under this Article shall continue until such time as the auditors of such Subsidiary shall certify that in their opinion the business of that Subsidiary is no longer in a state of financial distress.

27. The SBCW Board may not do anything that would prejudice SBCW's charitable status.

SBCW MEMBERS

28. The SBCW Members shall if requested by the SBCW Board, in general meeting determine the charitable purposes to which the income of SBCW shall be applied.

29. Any amendment to the Rules shall require the prior approval of the SBCW Members in general meeting by ordinary resolution or by resolution in Writing.

30. The SBCW Members may by ordinary resolution of which special notice has been given in accordance with the Act remove any Internally Elected Director of the SBCW Board before the end of their period of office. Any vacancy so caused may be filled by the SBCW Board.

31. A general meeting of SBCW Members may not be convened or a resolution in writing proposed to pass any special resolution (other than in respect of a SBCW Proposed Change which shall follow the procedure as set out in Article 16) unless prior approval in Writing of such resolution has been provided by the Guardian Trustees together with confirmation in Writing that the Guardian Trustees shall exercise such additional votes as they have under these Articles in favour of such resolution and such confirmation has been noted at a meeting of the SBCW Board.

COMPOSITION, APPOINTMENT AND CESSATION OF SBCW BOARD MEMBERSHIP

32. In selecting individuals for appointment as members of the SBCW Board:

- 32.1** all individuals must be able to demonstrate that they are fully in sympathy with the Guiding Principles; and
- 32.2** regard must be had to the skills, knowledge and experience needed for the effective administration of SBCW.

33. On or before the appointment of a new member of the SBCW Board, that individual shall be provided by the SBCW Board with the following:

- 33.1** a copy of these Articles
- 33.2** a copy of the latest set of SBCW audited accounts
- 33.3** a copy of the most recent trustees' report; and
- 33.4** any other information which the SBCW Board considers would be useful for the new board member in carrying out their role on the Board

34. Only SBCW Members may be members of the SBCW Board. Subject to this, and unless and until otherwise

determined by the SBCW Members in general meeting, the members of the SBCW Board shall be nine in number, of whom:

- (a) three shall be elected by the SBCW Members or otherwise appointed as provided in these Articles (the “Internally Elected Directors”);
- (b) one shall be the chair of SBCL (the “Company Member”); and
- (c) five shall be the Guardian Trustees.

35. In relation to Internally Elected Directors:

- (a) nominations from the SBCW Membership will be sought;
- (b) vacancies shall then be filled by election by secret ballot which is administered by the SBCW Board;
- (c) the result of such ballot shall be formally noted at the next occurring annual general meeting; and
- (d) each Internally Elected Director shall serve for a term of three years and, at the end of such term, shall be eligible for re-election for one further term of three years. Thereafter, they shall not be eligible for re-election until one year after retirement from office.

36.1 The SBCW Board shall have power at any time to appoint any person to be an Internally Elected Director of the SBCW Board to fill a casual vacancy.

36.2 The SBCW Board:

- (a) shall elect a chair (who shall normally be a Guardian Trustee and who may not be the Company Member) and a vice-chair of their meetings; and
- (b) may replace the chair and vice-chair at any time.

36.3 The chair, or failing them, the vice-chair shall take the chair at all meetings of the SBCW Board. If neither the chair nor vice-chair is present at a meeting of the SBCW Board within ten minutes of the time at which it was to start, the meeting shall be postponed and shall be re-arranged in accordance with Article 45.

37. A person ceases to be a member of the SBCW Board if:

- (a) their term of office has expired, or they otherwise cease to hold office pursuant to these Articles;
- (b) they are disqualified under the Charities Acts from acting as a charity trustee or is otherwise disqualified from being a member of the SBCW Board by law;
- (c) they are adjudged bankrupt (including under insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy) or compounds with their creditors;
- (d) in the reasonable opinion of the SBCW Board, they have become physically or mentally incapable of

acting as a charity trustee and may remain so for more than 3 months, and the SBCW Board resolves unanimously that they should be removed;

- (e) they resign their office by writing under their hand left at the SBCW’s registered office or to the chair of the SBCW Board;
- (f) in the case of the Company member, ceases to be the chair of SBCL;
- (g) in the case of a Guardian Trustee, cease to be a Guardian Trustee;
- (h) they are absent from two consecutive meetings of the SBCW Board without authorisation from the chair of the SBCW Board;
- (i) upon the SBCW Board resolving that in the opinion of the SBCW Board they have not abided by the Guiding Principles, and that their office be vacated;
- (j) they cease to be a SBCW Member;
- (k) they die;
- (l) they are removed by a joint resolution of the SBCL Board and SBCW Board subject to approval by the GMB.

GUARDIAN TRUSTEES

38. The Guardian Trustees shall be five in number and shall be appointed and removed as follows:-

- (a) appointments or removals shall be made by resolutions of both the SBCL Board and the SBCW Board, subject to approval by the GMB;
- (b) at least one shall be a former employee of one of the Scott Bader Group of companies and a former SBCW Member;
- (c) one shall be nominated by the Bader family. However, if the Bader family is unable or unwilling to nominate its trustee, the current family nominee may remain in post by invitation of the SBCW Board. In the event that the Bader family’s right to nominate a Guardian Trustee is from time to time relinquished, a Guardian Trustee shall be selected in their place in accordance with 38(a) but only in order to complete the vacant term of 3 years after which time the right to nominate shall be re-presented to the Bader family;
- (d) they must not be a member of staff of either SBCW or any company in the Scott Bader Group;
- (e) any appointments or removals shall be made so as to ensure so far as possible that such interests and experience are represented in the composition of the Guardian Trustees as are agreed from time to time by the SBCL Board and the SBCW Board.

39. Each Guardian Trustee shall hold office, unless they sooner retire, for three years but shall be eligible for re-nomination twice, up to a total term of 9 years but in exceptional circumstances the term of the Bader nominee may be further extended by resolution of the SBCW Board.

40. The Guardian Trustees acting unanimously:

- (a) shall decide whether or not to provide any approval in writing or confirmation required under these Articles;
- (b) shall exercise such additional votes as SBCW Members as they have under these Articles;
- (c) may require the SBCL Board or the GMB to seek the approval of the Guardian Trustees for any change in the articles of association of SBCL;
- (d) may veto any measure taken or proposed to be taken by the SBCL Board or the GMB whether in respect of the SBCW Proposed Changes or otherwise if in the opinion of the Guardian Trustees, in so acting, a breach of the Guiding Principles is or would be committed if such measure were to be taken; and
- (e) may determine any matter in the event of a fundamental disagreement between the SBCL Board and the GMB.

41. The Guardian Trustees acting individually shall:

- (a) be members of the SBCW Board, and
- (b) exercise such ordinary votes as SBCW Members as they have under these Articles.

42. The selection and recommendation of Guardian Trustees will be overseen by the Joint Nomination Committee which will make recommendations to the GMB.

43. The Guardian Trustees act unanimously if either they all make a unanimous decision or at least four are present and they make a unanimous decision.

PROCEEDINGS OF THE SBCW BOARD

44. The SBCW Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit provided that:

- (a) not more than four months shall elapse between any two meetings of the SBCW Board;
- (b) decision making at any meeting of the SBCW Board should be by unity rather than by a formal vote. In the event that unity cannot be reached, issues arising shall be determined by a majority of votes;
- (c) any member of the SBCW Board may participate in a meeting of the SBCW Board by means of conference telephone or any other communications equipment whereby all persons participating in the meeting can communicate with one another. Participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and any person so participating shall be entitled to vote and be counted in a quorum accordingly; and
- (d) it shall be understood that the voice of the SBCW Membership must be represented in such ways

as may be appropriate from time to time either by the Internally Elected Directors and/or by the attendance of the GMB Chair at the meetings of the SBCW Board and/or otherwise by agreement between the GMB and the SBCW Board.

45. A member of the SBCW Board may, and the Secretary on the requisition of a member of the SBCW Board shall, at any time summon a meeting of the SBCW Board provided that:

- (a) not less than seven clear days’ notice shall be given;
- (b) every notice shall state the general nature of the business to be transacted; and
- (c) notice of every meeting of the SBCW Board shall be given to each member of the SBCW Board.

