

Company Number: 04402220

**THE COMPANIES ACT 1985**

and

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE**

**ARTICLES OF ASSOCIATION**

of

**NETWORK RAIL LIMITED**

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**THE COMPANIES ACT 1985**

and

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION**

**OF**

**NETWORK RAIL LIMITED**

**(Adopted by special resolution passed on 29 August 2014)**

**(Adopted by special resolution passed on 4 July 2016)**

**(Adopted by special resolution passed on 5 July 2018)**

**1 Definitions and Interpretation**

**1.1 Definitions**

In these Articles (if not inconsistent with the subject or context):

“**Articles**” means these articles of association, as from time to time altered and the expression “**these Articles**” shall be construed accordingly;

“**Associated Company**” means, in relation to a company, any company which is for the time being a subsidiary undertaking of that company or a parent undertaking of the first company or a subsidiary undertaking of any such parent undertaking;

“**Auditors**” means the auditors of the Company from time to time;

“**Board**” means the board of Directors of the Company, as from time to time constituted;

“**Chair**” means the non-executive chair of the Board from time to time;

“**Chief Executive**” means the Director appointed to the office of Chief Executive Officer of the Company from time to time;

“**clear days**” in relation to a period of notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

“**Companies Acts**” shall have the meaning given thereto by Section 2 of the Companies Act 2006 but shall only extend to provisions which are in force at the relevant date;

“**Director**” means a director of the Company from time to time;

**“Eligible GB Licence Holder”** means any person (other than the Company or a subsidiary of the Company) who (a) is authorised by a licence to be the operator of railway assets pursuant to Section 8 of the Railways Act 1993 and (b) is operating such assets in Great Britain by virtue of such licence;

**“Eligible non-GB Licence Holder”** means any person (other than an Eligible GB Licence Holder or the Company or a subsidiary of the Company) who is a railway undertaking (as such term is defined in Council Directive 95/18/EC of 19 June 1995 (as amended)) who (a) is authorised by virtue of a licence issued by a Member State of the European Union to provide services for the transport of goods and/or passengers by rail and (b) is providing such services in Great Britain by virtue of such licence;

**“Eligible Industry Stakeholder”** means an Eligible non-GB Licence Holder or an Eligible GB Licence Holder or an Eligible Preferred Bidder;

**“Eligible Preferred Bidder”** means any person who is the bidder announced by or on behalf of the Special Member as the preferred bidder for a franchise to provide services for the carriage of passengers by rail in Great Britain (provided that any such person shall cease to be an Eligible Preferred Bidder upon ceasing to be such a preferred bidder (whether as a result of the franchise being granted or the termination of the bidding process or otherwise));

**“Executive Director”** means a Director holding or appointed to hold any employment or executive office within the Company pursuant to paragraph 17.3 of Article 17;

**“Group”** means the Company and its subsidiary undertakings and any parent undertaking of the Company or subsidiary undertaking of any such parent undertaking from time to time and **“Group Company”** shall be construed accordingly;

**“Incentive Policy”** means the policy of the Company set out in a document of the same name and approved by resolution of the Board, as subsequently amended from time to time in accordance with paragraph 17.14.3 of Article 178, relating to the remuneration and incentivisation of Executive Directors, Senior Executives and executive directors of significant subsidiaries of the Company;

**“Nominations and Remuneration Committee”** means the Nominations and Remuneration committee of the Board responsible for (a) assessing potential Directors and directors of certain subsidiaries of the Company in accordance with paragraph 17.13 of Article 17 and (b) determining matters related to the remuneration and incentivisation of the Executive Directors, Senior Executives and executive directors of significant subsidiaries of the Company in accordance with Article 17.14;

**“Nominations and Remuneration Committee Terms of Reference”** means the terms of reference for the Nominations and Remuneration Committee of the Board set out in a document titled “Terms of Reference for the Nomination and Remuneration Committee of the Board” and approved by resolution of the Board, as subsequently amended from time to time in accordance with paragraphs 17.14.3 of Article 17;

**“Non-Executive Director”** means a Director, other than an Executive Director;

**“Office”** means the registered office from time to time of the Company;

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**“Remuneration Policy”** means the policy of the Company set out in the annual report and accounts of the Company, as subsequently amended from time to time in accordance with paragraph 17.14. of Article 17, relating to the policy for the remuneration and incentivisation of Executive Directors;

**“seal”** means any common or official seal that the Company may be permitted to have under the Statutes;

**“Secretary”** means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary;

**“Secretary of State”** means the Secretary of State for Transport;

**“Senior Employee”** means an employee of the company in question (including a person providing services to such company under an engagement to which Schedule 12 of the Finance Act 2000 applies) on a salary (or aggregate engagement fee) in excess of £30,000 per annum (and shall not include an individual who remains entitled to receive benefits from the company in question in respect of previous employment but who is no longer such an employee);

**“Senior Executive”** means an employee of the Company or any of its subsidiaries identified as a Senior Executive in the Incentive Policy;

**“shadow director”** has the meaning given to it in Section 251 of the Companies Act 2006;

**“Special Director”** means the Director appointed by the Special Member pursuant to paragraph 17.2 of Article 17;

**“Special Member”** means the Secretary of State or such person or entity as may be nominated by the Secretary of State in substitution for the previous Special Member pursuant to, or in accordance with, a statute or subordinate legislation providing for the creation of a successor to the functions of the previous Special Member;

**“Special Provisions”** has the meaning given to it in paragraph 16.5 of Article 16;

**“Statutes”** means the Companies Acts and every other enactment for the time being in force concerning companies and affecting the Company; and

**“Substantial Shareholder”** means a person who is interested (within the meaning of Part 22 of the Companies Act 2006) in five per cent. or more of the issued equity share capital of a body corporate or who is able to exercise or control the exercise of five per cent. or more the voting rights exercisable at general meetings of the body corporate.

**“working day”** has the meaning given to it in Section 1173 of the Companies Act 2006.

## **1.2 Same meanings as in the Companies Acts**

Save as provided in paragraph 1.1 of Article 1 and unless the context or subject otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Companies Acts.

### 1.3 Statutory modification

In these Articles, unless expressly provided to the contrary, a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it and to any subordinate legislation made under it in each case for the time being in force (whether coming into force before or after the adoption of these Articles).

### 1.4 Number and gender

In these Articles, unless the context otherwise requires:

1.4.1 words in the singular include the plural, and vice versa; and

1.4.2 words importing any gender include all genders.

### 1.5 Miscellaneous interpretation

In these Articles:

1.5.1 references to “**writing**” include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form and (but only to the extent that (a) the Board so resolves either generally or in relation to particular categories of document, and (b) the recipient (if not the Company) has requested or agreed) electronic communication;

1.5.2 references to “**executed**” include any mode of execution;

1.5.3 references to “**other**” and “**otherwise**” shall not be construed *ejusdem generis* where a wider construction is possible;

1.5.4 references to a “**power**” are to a power of any kind, whether administrative, discretionary or otherwise;

1.5.5 references to a “**committee**” of the Directors are to a committee established in accordance with these Articles, whether or not comprised wholly of Directors;

1.5.6 references to the word “**include**” or “**including**” shall be construed without limitation;

1.5.7 references to “**company**” include any body corporate;

1.5.8 references to a “**person**” includes a reference to a body corporate and to an unincorporated body of persons;

1.5.9 references to an “**officer**” shall include a Director, manager and the Secretary, but shall not include an auditor; and

1.5.10 references to a “**members’ meeting**” shall include a general meeting of the Company. The expression “**General Meeting**” shall include any general meeting of the Company, including any general meeting held as the Company’s annual general meeting in accordance with Section 360 of the Companies Act 2006 (“**Annual General Meeting**”).

## **1.6 Electronic Communication**

- 1.6.1 The expressions “**hard copy form**”, “**electronic form**” and “**electronic means**” shall have the same respective meanings as in the Company Communications Provisions.
- 1.6.2 The expression “**address**” shall include any number or address used for the purposes of sending or receiving notices, documents or information by electronic means and/or by means of a website.
- 1.6.3 The expression “**Company Communications Provisions**” shall have the same meaning as in the Companies Acts.

