

SCHEDULE 1

PART II

amendments to the articles of association of ciswo

3. Article 2

- (a) For the definition of the National Coal Board there shall be substituted the following definition—

“The Corporation	The British Coal Corporation being the statutory corporation established under the Coal Industry Nationalisation Act 1946(1).”.
------------------	---

- (b) For the definition of the Union there shall be substituted the following definitions—

“Union	Any of the following organisations— The Association of Professional, Executive, Clerical and Computer Staff; The British Association of Colliery Management; The National Association of Colliery Overmen, Deputies and Shotfirers; The National Union of Mineworkers; and The Union of Democratic Mineworkers.
Unions	The five organisations mentioned in the definition of Union.”.

4. After Article 2 there shall be added the following Article which shall be numbered 2A—

“2A.—(1) In this Article—

- (i) references to “the Corporation’s records” are references to the records of contributing members of trade unions (including the Unions) employed by the Corporation which are held by the Corporation and prepared on the basis of instructions given by the relevant employees being records such that any employee is entitled from time to time to require that he be informed of the union, if any, to which he is attributed as a member and if he so thinks fit by written notice to require an attribution to be changed, removed or made; and
- (ii) references to “the auditors” are to the Corporation’s auditors appointed for the time being by the Secretary of State pursuant to section 31 of the Coal Industry Nationalisation Act 1946.

(2) The Corporation shall not later than 31st December 1987 and thereafter subject to the provisions of paragraph (9) below at three-yearly intervals not later than 31st December

(1) 1946 c. 59.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

in the relevant year notify each Union of the number of its members being employees of the Corporation who are attributed in the Corporation's records as being contributing members of that Union at the relevant time (as hereinafter defined). "Relevant time" means for the purposes of this Article in the case of employees paid weekly, the end of the last period of seven days by reference to which an employee's remuneration is normally calculated in which all weekdays (Mondays to Fridays inclusive) fall in October or, in the case of other employees, the end of October in the relevant year.

(3) The Corporation shall also include in a notification pursuant to paragraph (2) above particulars of—

- (a) the aggregate total number of the members of the Unions attributed as mentioned in that paragraph;
- (b) the number of votes which may be cast on behalf of each Union in accordance with Article 41 at any General Meeting of the Organisation taking place on or after 1st April in the calendar year next following the notification; and
- (c) the number of Directors who may be appointed by the holder of each Union Share on and after the date aforesaid in accordance with Article 49.

Such notification as aforesaid shall include confirmation of the verification by the auditors of the particulars contained therein.

(4) Within 10 days of receipt of a notification pursuant to paragraph (2) above any Union may give notice in writing to the Corporation that it intends to make submissions to the auditors pursuant to this paragraph. Upon receipt of such notice the Corporation shall forthwith notify in writing the other Unions any of which may within 10 days thereafter also give notice in writing to the Corporation that it intends to make submissions to the auditors pursuant to this paragraph. Any Union which has given such notice may not later than the 31st January next following the notification by the Corporation pursuant to paragraph (2) above submit in writing to the auditors the number of those persons who the Union considers were at the relevant time contributing members of the Union and employees of the Corporation together with the full name and such identifying details of each such person and such evidence of contributing union membership as the auditors may from time to time consider necessary.

(5) If a Union makes submissions to the auditors pursuant to paragraph (4) above it shall forthwith notify the Corporation in writing. The Corporation shall provide to the auditors such further information from the Corporation's records as the auditors may reasonably require.

(6) Upon receipt of submissions by a Union pursuant to paragraph (4) above the auditors shall determine by reference to the Corporation's records the number of persons included in those submissions who were at the relevant time employees of the Corporation and contributing members of that Union and where any such employee was not attributed as a contributing member of that Union in the Corporation's records at the relevant time the auditors shall—

- (a) satisfy themselves that the Corporation's records at the relevant time correctly recorded the union membership, if any, of such person in accordance with his latest instructions to the Corporation or, failing that
- (b) satisfy themselves that such person was a contributing member of that Union at the relevant time or, failing that
- (c) endeavour to obtain from such person his written confirmation as to the Union, if any, of which he intended the Corporation to treat him as being a contributing member at the relevant time and until they receive such confirmation shall not count that person as a member of the Union in question.

(7) If at any stage following any such submissions by a Union the auditors are satisfied that the number of votes which may be cast on behalf of that Union at any General Meeting of the Organisation or the number of Directors which may be appointed on behalf of that Union in accordance with the notification by the Corporation under paragraphs (2) and (3) above will not require change the auditors shall give notice to the Corporation and the Unions accordingly and such notification shall stand but if the auditors become satisfied that the notification contains a discrepancy which materially affects the number of votes which may be cast on behalf of that Union at any such meeting or the number of Directors which may be appointed on behalf of that Union in accordance with the notification the auditors shall prior to the 1st March next following the notification by the Corporation make recommendations to the Corporation as to the necessary revisions to such notification and the Corporation shall implement those recommendations by giving forthwith a revised notification to each Union accordingly.