46. The transaction of business by the SBCW Board requires a quorum of five members of the SBCW Board including:

- (a) the chair or the vice-chair of the SBCW Board;
- (b) if not otherwise present, at least one Internally Elected Director; and
- (c) if not otherwise present, one Guardian Trustee, except that if at any meeting of the SBCW Board a quorum is not present the meeting shall be adjourned to such time and place not more than a month nor less than a week later as the members present shall direct and due notice of such adjourned meeting shall be given to all members of the SBCW Board.

47. A meeting of the SBCW Board for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Commonwealth Board.

48. The continuing members, or a sole continuing member, of the SBCW Board may act notwithstanding any vacancies in the SBCW Board, but, if and so long as the number of members of the SBCW Board is reduced below the minimum number fixed for a quorum the continuing member or members of the SBCW Board may act for the purpose of:

- (a) filling vacancies in the SBCW Board to make up a quorum; or
- (b) summoning general meetings of the SBCW,

but not for any other purpose.

49. As an alternative to making a decision in a meeting, the SBCW Board may take a decision in accordance with this Article. A decision of the SBCW Board is taken in accordance with this Article when all eligible members indicate to each other by any means whereby each such indication is capable of being readily reproduced in hard copy form that they share

a common view on a matter. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible member or to which each eligible member has otherwise indicated agreement in writing. A decision may not be taken in accordance with this Article if the eligible members would not have formed a quorum at such a meeting.

In this Article “eligible members” are members of the SBCW Board who would have been entitled to vote on the matter had it been proposed as a resolution at a meeting of the SBCW Board.

50. The SBCW Board may:

- (a) delegate any of their powers to such member of the SBCW Board or committees consisting of at least two and at all times a majority of members of the SBCW Board as they think fit provided that:
 - (i) all members of any committee so formed are SBCW Members;
 - (ii) any such committee shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the SBCW Board; and
 - (iii) the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the SBCW Board, so far as the same are applicable and are not superseded by any regulations made by the SBCW Board;
- (b) by power of attorney appoint any person, or any fluctuating body of persons, whether nominated directly or indirectly by the SBCW Board to be the attorney or attorneys of SBCW for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the SBCW Board under these Articles), and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the SBCW Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

51. All acts done by any meeting of the SBCW Board, or of a committee of the SBCW Board, or by any person acting as a member of the SBCW Board, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such member of the SBCW Board, or person acting as such, or that they or any of them were disqualified, or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of the SBCW Board.

52. The SBCW Board shall:

- (a) from time to time by resolution determine the manner in which all cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the SBCW, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be;
- (b) cause minutes to be made in books provided for the purpose of recording all:
 - (i) appointments of officers made by the SBCW Board;
 - (ii) the names of the members of the SBCW Board present at each meeting of the Commonwealth Board and of any committee of the SBCW Board;
 - (iii) resolutions and proceedings at all meetings of the SBCW and of the SBCW Board and of committees of the SBCW Board; and
- (c) subject to its duties under data protection legislation ensure that the SBCW keeps a record, in Writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the SBCW Board.

MEMBERSHIP OF SBCW

53. The responsibilities and powers of the SBCW Board regarding SBCW Membership under the following Articles (the “Membership Functions”) may be delegated in whole or in part by the SBCW Board to the GMB provided that:

- (a) the decision of the SBCW Board on any dispute relating to the Membership Functions shall be final and binding;
- (b) the terms of any delegation must be recorded in writing;
- (c) the SBCW Board may impose conditions when delegating and may revoke or alter a delegation;
- (d) all acts and proceedings of the GMB regarding the Membership Functions must be fully and promptly reported to the SBCW Board; and
- (e) the GMB shall be at all times subject to the overriding authority of the SBCW Members in general meeting, to whom it is ultimately subordinate.

54. The SBCW Board shall take reasonable steps to:

- (a) ensure that appropriate policies and procedures are in place regarding the employment, induction and training of all Colleagues in demonstrating an understanding, commitment and desire to adhere to the Guiding Principles;
- (b) establish, review and maintain a Membership Policy; and
- (c) carry out a periodic review and update the Code of Practice accordingly.

55. Subject to these Articles, the Members of SBCW shall be:

- (a) the current Life President of SBCW;
- (b) any other person admitted in accordance with the Membership Policy.

The name of each such person shall be entered in the register of members as a SBCW Member.

56. A person shall cease to be a SBCW Member in accordance with the Membership Policy. The cessation of SBCW Membership will make a person ineligible as a member of the SBCL Board and may affect eligibility to hold other offices within the Scott Bader Group.

PROCEEDINGS OF SBCW MEMBERS

57. In every year SBCW shall hold a general meeting as its annual general meeting, at such time within a period of not more than fifteen months after the holding of the last preceding annual general meeting and place as may be determined by the SBCW Board.

58. Any resolution of the SBCW Members may be passed either in general meeting (in accordance with these Articles) or by electronic voting in advance of such general meeting provided that the results of any votes passed by electronic or other similar means in advance of a general meeting shall not be made public prior to the remaining votes being cast either in person or otherwise. The manner in which any such advance electronic votes may be cast shall be determined by the SBCW Board.

59. Any SBCW Member may participate in a general meeting of the SBCW by means of conference telephone or any other communications equipment whereby all persons participating in the meeting can communicate with one another. Participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and any person so participating shall be entitled to vote and be counted in a quorum accordingly.

60. The transaction of business at any general meeting requires a quorum of twenty SBCW Members or 5% of the SBCW Membership whichever is the greater at the date of the circulation of the notice, present in person when the meeting proceeds to business. If after half-an-hour from the time appointed for the meeting, a quorum is not present, the meeting:

- (a) if convened on the requisition of SBCW Members shall be dissolved; or
- (b) in any other case it shall stand adjourned to such time and place as the SBCW Board shall determine by not less than seven days’ notice to the SBCW Members from the date of the circulation of the notice and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the SBCW Members present shall be a quorum.

61. The SBCW Board or the GMB may call a general meeting of SBCW Members whenever they think fit, and the SBCW Board shall convene such a general meeting on the requisition of SBCW Members in accordance with section 303 of the Act.

62. The requirements regarding notice of general meetings of SBCW Members are:

- (a) fourteen clear days’ notice at the least (that is, exclusive of the day on which the notice is served or deemed to be served and the day for which the notice is given) including for a meeting convened to pass a special resolution or, in the case of an annual general meeting, twenty-one clear days’ notice at the least shall be given to such SBCW Members as are, entitled to receive notices from SBCW and also to the auditors of the SBCW;
- (b) a meeting shall, notwithstanding that it is called by shorter notice than that specified in these Articles, be deemed to have been duly called if it is so agreed:
 - (i) in the case of a meeting called as the annual general meeting, by 95% of the SBCW Members having the right to attend and vote at the meeting; and
 - (ii) in the case of any other meeting, by a majority in number of the SBCW Members having that right being a majority together representing not less than 90% of the total voting rights at that meeting of all the SBCW Members;
- (c) every notice of meeting shall specify the place, the day and hour of the meeting and, in the case of special business, the general nature of such business;
- (d) the notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution, as the case may be; and
- (e) the accidental omission to give notice of any meeting to or by any person shall not invalidate the proceedings at the meeting

For the purpose of this Article all business shall be deemed special business that is transacted at a general meeting other than an annual general meeting, and also all business that is transacted at an annual general meeting, other than the consideration of the accounts and balance sheet, the ordinary reports of the SBCW Board and auditors of the SBCW and any other documents annexed to the balance sheet, the announcement of the result of the election of members of the SBCW Board, the appointment of the auditors of the SBCW and other officers in the place of those retiring and the fixing of the remuneration of the auditors of the SBCW.

63. The chair (if any) of the SBCW Board shall preside as chair at every general meeting of the SBCW Members. If the chair of the SBCW Board is not present within ten minutes after the time appointed for holding of the meeting or is unwilling to act as chair, the SBCW Members present shall choose some member of the SBCW Board, or if none is present, or if all the members of the SBCW Board present decline to take the chair, they shall choose some SBCW Member present to be chair of the general meeting.