## **1.7 Headings**

Headings are inserted for convenience only and do not affect the construction of these Articles.

## **2 Exclusion of Table C**

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the Company.

## **3 Appointment, Removal and Resignation of the Special Member**

### **3.1 Composition of membership**

The Special Member shall be the member of the Company.

### **3.2 Number of Members**

3.2.1 The Company is a sole member company consisting of the Special Member..

3.2.2 Deleted

### **3.3 Register of Special Member**

The Board shall ensure that a register of the name of the Special Member is available for public inspection.

**3.4 Deleted**

**3.5 Deleted**

**3.6 Deleted**

**3.7 Deleted**

### **3.8 Resignation and removal of the Special Member**

3.8.1 The Special Member may not resign as a Member.

3.8.2 Deleted

3.8.3 Deleted

**3.8.4** Any Special Member shall automatically cease to be a Special Member:

- (i) if, being an individual, in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (ii) if, being an individual, he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act; or
- (iii) in the case of individuals, upon death.

**3.8.5** Deleted

**3.8.6** Deleted

**3.8.7** Deleted

**4 Deleted**

**5 Deleted**

**6 Membership transferable**

The membership of the Special Member may be transferred to such person or entity as the Secretary of State may designate, following consultation with the Board.

**7 Deleted**

**8 Form of resolution**

**8.1 Special resolution effective**

Subject to the Statutes, where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

**8.2 Written resolutions**

**8.2.1** A written resolution of the Company (which means a resolution proposed and passed in accordance with Chapter 2 of Part 13 of the Companies Act 2006) shall have effect as if passed by the Company in general meeting.

**8.2.2** In the case of a Special Member which is a corporation, the resolution may be signed on its behalf by a director or secretary thereof or by its duly appointed attorney or duly authorised representative. In the case of a Special Member which is neither a corporation nor an individual, the resolution may be signed on its behalf by its member's representative or any other person duly authorised to do so by its governing body.

**8A Special Member's requests for resolutions**

## **8A.1 Special Member's power to require circulation of resolutions for annual general meetings**

8A.1.1 The Special Member may require the Company to give notice of a resolution which may properly be moved and is intended to be moved at the next annual general meeting.

8A.1.2 A resolution may properly be moved at an annual general meeting of the Company unless:

- (a) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (b) it is defamatory of any person; or
- (c) it is frivolous or vexatious.

8A.1.3 Such a request must be in writing and:

- (a) must be in hard copy or in electronic form, must identify the resolution of which notice is to be given and must be authenticated by the Special Member making it; and
- (b) must be received by the Company not later than 6 weeks before the annual general meeting to which the request or requests relate or, if later, the time at which notice is given of that meeting.

## **8A.2 Company to circulate the Special Member's resolutions**

8A.2.1 Upon receipt of a request under paragraph 8A.1, the Company will circulate a copy of the resolution in the notice of the annual general meeting at the same time as, or as soon as reasonably practicable after, the Company gives notice of the meeting.

8A.2.3 The business which may be dealt with at an annual general meeting includes a resolution of which notice is given in accordance with this Article 8A.

## **8A.3 Expenses of circulating resolutions**

8A.3.1 The expenses of the Company in complying with this Article 8A need not be paid by the Special Member who requested the circulation of the resolution if requests sufficient to require the Company to circulate it are received no later than 6 weeks before the date of the annual general meeting.

8A.3.2 Subject to paragraph 8A.3.1 of this Article 8A:

- (i) the expenses of the Company in acting in accordance with this Article 8A must be paid by the Special Member who requested circulation of the resolution unless the Company resolves otherwise; and
- (ii) unless the Company has previously so resolved, it is not required to comply with this Article 8A unless there is deposited with the Company or tendered to it, not later than:
  - (a) six weeks before the annual general meeting to which the requests relate; or
  - (b) if later, the time at which notice is given of that meeting,



a sum reasonably sufficient to meet the Company's expenses in complying with this Article 8A.

## **9 General Meetings**

### **9.1 General Meetings**

Any general meeting of the Company other than an Annual General Meeting shall be called a General Meeting.

### **9.2 Annual General Meetings**

The Board shall convene and the Company shall hold unless it resolves otherwise a general meeting as its Annual General Meetings and shall specify the meeting as such in the notice calling it. An annual general meeting shall be held in each period of 6 months beginning with the day following the Company's accounting reference date. The annual general meeting shall be held at such date, place and time as the Board shall appoint.

### **9.3 Convening of General Meetings**

**9.3.1** The Board may, whenever it thinks fit, and shall on requisition in accordance with the Statutes or on requisition of the Special Member, proceed to convene a General Meeting.

**9.3.2** A general meeting requisitioned in accordance with Article 9.3.1 by the Special Member shall be convened by the Board: (i) within 21 days from the date on which the Board becomes subject to the requirement; and (ii) to be held on a date not more than 28 days after the date of the notice convening the meeting. At a meeting convened on a requisition by the Special Member no business may be transacted except that stated by the requisition or proposed by the Board.

**9.3.3** The provisions of subsections 303(4) to 303(6) and section 305 of the Companies Act 2006 shall also apply to any requisition by the Special Member under paragraph 9.3.1 of Article 9 above except that references in those subsections to "members" shall be read as references to "the Special Member".

## **10 Notice of general meetings**

### **10.1 Length of notice**

**10.1.1** An Annual General Meeting shall be called by notice of at least 20 workingdays. Any other General Meeting shall be called by notice of at least 14 working days. The period of notice shall in either case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. Notice of every general meeting shall be given to the Special Member, to the Directors and also to the Auditors or, if more than one, each of them.

**10.1.2** Notwithstanding that a meeting of the Company is convened by shorter notice than that specified in this Article, it shall be deemed to have been properly convened if it is so agreed:

- (i) in the case of an Annual General Meeting, by the Special Member entitled to attend and vote at the meeting; and

- (ii) in the case of any other General Meeting, by the Special Member entitled to attend and vote at the meeting..

## **10.2 Contents of notice of general meetings**

- 10.2.1** Every notice calling a general meeting shall specify the place, date and time of the meeting. There shall appear with reasonable prominence in every such notice a statement that the Special Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote and that a proxy need not be a member of the Company.
- 10.2.2** The notice shall specify the general nature of the business to be transacted at the meeting; and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.
- 10.2.3** In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

## **10.3 Postponement of general meetings**

If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may change the place of or postpone the general meeting or do both of these things by giving notice of such postponement not less than three clear days before the date previously specified for that meeting. In the case of any general meeting requisitioned by the Special Member in accordance with paragraph 9.3 of Article 9, the prior consent of the Special Member shall also be required for the Board to change the place of or postpone the meeting. Such notice shall specify the date, time and place of the postponed meeting. Notice of the business to be transacted at such postponed meeting shall not be required. If a meeting is rearranged in this way, proxies may be appointed in accordance with Article 14 until not less than 24 hours before the time appointed for holding the re-arranged meeting. The Board may also change the place of or postpone the re-arranged meeting, or do both, under and subject to the provisions of this Article.

## **10.4 Omission to send notice**

The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to the meeting, or the non-receipt of any such notice, document or information by a person entitled to receive any such notice, document or information shall not invalidate the proceedings at that meeting.

# **11 Proceedings at general meetings**

## **11.1 Quorum**

- 11.1.1** No business other than the appointment of a chair for the meeting shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The Special Member or the Special Member's representative present in person or by proxy and entitled to vote upon the business to be transacted, shall be a quorum for all purposes.
- 11.1.2** If within 15 minutes after the time appointed for the commencement of the meeting (or such longer interval as the chair of the meeting may think fit to allow) a quorum

is not present, or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of the Special Member, shall be dissolved. In any other case it shall stand adjourned to such day, time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chair of the meeting may decide. If at any meeting which has been so adjourned a quorum is not present within 15 minutes of the time appointed for the commencement of the adjourned meeting, the meeting shall be dissolved.