(8) The numbers notified under paragraphs (2) and (3) or (where recommendations under that paragraph are made) paragraph (7) above shall be the numbers applicable for the purposes of calculating the number of votes which may be cast on behalf of a Union and the number of Directors which a Union may appoint with effect from 1st April in the relevant year in accordance with Articles 41 and 49 respectively.

(9) In any year when a notification would not normally be given by the Corporation pursuant to paragraph (2) above a Union may give notice to the Corporation by not later than 30th September in that year requiring the Corporation to give a notification pursuant to paragraph (2) above. In that event the Corporation shall by not later than 31st December in that year give such notification to each Union and the provisions of this Article shall apply, *mutatis mutandis*.

(10) The costs of the auditors in connection with this Article (including costs incurred by the Corporation on behalf of the auditors) shall be borne by the Organisation save that if a Union makes submissions or gives notice in accordance with paragraph (4) or (9) above which do not result in an increase in the number of votes which could be cast on behalf of that Union in accordance with Article 41 or the number of Directors which that Union would be entitled to appoint in accordance with Article 49 the costs of the auditors in connection with and arising from such submissions or notice (including costs incurred as aforesaid) shall be borne by that Union or, if more than one Union, by them in such proportions as the auditors shall determine as appropriate.”

5. Article 4

For Article 4 there shall be substituted the following Article—

“4. The share capital of the Organisation is £1,000 (one thousand pounds) divided into twenty Founders' Shares of £10 each, six hundred and fifty Ordinary Shares of £1 each, five Union Shares of £15 each and five Corporation Shares of £15 each. Only the holders of the Founders' Shares, the Union Shares and the Corporation Shares shall have the right to vote at meetings of the Organisation.”

6. Article 6

For Article 6 there shall be substituted the following Article—

“6.—(1) The Council shall duly issue one Union Share to a nominee of each Union and five Corporation Shares to the Corporation in each case subject to application being made for the same to be allotted and the par value of the share or shares being paid. Thereafter all shares in the capital of the Organisation shall be under the control of the Council who may issue such shares to such persons as are qualified to hold the same: Provided that the

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Founders' Shares shall be issued only to persons who have been approved for this purpose by an Extraordinary Resolution.

(2) Upon application being made for the allotment of any share by any person to whom the Council shall be required to issue the same pursuant to this Article and the par value of such share being paid, the Secretary shall forthwith and without resolution of the Council be authorised and required as agent for and on behalf of the Council—

- (a) to allot to such person such share as shall be required to satisfy the requirements of the foregoing provisions of this Article;
- (b) to enter the name and address of the applicant in the Register of Members as the holder of such share;
- (c) to prepare and issue in respect of any share so allotted a share certificate to which he shall, notwithstanding the provisions of Articles 11 and 74 hereof, be duly authorised to affix the seal without the need for any additional signature by a Director and without any resolution of the Council as required by those Articles.

(3) If the Secretary shall fail to comply with any of the requirements imposed upon him by paragraph (2) above within the period of 7 days after receipt by the Organisation of any such application for allotment of a share and payment of the par value thereof as aforesaid, at the expiry of such period any Director shall have the power to comply with such requirements as aforesaid and shall be deemed to have all the powers of the Secretary necessary for this purpose.

(4) Any Union which shall apply for a Union Share to be issued to one or more nominees for that Union shall be deemed to have accepted and be bound by the provisions of these Articles (if not otherwise bound).”.

7. Article 7

- (a) In paragraph (B)(ii) for the words “Nominees of the Union” there shall be substituted the words “Nominees of any Union” and in paragraph (C) for the words “For the above purposes” there shall be substituted the words “For the purposes of this Article”.
- (b) In paragraph (D)(i) after the word “Founders” there shall be added the words “Union or Corporation”.
- (c) After paragraph (D) there shall be added the following paragraphs—
 - “(E) Only a nominee of a Union shall be qualified to hold a Union Share.
 - “(F) Only the Corporation and their nominees shall be qualified to hold a Corporation Share.”.

8. Article 13

At the end of paragraph (1) there shall be added the following sub-paragraph—

“(C) Union Shares and Corporation Shares shall not be transferable except to other bodies or persons in the classes defined in paragraphs (E) and (F) respectively of Article 7 or as provided in Article 8.”.

9. Article 22

After the words “Founders' Shares”, wherever they occur, there shall be added the words “Union Shares and Corporation Shares” and at the end there shall be added the word “respectively”.