64. The chair of a general meeting may:

- (a) 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:
 - (i) no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place; and
 - (ii) when a meeting is adjourned for ten days or more, seven days' notice of the adjourned meeting shall be given in like manner 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); and
- (b) permit other persons who are not SBCW Members or otherwise entitled to exercise the rights of members in relation to general meetings to attend and speak at a general meeting.

65. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting and for the avoidance of doubt this shall include attendance at meetings held via electronic or virtual means.

66. In relation to amendments to resolutions at a general meeting:

- (a) an ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (i) notice of the proposed amendment is given to the SBCW in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine); and
 - (ii) the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution;
- (b) a special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

- (i) the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (ii) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution; and
- (c) if the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

67. 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:

- (a) by the chair of the general meeting; or
- (b) by at least three SBCW Members present in person and entitled to vote; or
- (c) by any SBCW Members present in person and representing not less than one-tenth of the total voting rights of all the SBCW Members having the right to vote at the meeting.

Unless a poll is so demanded, a declaration by the chair of the general meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such a resolution.

68. A poll demanded on the election of a chair of the general meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chair of the general meeting directs. The result of a poll shall be deemed to be the resolution of the matter on which the poll was demanded.

69. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the matter on which the poll has been demanded and may be withdrawn at any time.

70. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid. Any such objection must be referred to the chair of the meeting, whose decision is final.

71. On a show of hands or on a poll every SBCW Member who is present in person or by proxy shall have one vote.

72. A proxy must be a SBCW Member. The instrument appointing a proxy:

- (a) shall be signed by the appointor or her/his attorney duly authorised in writing or authenticated in such manner as the SBCW Board may determine;
- (b) shall be delivered (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such authority) at SBCW's registered office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours 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, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be valid; and
- (c) shall be in a form which identifies:
 - (i) the SBCW Member appointing the proxy; and
 - (ii) the person appointed to be that SBCW Member's proxy and the general meeting in relation to which that person is appointed;
- (d) may specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions;
- (e) shall (unless the instrument indicates otherwise) be deemed to confer authority to:
 - (i) demand or join in demanding a poll;
 - (ii) allow the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - (iii) appoint that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself; and
- (f) may, if required by the SBCW Board, be delivered in a particular form, and may be in different forms for different purposes.

73. 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 SBCW at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

SECRETARY AND OFFICERS OF THE BOARD

74. The SBCW Board shall appoint a Secretary and such officers as may be required from time to time of the SBCW and, as necessary, determine their respective duties.

THE SEAL AND EXECUTION OF DOCUMENTS

75. The SBCW Board shall execute documents either by signature or by affixing its seal. A document is validly executed by signature if it is signed by at least two authorised persons.

76. Any common seal may only be used by the authority of the SBCW Board. The SBCW Board may decide by what means and in what form any common seal is to be used. Unless otherwise decided by the SBCW Board, if the SBCW has a common seal and it is affixed to a document, the document must also be signed by at least two authorised people in the presence of a witness who attests the signature.

For the purposes of this Article, an "authorised person" is:

- (a) any member of the SBCW Board;
- (b) the Secretary; or
- (c) any person authorised by the SBCW Board for the purpose of signing documents to which the common seal is applied.

NOTICES

77. Anything sent or supplied by or to SBCW under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to SBCW.

78. Any notice or document to be sent or supplied to a member of the SBCW Board in connection with the taking of decisions by the SBCW Board may also be sent or supplied by the means by which that member of the SBCW Board has asked to be sent or supplied with such notices or documents for the time being.

79. A member of the SBCW Board may agree with the SBCW that notices or documents sent to that member in a particular way are to be deemed to have been received within a specific time of their being sent, and for the specified time to be less than 48 hours.

MEANS OF COMMUNICATION TO BE USED

80.1 Subject to the Articles, anything sent or supplied by or to SBCW under the Articles may be sent or supplied in any way in which the Act provides for documents of information which are authorised or required by any provision of the Act to be sent or supplied by or to SBCW.

80.2 Subject to the Articles, any notice or document to be sent or supplied to member of the SBCW Board in connection with the taking of decisions by directors may also be sent or supplied by the means by which that member of the SBCW Board has asked to be sent or supplied with such notices or documents for the time being.

80.3 Any notice to be given to or by any person pursuant to the Articles:

- Must be in writing; or
- Must be given in electronic form.

80.4 SBCW may give any notice to a SBCW Member either:

- personally; or
- by sending it by post in a prepaid envelope addressed to the SBCW Member at their address; or
- by giving it in electronic form to the SBCW Member's address; or
- by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a SBCW meeting and must specify the place, date and time of the meeting.

80.5 A SBCW Member present in person at any meeting of SBCW shall be deemed to have received notice of the meeting and of the purpose for which it was called.

80.6 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

80.7 Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Act

80.8 In accordance with section 1147 of the Act notice shall be deemed to be given:

- 48 hours after the envelope containing it was posted; or
- In the case of an electronic form of communication, 48 hours after it was sent.

INDEMNITY

81. This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of law. Subject to this, and without prejudice to any indemnity to which a relevant member of the SBCW Board may otherwise be entitled, a relevant member of the SBCW Board may be indemnified out of the SBCW's assets against:

- any liability incurred by that relevant member of the SBCW Board in connection with any negligence, default, breach of duty or breach of trust in relation to SBCW;
- any other liability incurred by that relevant member of the SBCW Board as an officer of the SBCW.

In this Article, a "relevant member of the SBCW Board" means any director, Secretary or other officer or former director, Secretary or other officer of SBCW.

DISSOLUTION

82. If upon the winding up or dissolution of SBCW there remains after satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of SBCW, but shall be given or transferred to some other institution or institutions having charitable objects similar to the objects of SBCW, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on SBCW under or by virtue of Article 6 hereof, such institution or institutions to be determined by members of SBCW at or before the time of dissolution, or in default thereof by such judge of the High Court as may have or acquire jurisdiction in the matter, and if and so far as effect cannot be given to the aforesaid provisions then to some other charitable object.

EXPLANATORY NOTE

Article 16.2 of these Articles refers to the additional voting rights of the Guardian Trustees. An example of how this would work is as follows:- if 300 SBCW Members and the 5 Guardian Trustees are exercising their votes, each of the Guardian Trustees will have an additional 60 votes, giving them a total of 61 votes each to cast. This makes a total of 305 Guardian Trustee votes. The Guardian Trustees are required to vote 'unanimously' as defined by **Article 43**. So, if they are in favour, there would be 305 Guardian Trustee votes, plus for example, 200 SBCW Members votes in favour, making a total of 505 votes in favour. If the remaining 100 SBCW Members vote against, then the resolution would be approved, as 83.5% of the votes cast were in favour.

Article 18.2 of these Articles refers to weighted voting rights of the Guardian Trustees in respect of the SBCL Shares. The SBCW Board has 90,000 ordinary shares available for voting. The way these votes are cast is directed by the SBCW Members. So if 300 SBCW Members vote – 200 for the resolution, and 100 against – then 60,000 shares are cast for the resolution and 30,000 against. Between them, the 5 Guardian Trustees have a total of 10,000 shares with a weighting of 10 – equivalent to 100,000 shares. The Guardian Trustees have to vote unanimously (see Article 40). So, in this example, if the Guardian Trustees vote in favour, the result of the vote will be 160,000 shares for, and 30,000 shares against. A majority of 84.2% in favour of the resolution.

Rules of the Global Members' Board

Rules of the Global Members' Board

(Adopted by ordinary resolution on 20 May 2014)

(Originally adopted by [ordinary] resolution passed on 26 April 2010)

(Adopted by ordinary resolution on 24 May 2022)

These are the Rules for the Global Members' Board (GMB), which is referred to within the articles of association of SBCW and SBCL. Any amendment to these Rules is subject to the approval of the SBCW Membership.

THE PURPOSE OF GLOBAL MEMBERS' BOARD

The purpose of the GMB is to lead our international and industrial democracy, give voice to the SBCW Membership and hold the Subsidiary Boards to account for the development and execution of their Strategies according to the Guiding Principles. The GMB aims to be a diverse and inclusive body that fairly represents the interests of all SBCW Members ("the Purpose").