## **11.2 Chair of general meeting**

The Chair shall preside as chair at every general meeting. If there is no such Chair, or if at any meeting he is not present within 15 minutes after the time appointed for the commencement of the meeting, or if the Chair is not willing to act, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chair of the meeting if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the Special Member may be elected to be the chair of the meeting.

## **11.3 Rights to attend and speak**

**11.3.1** A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting of the Company.

**11.3.2** The Chair and, if a different person, the chair of the general meeting in question may invite any person to attend and/or speak at any general meeting of the Company whom the Chair or chair considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

## **11.4 Adjournments**

**11.4.1** The chair of any general meeting may at any time 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 (or for an indefinite period) and from place to place but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned for an indefinite period the time and place for the adjourned meeting shall be fixed by the Directors.

**11.4.2** Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chair may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:

- (i) secure the proper and orderly conduct of the meeting;
- (ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
- (iii) ensure that the business of the meeting is properly disposed of.

## **11.5 Notice of adjournment**

When a meeting is adjourned for 14 days or more or for an indefinite period, at least seven clear days' notice of the adjourned meeting shall be given in accordance, *mutatis mutandis*, with paragraphs 10.1 and 10.2 of Article 10. Except where these Articles

otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

## **11.6 Amendments to resolutions**

**11.6.1** No amendment to a resolution duly proposed as an ordinary resolution (other than a mere clerical amendment to correct a patent error) may be considered or voted on unless either:

- (i) at least 7 days (excluding any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office; or
- (ii) the chair of the meeting in his absolute discretion decides that the amendment may be considered or voted on.

**11.6.2** If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chair of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

**11.6.3** In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

## **11.7 Orderly Conduct**

The chair of any general meeting may take any action he considers appropriate to promote the proper and orderly conduct of the meeting or for the purpose of ensuring that the meeting reflects the wishes of the majority and the chair's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

## **11.8 Security Arrangements**

The Board may direct that persons wishing to attend any general meeting should submit to such searches and other security arrangements or restrictions as the Board shall consider appropriate in the circumstances. The Board shall be entitled, in its absolute discretion, to authorise one or more persons who shall include a Director or the Secretary or the chair of the meeting to refuse entry to, or eject from, such general meeting any person who fails to submit to such searches.

## **12 Polls**

### **12.1 Demand for poll**

**12.1.1** At any members' meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before a resolution is put to the vote on a show of hands, or on the declaration of the result of, the show of hands) demanded by:

- (i) the chair of the meeting; or
- (ii) the Special Member.

**12.1.2** A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chair of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

## **12.2 Procedure on a poll**

A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chair of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chair of the meeting may (and if so directed by the meeting shall) appoint scrutineers (who need not be members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

## **12.3 Voting on a poll**

On a poll votes may be given either personally or by proxy.

## **12.4 Timing of poll**

A poll demanded on the choice of a chair or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chair of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

# **13 Voting**

## **13.1 Deleted**

## **13.2 Casting vote**

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chair of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to an additional or casting vote in addition to any other vote he may have.

## **13.3 Objections or errors in voting**

**13.3.1** No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chair of the meeting whose decision shall be final and conclusive.

**13.3.2** On a vote on a resolution at a meeting on a show of hands, a declaration by the chair that the resolution:

- (a) has or has not been passed; or
- (b) passed with a particular majority,

is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry in respect of such a

declaration in minutes of the meeting recorded in accordance with the Companies Acts is also conclusive evidence of that fact without such proof. This Article does not have effect if a poll is demanded in respect of the resolution (and the demand is not subsequently withdrawn).

## **14 Proxies**

### **14.1 Form of proxy**

The appointment of a proxy must be in writing in any usual or common form or in any other form which the Board may approve and:

- 14.1.1 in the case of an individual must either be signed by the appointor or his attorney or authenticated in accordance with Article 29; and
- 14.1.2 in the case of a corporation which is not an individual must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer or authenticated in accordance with Article 29.

Any signature on or authentication of such appointment need not be witnessed. Where an appointment of a proxy is signed or authenticated in accordance with Article 29 on behalf of the appointor by an attorney, the power of attorney or a copy thereof certified notarially or in some other way approved by the Board must (failing previous registration with the Company) be submitted to the Company, failing which the appointment may be treated as invalid.

### **14.2 Deposit of appointment of proxy**

14.2.1 The appointment of a proxy (together with any supporting documentation required under paragraph 14.1 of Article 14) must be received at the address or one of the addresses (if any) specified for that purpose in, or by way of note to, or in any document accompanying, the notice convening the meeting (or if no address is so specified, at the Office):

- (a) in the case of a meeting or adjourned meeting, not less than 48 hours before the commencement of the meeting or adjourned meeting to which it relates;
- (b) in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after the poll was demanded, not less than 48 hours before the commencement of the meeting or adjourned meeting at which the poll was demanded; and
- (c) in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll;

and in default shall not be treated as valid.

14.2.2 The Directors may at their discretion determine that, in calculating the periods mentioned in paragraph 14.2.1 of Article 14, no account shall be taken of any part of any day that is not a working day (within the meaning of Section 1173 of the Companies Act 2006).

14.2.3 The appointment of a proxy shall, unless the contrary is stated thereon, be as valid for any adjournment of a meeting as it is for the meeting to which it relates. An

appointment relating to more than one meeting (including any adjournment of any such meeting) having once been delivered in accordance with this paragraph 14.2 of Article 14 for the purposes of any such meeting does not need to be delivered again for the purposes of any subsequent meeting to which it relates.

- 14.2.4** When two or more valid but differing proxy appointments are received in respect of the Special Member for use at the same meeting, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards the Special Member; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of the Special Member. Deposit of a proxy appointment shall not preclude the Special Member from attending and voting in person at the meeting or poll concerned.

### **14.3 Rights of proxy**

A proxy shall have the right to exercise all or any of the rights of his appointor, to attend, and to speak and vote, at a meeting of the Company.

### **14.4 Validity of actions by proxy or the Special Member's Representative**

- 14.4.1** Neither the death or insanity of the Special Member who has appointed a proxy, nor the revocation or termination by the Special Member of the appointment of a proxy (or of the authority under which the appointment was made), shall invalidate the proxy or the exercise of any the rights of the proxy thereunder, unless notice of such death, insanity, revocation or termination shall have been received by the Company in accordance with paragraph 14.4.2 of this Article 14.
- 14.4.2** Any such notice of death, insanity, revocation or termination must be received at the address or one of the addresses (if any) specified for receipt of proxies in, or by way of note to, or in any document accompanying, the notice convening the meeting to which the appointment of the proxy relates (or if no address is so specified, at the Office):
- (a) in the case of a meeting or adjourned meeting, not less than one hour before the commencement of the meeting or adjourned meeting to which the proxy appointment relates;
  - (b) in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after it was demanded, not less than one hour before the commencement of the meeting or adjourned meeting at which the poll was demanded; or
  - (c) in the case of a poll taken more than 48 hours after it was demanded, not less than one hour before the time appointed for the taking of the poll.
- 14.4.3** The Company is not obliged to verify that a proxy or the Special Member's Representative has acted in accordance with the terms of his appointment and any failure to so act in accordance with the terms of his appointment shall not affect the validity of any proceedings at a meeting of the Company.

## **15 Transactions**

### **15.1 Definitions**

The following definitions apply for the purposes of this Article 15:

**“Associate”** means in relation to a director:

- (i) that individual’s spouse or child (together the **“individual’s family”**);
- (ii) the trustees (acting as such) of any trust of which the individual or any of the individual’s family is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme, defined in Regulation 3 of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or an employees’ share scheme which does not, in either case, have the effect of conferring benefits on persons all or most of whom are Related Parties);
- (iii) any company in whose Equity Shares the individual or any member or members (taken together) of the individual’s family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:
  - (a) to exercise or control the exercise of 30 per cent. or more of the votes able to be cast at general meetings on all, or substantially all, matters; or
  - (b) to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;

and, for the purpose of paragraph (iii) above, where more than one Director, or director of the Company’s parent undertaking or any of its subsidiary undertakings or any other subsidiary undertakings of any such parent undertaking is interested in the Equity Shares of another company, then the interests of those directors and their Associates will be aggregated in determining whether such a company is an Associate of the director.