10. Article 23

For the first sentence there shall be substituted the following sentence—

“Unless otherwise determined by the Organisation in General Meeting any new shares from time to time to be created shall, before they are issued, be offered to the holders of Founders'

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Shares, Union Shares and Corporation Shares in proportion, as nearly as may be, to the nominal value of shares held by them respectively.”.

11. Article 32

For the words “holder of a Founders' Share” there shall be substituted the words “the holder of a Corporation Share and one shall be the holder of a Union Share”.

12. Article 34

For the words “Founders' Shareholder” there shall be substituted the words “Founders' or Union Shareholder or a Corporation Shareholder”.

13. Article 41

For Article 41 there shall be substituted the following Article—

“**41.** Without prejudice to Article 42—

- (a) every member holding a Founders' Share shall have one vote for every Founders' Share of which he is the holder;
- (b) every member holding a Union share shall have in relation to that share
 - (i) in the period to 31st March 1988 such number of votes as appears opposite the name of the Union for which he holds the share as nominee in the following table—

Union	Number of Votes at General Meetings
The National Union of Mineworkers	500
The Union of Democratic Mineworkers	200
The National Association of Colliery Overmen, Deputies and Shotfirers	100
The British Association of Colliery Management	100
The Association of Professional, Executive, Clerical and Computer Staff	100

and

- (ii) thereafter, with effect on and from 1st April in the year following each of the dates for the notification by the Corporation for the purposes of Article 2A(2) and until 1st April in the calendar year next following the date for the next such notification such number of votes determined by applying, in respect of the number of contributing members of that Union established in accordance with Article 2A, the table following—

Number of Union Members or Number of Union Members as a percentage of the aggregate total of Members of the Unions	Number of Votes at General Meetings
Below 3,000 members	None
3,000 or more but not more than 10%	100
10% but less than 25%	200

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Number of Union Members or Number of Union Members as a percentage of the aggregate total of Members of the Unions	Number of Votes at General Meetings
25% but less than 40%	300
40% but less than 55%	400
55% but less than 70%	500
70% but less than 85%	600
85% to 100%	700

- (c) Every member holding a Corporation Share shall have in relation to that share such number of votes as shall be equal to the total of all votes which could be cast by the holders of Union Shares, divided by the number of issued Corporation Shares.”

14. Article 47

At the end for the word “twelve” there shall be substituted the words “twenty-two”.

15. Article 49

For Article 49 there shall be substituted the following Article—

“**49.**—(1) Any Director appointed prior to 28th August 1987 shall, unless he resigns or is removed in the meantime, cease to hold office at the end of the first day by which there have taken effect in accordance with Article 50 notices under that Article of the appointment pursuant to the following provisions of this Article of sufficient Directors to form a quorum as provided in Article 65. A Director’s removal from office in accordance with this paragraph shall be without prejudice to his eligibility for re-appointment pursuant to the following provisions of this Article.

(2) Subject to the provisions of this Article the holders of Corporation Shares and Union Shares shall have power from time to time and at any time to appoint Directors up to the numbers determined as provided in this Article, to remove such Directors, and to appoint others in the place of Directors thus appointed who for any reason have ceased to be Directors.

(3) Each holder of a Union Share shall be entitled to appoint the number of Directors set out opposite the following specified bands of Number of Votes which that Share shall have, determined as provided in Article 41—

Number of Votes at General Meetings	Number of Directors
0 to 99	None
100 to 199	1
200 to 299	2
300 to 399	3
400 to 499	4
500 to 599	5
600 to 699	6
700 or more	7

Provided that if two or more persons are jointly entitled to a Share the provisions of Article 42 shall apply, *mutatis mutandis*, to the appointment of Directors under this Article as they apply to the tendering of votes under that Article.

(4) The qualifications of the Directors appointed by the holder of a Union Share shall be that each is an employee of the Corporation or is a member or a full-time employee of the Union of which the holder is a nominee.

(5) The holders of Corporation Shares shall jointly be entitled to appoint such number of Directors as shall make the total which they can appoint equal to the total number of Directors which could be appointed from time to time by the holders of Union Shares.

(6) The qualifications of the Directors appointed by the holders of Corporation Shares shall be that each is a member or a full-time employee of the Corporation.

(7) If as a consequence of determining the number of contributing members of a Union in accordance with Article 2A the number of Directors which the holder of a Union Share is entitled to appoint is reduced, that holder shall with effect from the relevant 1st April remove such number of Directors appointed on behalf of the Union as is necessary to ensure that the Union's revised entitlement is not exceeded."

16. Article 53

- (a) For the words "the Union" and "the National Coal Board", wherever they appear, there shall be substituted respectively the words "the Unions acting jointly" and "the Corporation".
- (b) In the first sentence after the words "so appointed" there shall be added the words "(if any)".
- (c) In the final sentence—
 - (i) after the words "removal and replacement of Directors" there shall be added the following proviso—

"Provided that where an appointment falls to be made by the Unions acting jointly, the appointment shall require the agreement of all the Unions";
 - (ii) after the words "and if at any time" for the word "he" there shall be substituted the words "the appointee".