DEFINITIONS

Act	the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force
Affiliate	any entity controlled either directly or indirectly by SBCW or any joint venture of any Affiliate
Code of Practice	the code of practice which embodies the obligations for Colleagues as underpinned by the Guiding Principles
Colleagues	employees, unless otherwise stated, of the Scott Bader Group, whether or not they are SBCW Members
Commonwealth Office	the administrative arm of SBCW
Company Member	the SBCW trustee who is also the chair for the time being of SBCL
Elected Representative	a colleague elected to serve on the GMB in accordance with these Rules
Global Members' Board known as GMB	the representative body of the SBCW Members as governed by the Rules
GMB Chair/Vice Chair	the individual/s appointed to these roles in accordance with these Rules
GMB Secretary	the Secretary of the GMB
Group Staff Bonus	the total amount payable to staff of SBCL as a bonus from the consolidated net profit of SBCL in respect of a financial period
Guardian Trustee/s role/s	those persons described in the articles of association of SBCW and validly appointed to such
Guardian Trustee Shares	the 10,000 ordinary shares of 50 pence each in the share capital of SBCL
Guiding Principles	the aims and principles on and for which SBCW was founded, and which are set out in the articles of SBCW
Joint Nomination Committee	the committee which comprises two SBCW Board members (one of which must be a Guardian Trustee), two SBCL Board members, one Elected Representative of the GMB, and another individual who from time to time the Joint Nomination Committee appoints in consultation with the GMB

Local Council	a council established by a local operating company of the Scott Bader Group in its local country to represent the interests of that local operating company's colleagues in that country
Member Country	any country in which a local operating company of the Scott Bader Group is incorporated and has its registered office
Member Director/s	director/s of SBCL appointed by SBCW Members in accordance with the articles of association of SBCL and the Member Directors' Guidelines
Member Directors' Guidelines	the guidelines in respect of the appointment of Member Directors
Membership Functions	the responsibilities and powers of the SBCW Board regarding SBCW Membership
Membership Policy	the criteria for admission and termination of SBCW Membership and the rules and regulations affecting SBCW Membership as may be determined by the SBCW Board from time to time
Rules	these rules which govern the GMB and which may be amended from time to time in accordance with the provisions set out below and with the articles of SBCW
SBCL	Scott Bader Company Limited, a company limited by shares registered in England and Wales, number 00189141
SBCL CEO	the Chief Executive Officer of SBCL
SBCL Executive	those staff of SBCL appointed by the SBCL CEO to the team known as the SBCL Executive or equivalent body from time to time which collectively has responsibility for the day to day running of SBCL
SBCL Shares	the 100,000 ordinary shares of 50 pence each in the share capital of SBCL comprising the 90,000 SBCW Shares and the 10,000 Guardian Trustee Shares
SBCW	the Scott Bader Commonwealth Limited, a company limited by guarantee registered in England and Wales, number 00496082, and registered charity number 206391
SBCW Member/ Membership	a member of SBCW as set out in the articles of SBCW, and SBCW membership has a corresponding meaning
SBCW Shares	the 90,000 ordinary shares of 50 pence each in the share capital of SBCL
Scott Bader Group	a) SBCW; and b) every Subsidiary (including SBCL); and c) Affiliates
Scott Bader Group Borrowing Facility	the aggregate of all borrowing facilities of the Scott Bader Group, whether short term, long term or related to leasing, converted into Pounds Sterling at the latest exchange rates, and as reported to the GMB by the Finance Director, from time to time, of the Scott Bader Group
Scott Bader Group's Consolidated Share Capital and Reserves	the number reported annually in the balance sheet in the relevant audited group accounts of SBCL as Total Shareholders' Funds (Equity)
Strategies	those strategies defined and developed by each Subsidiary Board in accordance with the Guiding Principles for the benefit and ongoing success of their respective Subsidiary
Subsidiary	SBCL and any other direct subsidiary or direct subsidiary undertaking for the time being of SBCW
Subsidiary Board/s	the governing board of each/all Subsidiary or Subsidiaries

If there is any conflict between these Rules and the articles of either SBCW and/or SBCL, the provisions of the articles of SBCW and/or SBCL shall prevail and any word or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Rules.

INTRODUCTION

1.1 The GMB is the democratically elected body for the Scott Bader Group by which Subsidiary Boards can be held accountable for the exercise of their respective responsibilities for the health and success of the Subsidiary businesses. It represents SBCW Members and may discuss any issue, but it cannot displace the overriding authority of SBCW Members in SBCW's general meeting, to whom it is ultimately subordinate;

1.2 While the GMB asks questions, makes recommendations and approves actions as set out in these Rules, responsibility for the management of each Subsidiary remains with the relevant Subsidiary Board. Any challenge to the actions or authority of any Subsidiary Board resides with the SBCW Board, the SBCW Members and ultimately the Guardian Trustees, in accordance with the SBCW articles.

LEADERSHIP OF INTERNATIONAL AND INDUSTRIAL DEMOCRACY

2.1 SBCL in conjunction with the GMB shall ensure that each local operating company with more than 50 Colleagues establishes a Local Council in its Member Country, and that such Local Council shall:

- (a) be elected, regulated and nominated either by the SBCW Members resident in the Member Country or by Colleagues otherwise authorised to do so pursuant to local legislation in such Member Countries;
- (b) represent the interests of the Colleagues of that local operating company in that Member Country;
- (c) be consulted about the manner of distribution of any local bonus; and
- (d) in addition to any other duties delegated to it by the local operating company, monitor and make recommendations in respect of the management of the local operating company in that Member Country,

and SBCL may also encourage local operating companies with 50 or less Colleagues to establish such Local Councils.

THE GMB SHALL:

2.2.1 provide oversight for elections of all internal representatives in the Scott Bader Group in order to ensure democracy in accordance with the Guiding Principles;

2.2.2 ensure that Elected Representatives have the necessary training to carry out their duties effectively;

2.2.3 ensure that all democratically elected individuals and groups are supported in the exercise of their duties;

2.2.4 drive and monitor the development of local democracy through SBCW Member education and training;

2.2.5 put in place and monitor procedures relating to the granting and suspension of SBCW Membership in line with criteria set and powers delegated to it by the SBCW Board as set out in the Membership Policy;

2.2.6 monitor and continually improve colleague/SBCW Member engagement;

2.2.7 approve the appointment and removal of Guardian Trustees, on the basis of a joint proposal of the SBCW and SBCL Boards;

2.2.8 involve itself with the SBCW Board's periodic review of the Code of Practice and make such representations in respect of proposed amendments as it considers necessary;

2.2.9 take an active role in promoting the Scott Bader Group's democratic way of working with external agencies;

2.2.10 in so far as requested, carry out such actions in respect of the Membership Functions as may be duly authorised by the SBCW Board in accordance with the SBCW articles.

DELIVERY OF THE VOICE OF THE SBCW MEMBERSHIP

3.1 The GMB shall:

3.1.1 take overall responsibility for the process and systems in place in order to give voice to the SBCW Members;

3.1.2 call general meetings of SBCW in accordance with procedures set out in the SBCW Articles;

3.1.3 deliver a report to the SBCW Membership at the SBCW AGM;

3.1.4 raise any matter that it chooses in relation to the business of the Subsidiary Boards, or their relationship with the outside world, and make recommendations to the Subsidiary Boards. The GMB will not, however, involve itself in matters relating solely to individual operating companies

within the Scott Bader Group that are properly the province of the relevant Local Council unless they are a matter of dispute between the relevant Local Council and local management;

3.1.5 share upcoming GMB agenda items with SBCW Members and provide subsequent updates seeking feedback from SBCW Members as appropriate including the reports of the SBCL CEO, and any reports requested from the SBCW office and/or human resources.

3.1.6 ensure that the voice of the SBCW Membership is represented at SBCW and SBCL Board meetings.

HOLD THE SUBSIDIARY BOARDS TO ACCOUNT FOR THE DEVELOPMENT AND EXECUTION OF THEIR STRATEGIES IN ACCORDANCE WITH THE GUIDING PRINCIPLES

4.1 The GMB shall:

4.1.1 have regard at all times to the Guiding Principles;

4.1.2 decide the basis for allocating a Group Staff Bonus, subject to the agreement of SBCW Members in general meeting;

4.1.3 be informed about the Scott Bader Group's financial status on a regular basis to enable it to monitor the level of the Scott Bader Group borrowings;

4.1.4 develop and maintain a remuneration policy in relation to non-executive directors of SBCL including the Company Member;

4.1.5 request reports from the Subsidiary Boards on:
(a) company strategy;
(b) business plan and capital plan and updates;
(c) financial performance versus budget;
(d) demonstration of compliance with the Guiding Principles including the management style within the business;

4.1.6 develop the process for appointment of Member Directors to the SBCL Board as set out in the Member Directors' Guidelines.