**“Deferred Bonus Scheme”** means any arrangement pursuant to the terms of which the participant(s) may receive an award of any asset (including cash or any security) in respect of service and/or performance in a period not exceeding the length of the relevant financial year notwithstanding that any such asset may, subject only to the participant(s) remaining a director or employee of a Group Company, be receivable by the participant(s) after the end of the period to which the award relates.

**“Equity Shares”** means shares comprised in a company’s Equity Share Capital.

**“Equity Share Capital”** means, in relation to a company, its issued share capital excluding any part of that capital which, neither as respect dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.

**“Long-Term Incentive Scheme”** means any arrangement (not including, for the avoidance of doubt, any Ordinary Course Benefits) which may involve the receipt of any asset (including cash or any security) by a director or employee of a Group Company:

- (i) which includes one or more conditions in respect of service and/or performance to be satisfied over more than one financial year; and
- (ii) pursuant to which the Group may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.

**“Ordinary Course Benefits”** means:



- (i) a Retirement Benefit Plan; or
- (ii) a Deferred Bonus Scheme; or
- (iii) any element of a director's remuneration package including, without limitation, basic salary and fees, benefits in kind, annual bonuses, compensation for loss of office and payments for breach of contract or other termination payments.

**"Related Party"** means:

- (i) any person who is (or was within the 12 months preceding the date of the transaction) a Director or a director of any other company which is (and, if he has ceased to be such, was while he was a director of such other company) the Company's subsidiary undertaking or parent undertaking or fellow subsidiary undertaking of its parent undertaking; or
- (ii) an Associate of a Related Party within (i) above.

**"Retirement Benefit Plan"** means an arrangement for the provision of "relevant benefits" as defined in Section 612 of the Income and Corporation Taxes Act 1988 immediately prior to its repeal.

**"Transaction with a Related Party"** means:

- (i) a transaction (other than a transaction of a revenue nature in the ordinary course of business) between the Company, or any of its subsidiary undertakings, and a Related Party; or
- (ii) any arrangements pursuant to which the Company, or any of its subsidiary undertakings, and a Related Party each invests in, provides finance to, another undertaking or asset.

## **15.2 Usual requirements for a Transaction with a Related Party**

Subject to paragraph 15.4 of this Article 15, the Board shall use their powers as Directors to procure, so far as they are able by such exercise to procure, that neither the Company nor any of its subsidiary undertakings enters into an agreement to effect a Transaction with a Related Party or completes any such agreement unless the Transaction with a Related Party has been approved by the Special Member in general meeting by an ordinary resolution either prior to entering into such an agreement or, in the case of such an agreement which is conditional upon such approval, prior to completion of the transaction in question.

## **15.3 Variation of agreement**

The variation or novation of an existing agreement between the Company (or any of its subsidiary undertakings) and a Related Party will be subject to the provisions of paragraph 15.2 of this Article 15 whether or not, at the time the original agreement was entered into, that party was a Related Party.

## **15.4 Exceptions to the usual requirements**

Paragraphs 15.2 and 15.3 of Article 15 shall not apply where the Company (or any of its subsidiary undertakings) proposes to enter into a Transaction with the Related Party if:

- 15.4.1** the transaction:

- (i) involves the receipt of any asset (including cash or securities of the Company or any of its subsidiary undertakings) by a Director, or a director of the Company's parent undertaking or any of its subsidiary undertakings or fellow subsidiary undertakings of its parent undertaking;
- (ii) is the grant of an option or other right to a Director, or a director of the Company's parent undertaking or any of its subsidiary undertakings or fellow subsidiary undertakings of its parent undertaking to acquire (whether or not for consideration) any asset (including cash or new or existing securities of the Company or any of its subsidiary undertakings); or
- (iii) is the provision of a gift or loan to the trustees of an employee benefit trust in order to finance the provision of assets referred to in paragraph 15.4.1(i) or 15.4.1(ii);

in accordance with the terms of either a Long-Term Incentive Scheme or the director's Ordinary Course Benefits;

**15.4.2** the transaction is a grant of credit (including the lending of money or the guaranteeing of a loan) to the Related Party or, on an unsecured basis by the Related Party:

- (i) upon normal commercial terms; or
- (ii) in amount and on terms no more favourable than those offered to employees of the Group generally;

**15.4.3** the transaction is a grant of an indemnity to a Director (or a director of any of the Company's subsidiary undertakings) to the extent not prohibited by Section 232 of the Companies Act 2006, or the maintenance of a contract of insurance to the extent contemplated by that section for a Director or a director of any of the Company's subsidiary undertakings;

**15.4.4** the value of:

- (i) the transaction in question; and
- (ii) the aggregate of the values of all Transactions with Related Parties which have been entered into by the Company (or any of its subsidiary undertakings) with the same Related Party (and/or any of its Associates) in the 12 month period preceding the date of the current transaction which have not been approved by the Special Member,

is determined by the Remuneration Committee, acting reasonably, to be equal to or less than £10,000.

## **16 Special Rights and Articles**

### **16.1 Communication of information to Special Member**

The Special Director may, subject to any obligations of confidentiality agreed from time to time between the Company (or any subsidiary of the Company) and the Special Member, communicate any information which he receives in his position as a Director to the Special Member or to any employees or professional advisers of the Special Member.

### **16.2 Variation of Special Member Rights**

The special rights of the Special Member hereunder (the “**Special Member Rights**”) may not be varied or abrogated without the prior written consent of the Special Member. Without limitation to the generality of the foregoing, the amendment, removal or alteration of effect of all or any of the following Articles or, where specified, the relevant parts of the following Articles shall be deemed to be a variation of the Special Member Rights and shall accordingly only be effective with the prior consent in writing of the Special Member:

- 16.2.1 Article 3.1.1;
- 16.2.2 Article 3.8.1 insofar as it relates to the Special Member;
- 16.2.3 Deleted
- 16.2.4 Article 3.8.5;
- 16.2.5 Article 6 insofar as it relates to the Special Member;
- 16.2.6 Article 9.3 insofar as it relates to the Special Member;
- 16.2.7 Article 10.3 insofar as it relates to a general meeting requisitioned by the Special Member;
- 16.2.8 Article 12.1.1(iv);
- 16.2.9 Article 13.1 insofar as it relates to the Special Member;
- 16.2.10 this Article 16;
- 16.2.11 Article 17.2;
- 16.2.12 Article 17.3.2;
- 16.2.13 Article 17.6 insofar as it relates to the Special Director and the Chair;
- 16.2.14 Article 17.11.1 insofar as it relates to the Special Director;
- 16.2.15 Article 17.13.2;
- 16.2.16 Article 19.3.2;
- 16.2.17 Article 19.3.3 insofar as it relates to the Special Member’s right of prior consent;
- 16.2.18 Article 20.2.14;
- 16.2.19 Article 22.4 insofar as it relates to the Special Director;
- 16.2.20 Article 26.2 insofar as it refers to Article 16; or
- 16.2.21 Article 1 insofar as any of the definitions or interpretations therein relate to or are used within any of the aforementioned Articles or, where specified, the relevant parts of the aforementioned Articles.