17. Article 54

In the first sentence after the words "confer on them" there shall be added the words "jointly (or if only one individually)" and the word "jointly", wherever it appears, shall be omitted.

18. Article 63

For Article 63 there shall be substituted the following Article—

63. There shall be a Chairman and a Vice-Chairman of the Council, who shall be appointed from among the Directors as follows:—

The Chairman for the period from 28th August 1987 to 31st March 1990 shall be appointed by the Corporation and the Vice-Chairman for that period shall be appointed by all the Directors appointed by the Unions ("the Union Directors") acting jointly. Thereafter, for each successive period of two years from 1st April 1990 the Unions acting jointly and the Corporation shall in turn have the right to appoint, remove and replace the Chairman, such right to be exercised in the case of the Corporation in the same manner as herein provided in relation to the appointment, removal and replacement of Directors and in the case of the Unions by the Unions, acting jointly, appointing, removing or replacing one of the Union Directors. Provided that if the Unions acting jointly shall not appoint a Chairman within seven days after the

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

commencement of any relevant two-year period the Corporation shall have the right to appoint, remove and replace the Chairman for a further two years after which time the Unions acting jointly shall again have the right to appoint the Chairman but subject to the same proviso. The Chairman appointed by the Corporation shall continue to hold office pending the appointment of his successor. The like rights, mutatis mutandis, subject in the case of Union appointments to the same proviso shall be exercised in relation to the appointment, removal and replacement of the Vice-Chairman by whichever of the Corporation and the Unions acting jointly do not, at that time, have the right to appoint the Chairman.

Subject to the provisions of this Article the Chairman for the two-year period commencing 1st April 1990 shall be appointed by the Unions acting jointly and the Vice-Chairman for that period shall be appointed by the Corporation.

Where action falls to be taken under this Article by the Unions acting jointly such action shall require the agreement of all the Unions.”.

19. Article 65

For Article 65 there shall be substituted the following Article—

“The quorum for meetings of the Council shall be eight, of whom not less than one shall be a Director appointed by the Corporation and not less than one shall be a Union Director.”.

20. After Article 67 there shall be added the following Article, which shall be numbered 67A—

“**67A.** Any Director shall have the power to appoint any other Director as the proxy for such Director (his “principal”), and any such appointment will be effective until it is revoked by the relevant principal at any time. A Director present at the meeting and appointed proxy for another Director shall have an additional vote for each of his principals absent from such meeting. All appointments and revocations of appointment of proxies for Directors shall be in writing signed by the relevant principal and shall be effective when delivered to the Secretary or produced at the beginning of the meeting or when it is intended to use the proxy.”.

21. Article 68

At the beginning there shall be added the words “Subject to Article 67A”.

22. Article 69

For the words “the National Coal Board” and “the Union” there shall be substituted the words “the Corporation” and “the Unions” respectively.

23. Article 70

(a) At the end of the second paragraph there shall be added the following words—

“Every Divisional, Sub-Divisional, and Area Welfare Committee so established shall consist of equal numbers of persons nominated by one or more of the Unions and of persons nominated by the Corporation. The number of persons to be nominated by a Union shall be determined according to the proportion of persons employed by the Corporation in the area served by the Committee who are members of that Union Provided that, unless every Director appointed by a holder of a Union Share otherwise agrees, a Union shall not have the right to nominate persons to a Divisional, Sub-Divisional, or Area Welfare Committee if the proportion of the persons employed by the Corporation in the area served by the Committee who are members of the Union is less than 10 per cent.”.

(b) At the end of the Article there shall be added the following paragraph—

“Provided that where any committee established under this Article other than a Divisional, Sub-Divisional, or Area Welfare Committee or a sub-committee of such a committee includes members nominated by or on behalf of one or more of the Unions the proportion of such members who are nominated by or on behalf of a Union shall, unless every Director appointed by a holder of a Union Share otherwise agrees, be determined according to the proportion of such Directors who are appointed by a holder of a Union Share as a nominee of the Union in question.”.

24. Article 74

At the beginning there shall be added the words “Subject to Article 6”.

25. Article 80

For Article 80 there shall be substituted the following Article—

“**80.** Any notice, notification or other document capable of being served under these Articles upon the Corporation, any other member or a Union may be served—

- (a) in the case of a member other than the Corporation either personally or by sending it through the post in a prepaid letter addressed to the member at his address shown in the register of members or his last known address if different; and
- (b) in the case of the Corporation or a Union, by delivering it to, or by sending it through the post in a prepaid letter addressed to, as the case may be, the Secretary of the Corporation at their principal office or a principal officer of the Union at their principal office.”.

26. Article 83

The words “by the Organisation” shall be omitted.