THE APPROVAL OF THE GMB SHALL BE SOUGHT IN RELATION

4.2.1 to:-

4.2.1.2 alterations to the share capital of any Subsidiary;

4.2.1.2 disposals of the SBCL Shares;

4.2.1.3 disposals of shares held by SBCW in any other Subsidiary;

4.2.1.4 the creation by a Subsidiary or permitting to be created by a Subsidiary any mortgage, charge, lien or other security interest in respect of either a material amount or liability over all or a substantial part of its assets;

and/or a Subsidiary incurring an obligation to do any of the foregoing;

4.2.2 to:-

4.2.2.1 the Subsidiary Boards' strategic aims and objectives including the Scott Bader Group's five year plan;

4.2.2.2 any decision to cease to operate all or any material part of the Subsidiaries' business, representing 15% or more of its net assets;

4.2.2.3 any business/entity purchase or joint venture entered into by a Subsidiary or the Scott Bader Group;

4.2.2.4 any changes to the Subsidiaries' status as limited companies;

4.2.2.5 any proposals to increase borrowing of the Scott Bader Group, where the increase would result in the Scott Bader Group Borrowing Facility exceeding 30% of the Scott Bader Group's consolidated share capital and reserves;

4.2.2.6 proposals for major investments, the cost of which exceeds 15% of the Scott Bader Group's Consolidated Share Capital and Reserves;

4.2.2.7 the decisions and the process for the disposal of businesses and assets that employ people who cannot be re-deployed or who would be made redundant, in accordance with Scott Bader Group policies and in particular to be satisfied with the intended arrangements for individuals so far as reasonably possible in accordance with applicable laws;

4.2.2.8 the appointment and reappointment, terms and conditions of office and removal of all the directors of the Subsidiary Boards excluding the Member Directors;

4.2.2.9 the remuneration (including increases) of:
(a) the non-executive directors (which includes the Company Member);

(b) the SBCL CEO;

(c) any other SBCL Board director whose proposed remuneration is not within any existing graded pay structure of SBCL;

- 4.2.2.10 exceptional bonuses to any Subsidiary Board director/s;
- 4.2.2.11 whether to approve in conjunction with SBCW any three year extension as a third term of office of a non-executive director of SBCL if such person is to hold office for longer than their initial two terms of office;
- 4.2.2.12 proposed alterations to the articles of SBCW.

- (e) careful consideration is given to the way new sites or business entities are integrated into the Scott Bader Group's representative democracy including the development of appropriate local democratic processes.

PROCEEDINGS OF THE GMB

- 5.1 As a communal expression of acceptance of the ethical principles inherent in the Scott Bader Group, all meetings of the GMB shall start with a short period of silence and deep reflection.
- 5.2 The GMB Chair will be responsible for setting objectives for the GMB, monitoring the effectiveness in meeting those objectives and overseeing the achievement of the Purpose and reporting to SBCW Members with appropriate key performance indicators.
- 5.3 The GMB will in collaboration with the SBCW Board devise a funding strategy to enable it to fulfil its responsibilities contained within these Rules and ensure that any material changes in such strategy will be proposed to the SBCW Members for their approval prior to implementation.
- 5.4 Except for the Company Member who is by virtue of their position entitled to sit and to vote on the GMB, membership of the GMB is by election.

- 5.5 Election of Representatives to the GMB is by direct election from single or multi-representative constituencies (as defined by the GMB from time to time). Initially there should be not less than 12 and not more than 14 Elected Representatives. The precise number and, therefore, the size and boundaries of constituencies should be set and periodically reviewed by the Guardian Trustees after receiving the recommendation of the GMB. They should seek to ensure that there is sufficient diversity and representation of all interests, but that the numbers are not so high as to inhibit informed debate. The GMB Secretary should arrange for contested elections to be held by secret ballot.

(a) Eligibility of Elected Representatives:

- (i) candidates must be SBCW Members;
- (ii) candidates must be employed on a permanent basis for at least 12 months;
- (iii) candidates must have the ability to understand written and spoken English with appropriate support and training;
- (iv) current members of the Local Councils may stand (excluding the chairs of those bodies).

- (b) Exclusions – the following may not put themselves forward as Elected Representatives:
 - (i) a member of the Group Executive or Subsidiary Board except for the Company Member;
 - (ii) a current SBCW Board member;
 - (iii) anyone who, at the point of nomination, is subject to either a live disciplinary warning or sanction or a performance improvement plan or formal and documented procedure instigated to address significant concerns regarding performance.

- 5.5 Whilst it is not a requirement that candidates for election should be employed in the relevant constituency, their nomination must be supported by a proposer and seconder from that constituency, both of whom must also be entitled to vote in the constituency. Persons elected as Elected Representatives to the GMB are appointed for a three-year term, at the end of which they may seek re-election for one further three-year term. Thereafter,
 - (a) individuals may stand again for election after standing down for one year; or
 - (b) if requested by the GMB and approved by the SBCW Board an Elected Representative may be reappointed for a third term without a one year break.

- 5.6 The quorum for a meeting of the GMB is at least half the number of Elected Representatives with representation from at least four separate constituencies and the Chair and/or the Vice-Chair.

- 5.7 Notice of and attendance at meetings:
 - (a) Notice of meetings of the GMB shall be given to every SBCW Member and shall normally be held on not less than 7 clear days' notice, stating the general nature of the business to be transacted OR on shorter notice provided that a majority of the Elected Representatives and the Chair of the GMB shall agree;
 - (b) the SBCL CEO or other senior executives shall make best efforts to attend GMB meetings but not be entitled to a vote;
 - (c) the Guardian Trustees and external non-executive directors on the SBCL Board may attend meetings and are entitled to participate in discussions (but not to vote).

- 5.8 It is expected that the business of, and the decisions taken by, the GMB will be reached by consensus and failing this the majority view will prevail.

- 5.9 Elected Representatives should make best efforts to attend general meetings of SBCW.

- 5.10 Subject to the agreement of the individual's manager to any cost of travel or time away from work, meetings of the GMB will be open to SBCW Members, as observers and, at the discretion of the GMB Chair, to others who are not SBCW Members.

- 5.11.1 The Elected Representatives shall take steps to inform themselves of the views of their constituents, but shall act, speak and vote in accordance with their own judgement in the best interests of the Scott Bader Group as a whole.

- 5.12 Elected Representatives of the GMB cease to hold office:
 - (a) at the expiry of the term for which they were elected, subject to 5.5;
 - (b) by resignation;
 - (c) on ceasing to be a SBCW Member by reason of death or retirement or resignation of SBCW Membership, termination of employment within the Scott Bader Group, or withdrawal of SBCW Membership;
 - (d) if they miss 2 meetings of the GMB in succession without authorisation from the GMB Chair;
 - (e) if the majority of the GMB determines that the Elected Representative is not adequately fulfilling their duties. Such Elected Representative has a right to appeal this decision to the SBCW Board.

By-elections to fill resulting vacancies should be held as quickly as possible.

- 5.13 The proceedings of the GMB will be conducted in English, but reasonable efforts will be made to ensure it is accessible to all SBCW Members.

- 5.14 The GMB shall endeavour to meet at least four times a year and more frequently if the GMB agrees the number of agenda items so requires it. In exceptional circumstances, the GMB Chair, or, by petition, at least 25% of the GMB (to the nearest higher whole number) may call a special meeting of the GMB. Meetings of the GMB may be conducted by tele-conferencing or other electronic means or by such mode as may be considered appropriate.

- 5.15 The GMB Chair, after proper consultation with those concerned, shall have the power to put written proposals to SBCW Members for resolution by postal ballot or other electronic means.

- 5.16 The GMB Chair in conjunction with the chair of the SBCW Board shall appoint or remove the GMB Secretary. The GMB Secretary shall attend meetings but is not entitled to vote.