### **16.3 Variation of Special Articles**

The amendment, removal or alteration of effect of all or any of the following Articles or, where specified, the relevant parts thereof (the “**Special Articles**”) (or if at any time renumbered, such renumbered Articles from time to time) shall only be effective with the prior consent in writing of the Special Member:

- 16.3.1 Article 3.2;

- 16.3.2 Article 3.4;
- 16.3.3 Article 3.6;
- 16.3.4 Article 3.7;
- 16.3.5 Article 3.8;
- 16.3.6 Article 7;
- 16.3.7 Article 17.3.3;
- 16.3.8 Article 17.9.1;
- 16.3.9 Article 17.11;
- 16.3.10 Article 17.13;
- 16.3.11 Article 18.1;
- 16.3.12 Article 18.5 insofar as it relates to the Nominations and Remuneration Committee;
- 16.3.13 Article 19.1.1;
- 16.3.14 Article 19.2;
- 16.3.15 Article 19.3;
- 16.3.16 Article 21.3 insofar as it relates to the Nominations and Remuneration Committee;
- 16.3.17 Article 22.5;
- 16.3.18 Article 23.1;
- 16.3.19 Article 1, insofar as any of the definitions or interpretations therein relate to or are used within any of the aforementioned Articles; or
- 16.3.20 Any reference in an Article referring to any of the aforementioned Articles or, where specified, the relevant parts of the aforementioned Articles.

#### **16.4 Stepout**

The Special Member may from time to time and at any time by written notice served on the Company at the Office relinquish all or any of its Special Member Rights to such extent and for such periods (including permanently and irrevocably) as set out in such notice and these Articles shall be construed accordingly. Any such relinquishment shall take effect on the date on which such notice is served on the Company at the Office or on such later date as may be specified in the notice.

#### **16.5 Articles of association of subsidiaries**

The Directors shall exercise all voting rights exercisable by the Company in relation to those of its subsidiaries whose articles of association incorporate provisions identified by reference to these Articles of Association as special provisions ("**Special Provisions**") so as to secure, so far as by such exercise they can secure, that no amendment or abrogation is made to any such Special Provisions without the prior written consent of the Special Member and, where the Company's consent is requested to any amendment or abrogation to a Special Provision, the Directors shall exercise their powers as directors to procure, so far as by such exercise they can procure, that the Company does not give its consent to

any such amendment or abrogation without the prior written consent of the Special Member.

#### **16.6 Entrenchment of Special Member Rights and Special Articles**

On a vote at a general meeting in relation to a resolution proposed to amend, remove or alter the effect of paragraphs 16.2 and 16.3 of this Article 16, if the Special Member votes against such a resolution the Special Member shall have one more vote than the total number of all other votes cast and, if the Special Member votes in favour of such a resolution then it shall have one vote.

### **17 Directors**

#### **17.1 Number of Directors and composition of the Board**

The Directors shall be not less than three nor more than 17 in number. The number of Non-Executive Directors appointed to the Board shall at all times exceed the number of other Directors.

#### **17.2 Appointment and removal of Special Director**

The Special Member may from time to time appoint one person to be the Special Director. Any such person may at any time be removed from office by the Special Member who may appoint another person as Special Director in his place. Any such appointment or removal shall be made in writing by the Special Member and shall take effect on or from the date on which such notice is served on the Company at the Office or delivered to the Secretary or to a meeting of the Board. The Special Director may not be an Executive Director.

#### **17.2A Appointment of Non-Executive Directors**

The appointment of a Non-Executive Director shall be conditional on the prior written consent of the Special Member.

#### **17.3 Appointment of Executive Directors**

**17.3.1** The Board may from time to time appoint one or more of their body to be the holder of any executive office on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

**17.3.2** The Board may appoint any person to the office of Chief Executive, such appointment to be conditional on the prior written consent of the Special Member.

**17.3.3** Without prejudice to paragraph 22.5, the appointment of any Director to the office of Chair or Chief Executive shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

**17.3.4** The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

#### **17.4 Powers of Executive Directors**

The Board may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as the Board upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **17.5 Deleted**

#### **17.6 Retirement at Annual General Meetings**

Each Director other than the Special Director shall retire at each Annual General Meeting held in the year following the year in which he was elected or last re-elected. A Director who retires shall be eligible for election or re-election unless the Directors otherwise determine.

#### **17.7 Re-election of retiring Director**

The Company at the meeting at which a Director retires under any provision of these Articles may by ordinary resolution and subject to paragraph 17.12.2 of this Article 17 fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. In the absence of such a resolution the retiring Director shall nevertheless be deemed to have been re-elected except in any of the following cases:

- 17.7.1 where at such meeting a resolution for the re-election of such Director is put to the meeting and lost, or it is expressly resolved not to fill the office being vacated;
- 17.7.2 where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- 17.7.3 where a resolution to elect such Director is void by reason of contravention of the next following Article.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

#### **17.8 Election of two or more Directors**

A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it. Any resolution moved in contravention of this provision shall be void.

#### **17.9 Nomination of Director for election**

- 17.9.1 Subject to paragraphs 17.9.2 and 17.12.2 of this Article 17, no person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a Director at any general meeting. The Board may only recommend for election as Directors individuals who have been nominated for election by the Nominations and Remuneration Committee.

**17.9.2** No person shall be eligible for election or appointment as a Director if he is, at the time of his proposed election or appointment, a director, shadow director, officer or Senior Employee of an Eligible Industry Stakeholder or a company which is a subsidiary of an Eligible Industry Stakeholder or a subsidiary of a holding company of an Eligible Industry Stakeholder (other than any such subsidiary which is also a holding company of an Eligible Industry Stakeholder) or if he is a Substantial Shareholder of an Eligible Industry Stakeholder or of any holding company or subsidiary of an Eligible Industry Stakeholder.

#### **17.10 Election or appointment of additional Director**

Subject to paragraphs 17.9 and 17.12.2 of this Article 17, the Company may by ordinary resolution elect, and without prejudice thereto the Board shall have power at any time to appoint, any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Board shall retire at the next Annual General Meeting and shall then be eligible for election.

#### **17.11 Vacation of office**

**17.11.1** Without prejudice to any other provision contained in these Articles (including without limitation, in relation to the Special Director, paragraph 17.2 of this Article 17), the office of a Director shall be vacated in any of the following events, namely:

- (i) if he shall become prohibited by law from acting as a Director;
- (ii) if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Board shall resolve to accept such offer;
- (iii) if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (iv) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (v) if he shall be absent from meetings of the Board for six months without leave and the Board shall resolve that his office be vacated;
- (vi) other than the Special Director and the Chair, if a notice in writing is served upon him, signed by not less than three-quarters of the Directors for the time being, to the effect that his office as Director shall on receipt of such notice *ipso facto* be vacated, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;

- (vii) in the case of the Chair, if he is removed from office by the Special Member in accordance with paragraph 22.5 below;
- (viii) in the case of an Executive Director, he ceases to be an employee of any Group Company;
- (ix) if he shall be removed as a Director in accordance with paragraph 17.12.1 of this Article 17; or
- (x) if he shall become a director, shadow director, officer or Senior Employee of an Eligible Industry Stakeholder or a company which is a subsidiary of an Eligible Industry Stakeholder or a subsidiary of a holding company of an Eligible Industry Stakeholder (other than any such subsidiary which is also a holding company of an Eligible Industry Stakeholder) or if he is a Substantial Shareholder of an Eligible Industry Stakeholder or of any holding company or subsidiary of an Eligible Industry Stakeholder.

**17.11.2** If the office of a Director is vacated for any reason, the Director in question shall cease to be a member of any committee or sub-committee of the Board including, without limitation, the Nominations and Remuneration Committee.

## **17.12 Removal of Director**

**17.12.1** Subject to paragraph 13.1.2 of Article 13, the Company may in accordance with and subject to the provisions of the statutes by ordinary resolution of which special notice has been given remove any Director from office (notwithstanding any provision of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement).

**17.12.2** A Director removed from office pursuant to this paragraph 17.12 of this Article 17 shall not be eligible for re-election as a Director.

## **17.13 Nominations and Remuneration Committee**

**17.13.1** The Nominations and Remuneration Committee shall be a committee of the Board responsible for:

(a) nominating and assessing persons for appointment as Directors and directors of certain subsidiaries of the Company, in each case either to become additional Directors or directors or to fill one or more vacancies; and

(b) determining matters relating to remuneration and incentivisation of the Executive Directors, Senior Executives and executive directors of the significant subsidiaries of the Company, in accordance with Incentive Policy.

**17.13.2** The Nominations and Remuneration Committee shall consist of:

- (i) the Chair;
- (ii) the Special Director; and
- (iii) at least two other Non-Executive Director to be appointed by resolution of the Board.



The Nominations and Remuneration Committee shall operate by majority decision and any nomination for the appointment of Non-Executive Directors shall be subject to prior written consent by the Special Member.

All other terms of reference and regulations relating to the Nominations and Remuneration Committee shall be determined by the Board in its absolute discretion.

- 17.13.3** Alternate directors or members of the Nominations and Remuneration Committee may attend meetings of the Nominations and Remuneration Committee and perform the functions of their appointors at such meetings in accordance with paragraph 18.5 of Article 18, provided that such alternate directors are Non-Executive Directors.

## **17.14 Remuneration**

- 17.14.1** The Nominations and Remuneration Committee shall be a committee of the Board alone responsible for determining, in accordance with the Incentive Policy and the Remuneration Policy and the Committee's Terms of Reference, all matters concerning the remuneration (including, but not limited to, benefits by way of gratuities, pensions and other superannuation benefits) and incentivisation of Executive Directors

- 17.14.2** The Nominations and Remuneration Committee shall operate by majority decision, provided that it shall not make changes to the Remuneration Policy or make recommendations to the Board or to the Special Member on the remuneration and incentivisation of Executive Directors, without the prior approval of the Special Member. In the case of an equality of votes, the Chair of the Nominations and Remuneration Committee shall be entitled to an additional or casting vote in addition to any other vote he may have.

- 17.14.3** The Nominations and Remuneration Committee may from time to time, with the prior written consent of the Special Member but otherwise in its absolute discretion (and without the prior consent of the Board), make any changes it considers appropriate to the Committee's Terms of Reference, or to the Incentive Policy (provided that the Nominations and Remuneration Committee may not, without the prior agreement of the Board, be responsible for matters other than matters concerning the remuneration and incentivisation of Executive Directors and the appointment of Directors and directors of certain subsidiaries of the Company).

- 17.14.4** Changes may only be made to the Nominations and Remuneration Committee Terms of Reference, the Remuneration Policy or to the Incentive Policy otherwise in accordance with paragraph 17.14 of this Article 17.

## **18 Alternate Directors**

### **18.1 Appointment and removal**

Subject to paragraph 17.13.3 of Article 17 and paragraph 19.3.4 of Article 19, any Director (other than an alternate director), including the Chair subject to the prior written consent of the Special Member, may from time to time appoint any other Director or any person approved in writing by the Board (other than any person who would not be eligible to be a

Director under paragraph 17.9.2 of Article 17) to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office, and appoint another person approved as aforesaid in his place.

#### **18.2 Notice of appointment or removal**

Any such appointment or removal shall be by notice to the Company signed by the Director making or revoking the appointment and shall take effect upon the later of service on the Company at the Office or the approval of the appointee by the Board pursuant to paragraph 18.1 of this Article 18.

#### **18.3 Cessation of appointment**

An alternate director shall *ipso facto* cease to be an alternate director if his appointor ceases for any reason to be a Director or on the happening of any event which if he were a Director would cause him to vacate such office.

#### **18.4 Functions of Alternate Director**

An alternate director shall (except when absent from the United Kingdom and subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of Directors, and to attend, to be counted in the quorum for and to vote as a Director (with the same designation as the Director appointing him) at any such meeting at which the Director appointing him is not personally present and generally to perform all functions of his appointor as a Director in the absence of such appointor and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director.

#### **18.5 Voting rights cumulative**

An alternate director shall have an additional vote at meetings of the Board for each Director for whom he acts as alternate but he shall only count as one person for the purpose of determining whether a quorum is present. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution of the Board shall be as effective as the signature of his appointor. The provisions of paragraphs 18.4 and 18.5 of this Article 18 shall also apply *mutatis mutandis* to any meeting of the Nominations and Remuneration Committee if the alternate director is a Non-Executive Director and his appointor is a member of such committees. To such extent as the Board may from time to time determine in relation to any committees of the Board other than the Remuneration and Nomination Committees, the provisions of paragraphs 18.4 and 18.5 of this Article 18 shall also apply *mutatis mutandis* to any meeting of any such committees of which his appointor is a member.

#### **18.6 Alternate Director responsible for own acts**

An alternate director shall be deemed to be an officer of the Company and shall alone be responsible for his own acts and defaults and the Director so appointing him shall not be responsible for the acts and defaults of an alternate director so appointed.

#### **18.7 Remuneration and benefits**

The remuneration of any such alternate director shall be payable out of the remuneration payable to the Director appointing him and shall consist of such part (if any) of the

above-mentioned remuneration as may be agreed between the alternate director and the Director appointing him. An alternate director shall be entitled to contract and be interested and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration.

#### **18.8 Power to act**

Save as otherwise provided in these Articles, an alternate director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

### **19 Remuneration, Expenses and Pensions**

#### **19.1 Directors' fees**

19.1.1 The ordinary remuneration of the Non-Executive Directors (including the Chair) shall from time to time be determined by the Special Member in its absolute discretion.

19.1.2 No Executive Director shall be entitled to receive a fee or any other form of remuneration in respect of the performance of his ordinary duties as a Director.

#### **19.2 Additional remuneration of Directors**

Any Executive Director or any Director who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Remuneration Committee (in the case of Executive Directors) or the Special Member (in the case of Non-Executive Directors) may determine.

#### **19.3 Deleted**

;

#### **19.4 Expenses**

Each Director may be repaid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a Director he is entitled to attend and shall be repaid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director.

#### **19.5 Pensions and gratuities for Directors**

Subject to paragraph 19.3 of Article 19, the Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pension or other benefits to contribute to any scheme or fund or to pay premiums. No Director or ex-Director shall be accountable to the Company or the Special Member for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director.

## **20 Directors' Interests**

### **20.1 Authorisation of Directors' interests**

**20.1.1** For the purposes of Section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

**20.1.2** Authorisation of a matter under this Article shall be effective only if:

**20.1.2.1** the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may determine;

**20.1.2.2** any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"); and

**20.1.2.3** the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

**20.1.3** Any authorisation of a matter under this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

**20.1.4** Any authorisation of a matter under this Article shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently. and may be terminated by the Directors at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

**20.1.5** A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

### **20.1A Directors may have interests**

Subject to the provisions of the Statutes, Article 15 and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with paragraph 20.5 of Article 20 below, a Director notwithstanding his office:

**20.1.1A** may (or a person connected with him may) be party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested;

**20.1.2A** may (or a person connected with him may) be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

**20.1.3A** may (or a person connected with him may) (or any firm of which he is a partner, employee or member may) act in a professional capacity for any Relevant Company (other than as Auditor) whether or not he is remunerated therefore;

**20.1.4A** may have an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

**20.1.5A** may have an interest, or a transaction or arrangement giving rise to an interest, of which the Director is not aware;

**20.1.6A** may have an interest in any matter authorised under paragraph 20.1 of Article 20; or

**20.1.7A** may have any other interest authorised by ordinary resolution.

No authorisation under paragraph 20.1 of Article 20 shall be necessary in respect of such interest.