5.17 Unless otherwise agreed, representations to any part of the Scott Bader Group should not be made on behalf of the GMB by an individual member of the GMB but by the GMB Chair or the GMB Secretary.

5.18 Decision making at any meeting of the GMB should be by unity rather than by a formal vote. In the event that unity cannot be reached, issues arising shall be determined by a majority of votes. If the number of votes for and against a proposal are equal, the GMB Chair shall have a casting vote.

GMB CHAIR AND VICE CHAIR

6.1 Elected Representative members of the GMB shall elect the GMB Chair and if there is more than one individual proposed for these roles, a vote shall be taken by simple majority.

6.2 The GMB Chair should, but need not, be an Elected Representative of the GMB. Where a suitable candidate cannot be found from within the GMB, nominations will be sought from SBCW Members.

6.3 The GMB Chair will serve a 3-year term and be eligible for reappointment by the Elected Representatives for a further 3-year term by the GMB.

6.4 Once elected as GMB Chair, such person shall (if applicable) cease to represent their constituency, thereby creating a vacancy for that Elected Representative position which shall be filled following a by-election.

6.5 An annual review of the performance of the GMB Chair will be led by the Vice Chair. If the majority of the Elected Representatives believe that the GMB Chair is not adequately fulfilling their duties as Chair, they may vote to remove the GMB Chair. The GMB Chair has a right to appeal this decision to the SBCW Board.

6.6 The GMB shall elect a Vice Chair from the Elected Representatives and if there is more than one individual proposed for these roles, a vote shall be taken by simple majority.

DISPUTE RESOLUTION

7.1 The SBCW Members shall have an overriding duty to act reasonably and collaboratively in accordance with the Guiding Principles.

7.2 In the event of a fundamental disagreement between a local operating company and its Local Council, the agreement of the local operating company board and the GMB shall determine the matter, provided that in the event of a conflict with local law the latter shall prevail.

7.3 In the event of a failure to reach an agreement between any Subsidiary Board and the GMB on any matter, the GMB has the right to raise questions that require formal response from Subsidiary Boards within a reasonable time period. If the response by the relevant Subsidiary Board is deemed inadequate by the GMB, the GMB can request the Guardian Trustees to determine a binding decision.

REVIEW AND AMENDMENT OF RULES

8.1 The Elected Representatives shall periodically review these Rules and report the outcome of each such review to the SBCW Board and subsequently SBCW Members in general meeting.

8.2 If following any such review the Elected Representatives wish to propose amendments to the Rules, any amendments shall not be validly made until approved by the SBCW Membership.

Articles of Association of Scott Bader Company Limited

Articles of Association of Scott Bader Company Limited

Companies Act 2006
Private company limited by shares
Company number 00189141

(Adopted by special resolution on 20 May 2014)
(Originally adopted by special resolution passed on 26 April 2010)
(Adopted by special resolution passed on 24 May 2022)

The SBCL Board's purpose is to ensure SBCL's prosperity by collectively directing its affairs in line with its values, using a clear strategy, strong stewardship and effective controls, to meet the expectations and interests of its shareholders and key stakeholders.

NAME AND REGISTERED OFFICE

1. The name of the company is Scott Bader Company Limited ("SBCL").
2. The registered office of SBCL is situated in England.

DEFINITIONS

3. In these Articles (if not inconsistent with the subject or context) the following meanings shall apply:

Act	the Companies Act 2006 including any statutory re-enactment or modification thereof for the time being in force
Affiliate	any entity other than a Subsidiary controlled either directly or indirectly by SBCW or any joint venture of any Affiliate
Articles	these articles of association, as amended from time to time
Colleagues	employees, unless otherwise stated, of the Scott Bader Group, whether or not they are SBCW Members
Company Member	the SBCW trustee who is also the chair for the time being of SBCL
Consolidated Net Profit of SBCL	for any Financial Period the profit before taxation on ordinary activities appearing in the relevant annual reports and financial statements of SBCL adjusted (as necessary) by adding back any amount to be paid in the Group Staff Bonus, or committed to charitable purposes or any extraordinary items in respect of such period
Financial Distress	the business cannot fund any activity outside its immediate operations and has difficulty meeting commitments to lenders and trade creditors or has sustained operating losses
Financial Period	the accounting reference period of SBCL, typically ending on 31 December, as set out in the Act
Global Members' Board/GMB	the representative body of the SBCW Members as governed by the Rules
Group Staff Bonus	the total amount payable to staff of SBCL as a bonus from the Consolidated Net Profit of SBCL in respect of a financial period
Guardian Trustee/s	those persons described in the articles of association of SBCW and validly appointed to such role/s

Guardian Trustee Shares	10,000 of the SBCL Shares to which voting rights attach in accordance with the articles of SBCW
Guiding Principles	the aims and principles on and for which SBCW was founded, and which are set out in the articles of SBCW
Joint Nomination Committee	the committee which comprises two SBCW Board members (one of which must be a Guardian Trustee), two SBCL Board members, one Elected Representative of the GMB, and another individual who from time to time the Joint Nomination Committee appoints in consultation with the GMB
Local Council	a council established by a local operating company of the Scott Bader Group in its local country to represent the interests of that local operating company's Colleagues in that country
Member Country	any country in which a local operating company of the Scott Bader Group is incorporated and has its registered office
Member Director/s	director/s of SBCL appointed by SBCW Members in accordance with these Articles and the Member Directors' Guidelines
Member Directors' Guidelines	the guidelines in respect of the appointment of Member Directors
Non-Executive Director	a director of SBCL who is not a member of staff and who is appointed by the SBCL Board in accordance with these Articles
Remuneration Committee	the remuneration committee of the SBCL Board
Rules	the rules which govern the GMB and which may be amended from time to time in accordance with the Rules and with the articles of SBCW
SBCL Board	the board of directors of SBCL or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present
SBCL CEO	the chief executive officer of SBCL or, in the absence of a chief executive officer, the individual with overall responsibility for the management of SBCL
SBCL Executive	those staff of SBCL appointed by the SBCL CEO to the team known as the SBCL Executive or equivalent body from time to time which collectively has responsibility for the day to day running of SBCL
SBCL Shares	the 100,000 ordinary shares of 50 pence each in the share capital of SBCL comprising the 90,000 SBCW Shares and the 10,000 Guardian Trustee Shares
SBCW	The Scott Bader Commonwealth Limited, a company limited by guarantee registered in England and Wales, number 00496082 and registered charity number 206391
SBCW Board	the board of directors of SBCW
SBCW Member	a member of SBCW as set out in the articles of SBCW, and SBCW Membership has a corresponding meaning
SBCW Shares SBCW	90,000 of the SBCL Shares to which voting rights attach in accordance with the articles of SBCW
Scott Bader Group	(a) SBCW; (b) Every Subsidiary (including SBCL); and (c) Affiliates

Scott Bader Group's Consolidated Share Capital and Reserves	the number reported annually in the balance sheet in the relevant audited group accounts of SBCL as Total Shareholders' Funds (Equity)
Scott Bader Group Borrowing Facility	the aggregate of all borrowing facilities of the Scott Bader Group, whether short term, long term or related to leasing, converted into Pounds Sterling at the latest exchange rates, and as reported to the GMB by the Finance Director from time to time of the Scott Bader Group
Scott Bader Group Staff Salary Cost	the total amount of wages and salary costs included in the audited group accounts of SBCL for a financial year which, for the avoidance of doubt, includes any variable element of pay but excludes the Group Staff Bonus
Subsidiary	SBCL and any other direct subsidiary or direct subsidiary undertaking for the time being of SBCW
United Kingdom	Great Britain and Northern Ireland; and save as aforesaid any words or expressions used or defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles
Writing	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied by electronic communication or otherwise

Any reference to show of hands shall include the electronic equivalent for virtual and hybrid meetings.

Save as aforesaid any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

OBJECTS

4. SBCL's objects are in accordance with the Act and shall be unrestricted.

LIABILITY OF THE MEMBER OF SBCL

5. The liability of SBCW, the sole member of SBCL, is limited.

CAPITAL

6. The share capital of SBCL is £50,000 divided into 100,000 ordinary shares ("the Shares").

7. SBCW is the registered holder of the Shares.

8. The Shares shall, in a winding up, entitle the holder to repayment of the capital credited as paid up thereon.

VOTES OF THE MEMBER OF SBCL

9. For so long as SBCL has one member, shareholder resolutions shall be in written form proposed and passed in accordance with Chapter 2 of Part 13 of the Act.