**20.1B** A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in Article 20.1A, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

## **20.2 Permitted Interests and Voting**

Save as herein provided, and whether or not the interest is one which is authorised pursuant to paragraph 20.1 of Article 20 or permitted under Article 20.1A, a Director shall not be entitled to vote on any resolution in respect of any contract or arrangement or any other proposal whatsoever in which he (or a person connected with him) is interested and, if he shall do so, his vote shall not be counted. A Director shall not be counted in the quorum at a meeting of the Directors in relation to any resolution on which he is not entitled to vote. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded. Subject to the provisions of the Statutes and without prejudice to paragraph 19.3 of Article 19, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal:

**20.2.1** in which he has an interest of which he is not aware;

**20.2.2** in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

**20.2.3** in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;

**20.2.4** concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiary undertakings and does not provide, in respect of any Director as such, any privilege or advantage not generally accorded to the employees to which the fund or scheme relates;

**20.2.5** relating to an arrangement for the benefit of employees or former employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not accord to any Director as

such any privilege or advantage not generally accorded to the employees to whom the contract relates;

- 20.2.6** subject to Article 15, concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of Directors or for the benefit of persons who include Directors;
- 20.2.7** which involves giving of any security, guarantee or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- 20.2.8** concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, creditor, employee or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 252 of the Act 2006) does not have an interest (as that term is used in Part 22 of the Companies Act 2006) in one per cent. or more of the issued equity share capital of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- 20.2.9** concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings (i) in which offer he is or may be entitled to participate as a holder of securities; or (ii) in the underwriting or sub-underwriting of which he is to participate;
- 20.2.10** subject to Article 15, concerning the giving of indemnities in favour of Directors;
- 20.2.11** concerning the funding of expenditure by any Director or Directors on (i) defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief, or (iii) defending him or them in any regulatory investigations;
- 20.2.12** concerning the doing of anything to enable any Director or Directors to avoid incurring expenditure as described in paragraph 20.2.11 of Article 20;
- 20.2.13** in respect of which his interest, or the interest of Directors generally, has been authorised by ordinary resolution; and
- 20.2.14** in the case of the Special Director, any proposal concerning the Special Member in which he is interested by virtue of his relationship with the Special Member (whether as its employee or consultant or otherwise).

### **20.3 Directors' appointments**

A Director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of its terms or its termination, as the holder of any office or place of profit with the Company or any other body corporate in which the Company is interested. Where proposals for any such matter are under consideration in respect of two or more Directors, a separate resolution may be put in relation to each Director. In that case, each of the Directors concerned shall (if not debarred under paragraph 20.2 of this Article 20 above) be entitled to vote and be counted

in the quorum in respect of each resolution unless it concerns his own appointment or the settlement, variation or termination of his own appointment.

#### **20.4 Determination of entitlement to vote**

If any question shall arise at any meeting of the Board as to the entitlement of any Director (other than the chair of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chair of the meeting and his ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of such Director (so far as it is known to him) has not been fairly disclosed to the Board. If any question shall arise in respect of the chair of the meeting, the question shall be decided by a resolution of the Board (for which purpose the chair shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chair (so far as it is known to him) has not been fairly disclosed to the Board.

#### **20.5 Declaration of interests**

**20.5.1** The Director shall declare the nature and extent of any interest permitted under Article 20.1A and not falling within paragraph 20.5.2 of Article 20, at a meeting of the Directors or in the manner set out in Section 184 and 185 of the Companies Act 2006.

**20.5.2** No declaration of an interest shall be required by a Director in relation to an interest:

- (a) falling within paragraph 20.1.4A or 20.1.5A or 20.1.6A of Article 20.1A;
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined in Section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

#### **20.6 Interpretation**

For the purposes of this Article 20:

**20.6.1** an interest (whether his own or of a person connected with him) of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his;

**20.6.2** an interest of a person who is connected (within the meaning of Section 252 of the Companies Act 2006) with a Director shall be treated as an interest of the Director;

**20.6.3** “**Relevant Company**” shall mean:

- (a) the Company;
- (b) a subsidiary undertaking of the Company;
- (c) any holding company of the Company or a subsidiary undertaking of any such holding company;

- (d) any body corporate promoted by the Company; or
- (e) any body corporate in which the Company is otherwise interested.

### **20.7 Directors' benefits**

Subject to the provisions of the Statutes and to the appropriate declaration being made by him pursuant to paragraph 20.5 of this Article 20, no Director or proposed Director shall be disqualified by his office from contracting with the Company with regard to his tenure of, or termination of, any office or place of profit with the Company or any of its subsidiary undertakings, nor shall he be required to account to the Company or the Special Member for any remuneration or other benefits received by him pursuant to such contract.

### **20.8 Confidential information**

**20.8.1** Subject to paragraph 20.8.2 of this Article 20, if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (a) to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or
- (b) otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

**20.8.2** Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, paragraph 20.8.1 of this Article 20 shall apply only if the conflict falls within Article 20.1A above.

**20.8.3** This Article is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article.

### **20.9 Directors' interests - general**

**20.9.1** For the purposes of Article 20:

- (a) an interest of a person who is connected with a Director shall be treated as an interest of the Director; and
- (b) Section 252 of the Companies Act 2006 shall determine whether a person is connected with a Director.

**20.9.2** Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and shall if so requested by the Directors take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

- (a) absenting himself from any meetings of the Directors at which the relevant situation or matter falls to be considered; and



- (b) not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

#### **20.10 Suspension by ordinary resolutions**

Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of this Article.

### **21 Powers and Duties of the Board**

#### **21.1 General powers of Company vested in the Board**

21.1.1 Subject to the provisions of the Statutes and these Articles, the business and affairs of the Company shall be managed by the Board which may pay all expenses incurred in forming and registering the Company and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in the general meeting whether relating to the management of the business of the Company or not.

21.1.2 No alteration of these Articles shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. The general powers given by this Article shall not be limited by any special power given to the Board by any other Article and shall not be subject to any directions given by the Company in general meeting (including, without limitation by special or ordinary resolution).

#### **21.2 Appointment of Attorney**

The Board may from time to time and at any time appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the 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.

#### **21.3 Delegation to individual Directors**

Save for the powers, authorities and discretions exercisable by the Nominations and Remuneration Committee may not be delegated to other committees (or to individual Directors), the Board may entrust to and confer upon any Director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is

made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

#### **21.4 Provision for Employees**

Subject to Article 19.3, the Board may exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### **21.5 Signature on cheques**

All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

#### **21.6 Borrowing powers**

Subject to the provisions of the Statutes, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (present and future) or any part or parts thereof and issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **22 Proceedings of Directors**

#### **22.1 Board meetings**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director at any time may, and the Secretary on the requisition of a Director at any time shall, summon a Board meeting.

#### **22.2 Notice of Board meetings**

Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and if no request is made to the Board it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively. Save where urgent business arises where such period of notice is not practicable, a minimum of seven days' notice of meetings of the Board accompanied by the venue for such meeting and an agenda of the business to be transacted (together with where practicable all papers to be circulated or presented to the same) shall be given to all the Directors.

#### **22.3 Quorum**

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be not less than three. Subject to the

provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

#### **22.4 Directors below minimum through vacancies**

The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their number, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, or is below the number fixed by or in accordance with these Articles as the quorum, or there is only one continuing Director, the continuing Directors or Director may act for the purpose of filling vacancies but not for any other purpose. If there be no Directors or Director able or willing to act, then the Special Member shall appoint a person as Special Director who is able and willing to act.

#### **22.5 Appointment and removal of the Chair**

**22.5.1** The Chair shall be appointed by notice in writing given by the Special Member to the Board.. The Chair shall retire at the next Annual General Meeting after appointment and shall then be eligible for election.

**22.5.2** Without prejudice to paragraph 17.3.3, the Chair may be removed from office at any time by notice in writing from the Special Member to the Board, effective from the date of such notice.

**22.5.3** Unless he is unwilling to do so, the Chair shall act as chair at every meeting of the Board. But if no Chair is appointed, or if at any meeting the Chair is not present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present may choose one of their number to be chair of the meeting.

#### **22.6 Competence of meetings**

A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

#### **22.7 Voting**

Subject to any other provisions of these Articles requiring a different majority, questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

#### **22.8 Directors' written resolutions**

**22.8.1** A Directors' written resolution is adopted when all the Directors entitled to vote on such resolution have:

- (a) signed one or more copies of it, or
- (b) otherwise indicated their agreement to it in writing.

**22.8.2** A Directors' written resolution is not adopted if the number of Directors who have signed it is less than the quorum for Directors' meetings.

**22.8.3** Once a Directors' written resolution has been adopted, it must be treated as if it had been a resolution passed at a Directors' meeting in accordance with the Articles.