ORGANISATION

10. Governance within SBCL is organised so as to involve the following:

- (a) the SBCL Board;
- (b) the GMB; and
- (c) the SBCW Board.

Each shall have the responsibilities as set out in their respective constitutions and in these Articles.

11. SBCL has responsibilities in relation to Local Councils as provided in these Articles.

12. The SBCL Board and the GMB shall ensure that they nurture common trusteeship and industrial democracy which is of benefit to the Scott Bader Group and to SBCW Members, and the SBCL Board shall ensure that:

- (a) it has suitable, approved democratic processes at a local level;
- (b) sufficient funding, support and training is made available to ensure that effective democracy flourishes and democratically elected individuals and groups are supported with the exercise of their duties across the Scott Bader Group;

(c) management is in a style that is participative and consultative, and that change will be introduced through direct consultation with those affected.

RESPONSIBILITIES OF THE SBCL BOARD

13. The business of SBCL shall be managed by the SBCL Board which may exercise all the powers of SBCL except insofar as they are subject to restrictions imposed by the Act, these Articles or otherwise by special resolution of the members of SBCL, including powers expressly made exercisable subject to approval or other action by the GMB, the Guardian Trustees or the SBCW Board.

14.1 The SBCL Board must seek the prior approval of the GMB and SBCW and shall procure that each SBCL subsidiary and its directors shall not act without such approval in relation to:

14.1.1 alterations to the share capital of SBCL or any direct subsidiary;

14.1.2 disposals of the SBCL Shares;

14.1.3 SBCL's Board's strategic aims and objectives including the Scott Bader Group's five year plan;

14.1.4 any decision to cease to operate all or any material part of SBCL's business, representing 15% or more of its net assets;

14.1.5 any business/entity purchase or joint venture entered into by SBCL;

14.1.6 any changes to SBCL's status as a limited company;

14.1.7 any proposals to increase borrowing of the Scott Bader Group, where the increase would result in the Scott Bader Group Borrowing Facility exceeding 30% of the Scott Bader Group's Consolidated Share Capital and Reserves;

14.1.8 proposals for major investments, the cost of which exceeds 15% of the Scott Bader Group's Consolidated Share Capital and Reserves;

14.1.9 the decisions and the process for the disposal of businesses and assets that employ people who cannot be re-deployed or who would be made redundant, in accordance with Scott Bader Group policies and in particular to be satisfied with the intended arrangements for individuals so far as reasonably possible in accordance with applicable laws;

14.1.10 the appointment and reappointment, terms and conditions of office and removal of any of the directors of SBCL excluding the Member Directors;

14.1.11 the remuneration (including increases) of:

- (a) the non-executive directors (which includes the Company Member)
- (b) the SBCL CEO;
- (c) any other SBCL Board director whose proposed remuneration is not within any existing graded pay structure of SBCL;

14.1.12 exceptional bonuses to any SBCL Board director/s;

14.1.13 the creation or permitting to be created any mortgage, charge, lien or other security interest in respect of either a material amount or liability over all or a substantial part of its assets.

and/or SBCL incurring an obligation to do any of the foregoing.

14.2 The SBCL Board must consult with the GMB

14.2.1 prior to the institution of any proceedings for, or the passing of any resolution for the voluntary winding up or administration of SBCL;

14.2.2 in relation to any material amendments to any SBCL Board policies or the introduction of any new SBCL policies.

15. The SBCL Board shall:

15.1 make available to the GMB and SBCW Board sufficient resources and funds to enable them to fulfil their responsibilities and exercise their powers as defined by the funding mechanism agreed by the SBCW members in a general meeting; and

15.2 inform the GMB and SBCW about the financial status of SBCL on a regular basis, as reasonably requested.

STATE OF FINANCIAL DISTRESS

16. If at any time SBCL is in a state of financial distress then the SBCW Board may require the SBCL Board to put in place a plan for recovery. The power under this Article shall continue until such time as the auditors of SBCL shall certify that in their opinion the business of SBCL is no longer in a state of financial distress.

LOCAL COUNCILS

17. SBCL in conjunction with the GMB shall ensure each of its subsidiaries with more than 50 Colleagues establishes a Local Council in its Member Country that shall:

- (a) be elected, regulated and nominated either by the SBCW Members resident in the Member Country or by Colleagues otherwise authorised to do so pursuant to local legislation in such Member Countries;
- (b) represent the interests of the Colleagues of that subsidiary in that Member Country;
- (c) be consulted about the manner of distribution of any local bonus; and
- (d) in addition to any other duties delegated to it by that subsidiary, monitor and make recommendations in respect of the management of the subsidiary in that Member Country,

and SBCL may encourage its subsidiaries with 50 or less staff to establish such Local Councils.

GUIDING PRINCIPLES

18. The SBCL Board shall have regard at all times to the Guiding Principles.

19. In order to achieve the purposes set out in the Guiding Principles the SBCL Board shall take such measures as they think fit, and in particular shall:

- (a) only use its products in applications beneficial to the community. Explicitly, SBCL shall exclude applications used in manufacturing weapons of war and SBCL shall not support directly or indirectly products and/or services primarily intended for manufacturing weapons of war;
- (b) encourage the desirable principle that decision making in all meetings is by unity rather than by a formal vote, thus carrying the goodwill of all and leading to a better understanding and better implementation.

COMPOSITION OF SBCL BOARD

20. There shall not be more than nine directors of SBCL of whom:

- (a) not more than three shall be executive directors of SBCL (including the SBCL CEO);
- (b) three shall be Non-Executive Directors; and
- (c) three shall be Member Directors.

21. Every director of SBCL shall be a person who is a SBCW Member or who upon appointment will become a SBCW Member.

22. Except in relation to Member Directors:

- (a) the SBCL Board shall appoint and remove all directors of SBCL; and
- (b) the appointment and removal of any director of SBCL requires the approval in Writing in advance of the GMB and SBCW Board;

provided that in respect of Non-Executive Directors their re-appointment shall also require such approval by the GMB and SBCW.

23. Subject to and in accordance with the provisions relating to Member Directors in these Articles, the Member Directors shall be appointed and removed by a vote of the GMB.

24. The SBCL Board shall have a chair. The Company Member shall be recruited and selected by the Joint Nomination Committee and then put to the SBCL Board and the SBCW Board for approval. If approved by both Boards, the proposal shall then be passed to the GMB for final approval.

25. Subject to the approval of the GMB and SBCW, so far as required by the Rules, the remuneration of the SBCL Board shall be determined as follows:

- (a) the remuneration of the SBCL CEO shall be determined by the Remuneration Committee;
- (b) the remuneration of all executive directors that is based on non-standard terms and conditions and is not calculated by reference to the SBCL's grading structure shall be determined by the Remuneration Committee;
- (c) the remuneration of the Company Member shall be determined by the SBCL Board in line with the remuneration policy determined by the GMB and amended from time to time; and
- (d) the fees payable to the other Non-Executive Directors shall be determined by the SBCL Board (including the Company Member but excluding the other Non-Executive Directors).

Except as expressly provided in this Article no director shall participate in a meeting or decision concerning their own remuneration.

26. No executive director of SBCL:

- (a) may be or be entitled to act as a director of SBCW; or
- (b) (except with the prior consent of the SBCL Board) be or be entitled to act as a director of any other company.

27. An executive director of SBCL shall hold office from the date upon which she/he/they shall be appointed but shall cease to hold office if she/he/they ceases for any reason to be a SBCW Member.

28. A Non-Executive Director shall hold office for a term of three years from the date upon which she/he/they shall be appointed at the end of which she/he/they shall be eligible for re-appointment as a Non-Executive Director for one further three year term whether immediately after a previous term of office or otherwise. In some circumstances (as determined by the GMB and SBCW) a Non-Executive Director may be re-appointed for a third three year term.

29. A person ceases to be a director of SBCL as soon as:

- (a) she/he/they ceases to hold office pursuant to these Articles
- (b) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (c) a bankruptcy order is made against that person;
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (e) in the reasonable opinion of the SBCL directors in consultation with the GMB and SBCW Board, that person has become physically or mentally incapable of acting as a director and may remain so for more than three months and the SBCL directors have resolved unanimously to remove him/her/them;
- (f) notification is received by SBCL from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (g) if she/he/they be absent from two consecutive meetings of the SBCL Board without authorisation from the chair of the SBCL Board; and
- (h) in the case of a Member Director any other event occurs that requires her/his resignation pursuant to the Member Directors' Guidelines.

MEMBER DIRECTORS

30. Member Directors shall be appointed by the GMB and they shall not be :

- (a) a member of the SBCW Board;
- (b) a member of the SBCL Executive; or
- (c) an individual otherwise excluded for a reason set out in the Member Directors' Guidelines.

31. In line with established practice for all directors of the SBCL Board the performance of all Directors shall be reviewed periodically by the Company Member.

PROCEEDINGS OF SBCL BOARD

32. As a communal expression of acceptance of the ethical principles inherent in the Scott Bader Group,

all meetings of the SBCL Board shall start with a short period of silence and deep reflection.

33. The SBCL Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit **provided that:**

- (a) not more than four months shall elapse between any two meetings of the SBCL Board;
- (b) decision making by the SBCL Board should be by unity rather than by a formal vote. In the event that unity cannot be reached issues arising shall be determined by a majority of votes;
- (c) if the numbers of votes for and against a proposal are equal, the Company Member or other director chairing the meeting has a casting vote but this does not apply if, in accordance with these Articles, the Company Member or other director is not to be counted as participating in the decision-making process for quorum or voting purposes; and
- (d) any director of the SBCL Board may participate in a meeting of the SBCL Board by means of conference telephone or any other communications equipment whereby all persons participating in the meeting can communicate with one another. Participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and any person so participating shall be entitled to vote and be counted in a quorum accordingly.

34. Any director of SBCL may call a SBCL Board meeting by giving notice of the meeting to the directors (including any director who may, for the time being, be absent from the United Kingdom provided that she/he shall have given her/his address outside the United Kingdom) or by authorising the company secretary to give such notice. Notice (which need not be in writing) of the meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

35. The transaction of business by the SBCL Board requires a quorum of four directors of SBCL including:

- (a) an executive director of SBCL;
- (b) a Non-Executive Director; and
- (c) a Member Director.

36. If the chair of the SBCL Board is not participating in a SBCL Board meeting within ten minutes of the time at which it was to start, the participating directors must appoint another of the Non-Executive Directors to chair it.

37. A meeting of the SBCL Board at which a quorum is present may exercise all powers exercisable by the SBCL Board.
38. A director of SBCL shall not vote at any meeting of the SBCL Board or a committee of the SBCL Board on any resolution concerning a matter in which she/he/they has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of SBCL unless her/his/their interest or duty arises only because she/he/they is a member of the GMB or a Local Council or a SBCW Member.

39. As an alternative to taking a decision in a meeting, the SBCL Board may take a decision in accordance with this Article. A decision of the SBCL Board is taken in accordance with this Article when all eligible directors indicate to each other by any means whereby each such indication is capable of being readily reproduced in hard copy form that they share a common view on a matter. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing. A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

In this Article “eligible directors” are members of the SBCL Board who would have been entitled to vote on the matter had it been proposed as a resolution at a meeting of the SBCL Board.

40. Subject to these Articles, the SBCL Board may delegate any of the powers which are conferred on them under these Articles:
- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions,
- as they think fit. If the SBCL Board so specify, any such delegation may authorise further delegation of the Group Board’s powers by any person to whom they are delegated. The SBCL Board may revoke any delegation in whole or part or alter its terms and conditions.
41. Committees to which the SBCL Board delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by directors.

42. The SBCL Board must ensure that SBCL keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.
43. Subject to the Articles, the SBCL Board may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

DISPUTE RESOLUTION

- 44.1 In the event of a fundamental disagreement between a local operating company and its Local Council, the agreement of the local operating company board and the GMB shall determine the matter, provided that in the event of a conflict with local law the latter shall prevail.
- 44.2 In the event of a failure to reach an agreement on any matter, the GMB has the capacity to raise questions that require formal response from the SBCL Board within a reasonable time period. If the response by the SBCL Board is deemed inadequate by the GMB, the GMB can request the Guardian Trustees to determine a binding decision.

PROFIT DISTRIBUTION

- 45.1 Subject to the provisions of the next following Articles, SBCW as the sole member of SBCL shall resolve how the consolidated net profit of SBCL for any given financial period is allocated (and that such allocations are made) within the following limits:
- (a) as to a minimum of 60 per cent for taxation and reserves;
 - (b) as to a maximum of 20 per cent for the Group Staff Bonus; and
 - (c) subject as aforesaid, as to:
 - (i) dividends of such amount; and
 - (ii) any donation (or other payment) to SBCW for charitable purposes in addition to that referred to in Article 49 below,
- as the resolution may prescribe.
- 45.2 In default of express allocation, the whole amount of such consolidated net profit of SBCL shall be deemed to have been allocated to taxation and reserves.
- The manner of allocation of the Group Staff Bonus (including any formulae to be applied) shall be decided by the GMB subject to:

- (a) such procedures as the GMB shall adopt for this purpose from time to time; and
- (b) the approval of SBCW by resolution as the sole member of SBCL (as directed by SBCW Members in general meeting).

46. No resolution to pay any Group Staff Bonus shall be effective unless prior to the passing of such resolution (whether on the same day or earlier) there shall have been passed one or more resolutions of SBCL in respect of either or both:
- (a) funds to be paid by SBCL to SBCW for charitable purposes; and
 - (b) declaring or paying a dividend or dividends to SBCW,
- in respect of the relevant financial period, whose amount together with attributable taxation is not less than the gross amount of the proposed Group Staff Bonus.
47. Notwithstanding the preceding Articles and subject to the immediately following Article, an amount equal to the amount payable as Group Staff Bonus or 1 per cent of the Scott Bader Group Staff Salary Cost, whichever is the greater, shall be paid for each financial period commencing on or after 31 December 2009 by way of donation or otherwise to SBCW for charitable purposes. For the avoidance of doubt, an amount additional to this may be similarly donated (or otherwise paid) to SBCW for charitable purposes.
48. The SBCW Board, on behalf of SBCW, may decline (in full or in part) or accept a deferred payment (in full or in part) of the donation referred to in the immediately preceding Article, if it believes that acceptance (or immediate payment) of the full donation would jeopardise the continued success of SBCL.

NOTICES

49. Anything sent or supplied by or to SBCL under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to SBCL.
50. Any notice or document to be sent or supplied to a member of the SBCL Board in connection with the taking of decisions by the SBCL Board may also be sent or supplied by the means by which that member of the SBCL Board has asked to be sent or supplied with such notices or documents for the time being.

51. A member of the SBCL Board may agree with SBCL that notices or documents sent to that member in a particular way are to be deemed to have been received within a specific time of their being sent, and for the specified time to be less than 48 hours.

INDEMNITY AND INSURANCE

- 52.1 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of law. Subject to this, and without prejudice to any indemnity to which a relevant director may otherwise be entitled, a relevant director of SBCL or an associated company may be indemnified out of SBCL’s assets against:
- (a) any liability incurred by that relevant director in connection with any negligence, default, breach of duty or breach of trust in relation to SBCL or an associated company;
 - (b) any liability incurred by that relevant director in connection with the activities of SBCL or an associated company in its capacity as a trustee of an occupational pension scheme;
 - (c) any other liability incurred by that relevant director as an officer of SBCL or an associated company.

- 52.2 The SBCL Board may decide to purchase and maintain insurance, at the expense of SBCL for the benefit of any relevant director in respect of any relevant loss. In this Article companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; “relevant director” means any director or former director of SBCL or an associated company, and “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to SBCL, any associated company or any pension fund or employees’ share scheme of SBCL or associated company.

COMPANY SECRETARY

53. Subject to the Act, the directors must appoint a company secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the directors may think fit; and any company secretary (or joint secretary) so appointed may be removed by the directors.

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KEY

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SBCL = Articles of Association of Scott Bader Company Limited

GMB Rules = Rules for the Global Members' Board

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This is how Scott Bader ensures your voice is heard



Making
a **positive**
difference starts
with you