**22.8.4** A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

## **22.9 Validity of acts of Board or committee**

All acts done by the Board or by any committee or sub-committee or by any person acting as member of a committee or sub-committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or any member of the Board or committee or sub-committee or person so acting or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified or entitled and had continued to be a Director or member of the committee or sub-committee.

## **22.10 Meetings by means of conference facilities**

A meeting of the Board or of any committee or sub-committee thereof may consist of a conference between Directors, some or all of whom are in different places, provided that each Director who participates is able:

**22.10.1** to hear each of the other participating Directors addressing the meeting; and

**22.10.2** if he so wishes, to address each of the other participating Directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Directors is assembled or, if no such group is readily identifiable, at the place from where the chair of the meeting participates.

## **23 Committees**

### **23.1 Delegation to Committees**

**23.1.1** The Board may delegate any of its powers, authorities and discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) with power to sub-delegate to any committee (save that the powers, authorities and discretions exercisable by the Nominations and Remuneration Committee may not be delegated to other committees (or to individual Directors)), consisting, subject to paragraph 23.1.4 of this Article 23, of such person or persons (whether Directors or not) as it thinks fit. Any committee so formed may exercise its power to sub-delegate by sub-delegating any of the powers, authorities or discretions delegated to it to any person or persons (whether or not a member or members of the Board or of the committee but provided that such a person or persons is or are not prohibited from being a member or members of such a committee by virtue of paragraph 23.1.4 of this Article 23). Insofar as any such power, authority or

discretion is delegated to a committee or sub-committee, any reference in these Articles to the exercise by the Board of the power, authority or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee or sub-committee.

**23.1.2** Save for the Remuneration Committee, any committee or sub-committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. Save for the Nominations and Remuneration Committee, any such regulations may, subject to paragraph 23.1.4 of this Article 23, provide for or authorise the co-option to the committee or sub-committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee or sub-committee. Save in relation to the Remuneration Committee, the meetings and proceedings of any committee or sub-committee consisting of two or more persons shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

**23.1.3** The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and, save in the case of the powers, authorities and discretions exercisable by the Nominations and Remuneration Committee which may not be delegated to other committees, shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

**23.1.4** No person may be a member of any committee formed pursuant to this Article 23 if he is a director, shadow director, officer or Senior Employee of an Eligible Industry Stakeholder or a company which is a subsidiary of an Eligible Industry Stakeholder or a subsidiary of a holding company of an Eligible Industry Stakeholder (other than any such subsidiary which is also a holding company of an Eligible Industry Stakeholder) or if he is a Substantial Shareholder of an Eligible Industry Stakeholder or of any holding company or subsidiary of an Eligible Industry Stakeholder. Any member of such a committee who becomes a director, shadow director, officer, Senior Employee or Substantial Shareholder of any such company shall resign as a member of the committee forthwith.

## **24 Appointment and Removal of the Company Secretary**

Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The Board may also appoint from time to time on such terms as they may think fit one or more deputy and/or assistant secretaries.

## **25 Use of Seals**

### **25.1 Custody and use of seal**

The Board shall provide for the custody of every seal of the Company. A seal shall only be used by the authority of the Board or by a committee of the Board authorised by the Board on its behalf. Subject as set out in the next sentence or as otherwise provided in these Articles, any instrument to which the common seal is applied shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for this purpose. The Board may resolve that instruments of a type specified by the Board for the purpose and to which the Company's seal is, or is to be, applied may be signed by any one Director, the Secretary or by some other person appointed for this purpose.

## **25.2 Execution**

Any instrument signed by one Director and the Secretary or by two Directors or by a Director in the presence of a witness who attests the signature and expressed to be executed by the Company shall have the same effect as if executed under the seal of the Company.

## **26 Records**

### **26.1 Records to be kept**

The Board shall cause to be kept accounting records sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time, and which accord with the Statutes.

### **26.2 Inspection of records**

Without prejudice to Article 16, the Special Member in his capacity as such shall not have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or ordered by a court of competent jurisdiction.

### **26.3 Copies of accounts for the Special Member**

**26.3.1** Subject as provided in paragraph 26.3.2 of this Article 26, a copy of the Company's annual accounts and report which are to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 20 working days before the date of the meeting be sent to the Special Member and to every other person who is entitled to receive notices of meetings of the Company under the provisions of the Statutes or of these Articles.

**26.3.2** Paragraph 26.3.1 of this Article 26 shall not require a copy of these documents to be sent to any person of whose postal address the Company is not aware.

## **27 Auditors**

### **27.1 Validity of Auditor's acts**

Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

## **27.2 Auditor's right to attend General Meetings**

An Auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which the Special Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

## **28 Communications with Special Member**

### **28.1 Service of notices**

- 28.1.1** The Company may, subject to and in accordance with the Companies Acts and these Articles, send or supply all types of notices, documents or information to the Special Members by electronic means and/or by making such notices, documents or information available on a website.
- 28.1.2** The Company Communications Provisions have effect, subject to the provisions of this Article, for the purposes of any provision of the Companies Acts or these Articles that authorises or requires notices, documents or information to be sent or supplied by or to the Company.
- 28.1.3** Any notice, document or information which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first-class mail is not employed, 48 hours) after the time it was posted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed, pre-paid and posted.
- 28.1.4** Any notice, document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient 24 hours after it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed.
- 28.1.5** Any notice, document or information which is sent or supplied by the Company by means of a website shall be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 28.1.6** Subject to the terms of reference of any committee of the Board from time to time, including the Remuneration Committee Terms of Reference, the accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 28.1.7** The provisions of this Article shall have effect in place of the Company Communications Provisions relating to deemed delivery of notices, documents or information.

## **28.2 Deleted**

## **28.3 Notice when post not available**

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable to give notice by post in hard copy form of a members' meeting, such notice shall be deemed to have been given to the Special Member entitled to receive such notice in hard copy form if such notice is advertised in at least one newspaper with a national circulation and in that event the notice shall be deemed to have been given on the day when the advertisement has appeared. In any such case the Company shall (i) make such notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof and (ii) send confirmatory copies of the notice by post to the Special Member if at least seven days prior to the meeting the posting of notices again becomes practicable.

## **28.4 Statutory provisions as to notices**

Nothing in any of the preceding three Articles shall affect any provision of the Statutes that requires or permits any particular notice, document or information to be sent or supplied in any particular manner.

## **29 Signature or authentication of documents sent by electronic means**

Where these Articles require a notice or other document to be signed or authenticated by the Special Member or other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Company Communications Provisions or in such other manner as may be approved by the Board. The Board may designate mechanisms for validating any such notice or other document, and any such notice or other document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

## **30 Application of income and property**

The income and property of the Company, whenever derived, shall at all times be applied solely towards the promotion of the objects of the Company as set out in Article 37. Neither the whole nor any part of the income or property may be paid or transferred, directly or indirectly, to the Special Member of the Company by way of dividend, bonus or in any other way that amounts to a distribution of profit, provided that nothing in this paragraph shall prevent the payment, in good faith, of:

- 30.1.1** reasonable and proper remuneration or expenses to any officer, employee or servant of the Company;
- 30.1.2** consideration to the Special Member of the Company in return for any services actually rendered to the Company;
- 30.1.3** a reasonable and proper rate of interest on money lent to the Company;
- 30.1.4** reasonable and proper rent for premises demised or let by the Special Member to the Company; or
- 30.1.5** premiums on the insurance referred to in Article 37.1.27 below.



## **31 Winding up**

- 31.1.1** If upon the winding up or dissolution of the Company there is any property remaining after the satisfaction of all its debts and liabilities, it shall not be paid to the Special Member of the Company, but shall be given or transferred to one or more institutions, having objects similar to the objects of the Company and which shall prohibit the distribution of their income and property amongst their members to the same or greater extent as is imposed on the Company under or by virtue of Article 30 above. Such institution or institutions shall be determined by the Special Member of the Company at or before the time of dissolution, and if he cannot identify any institution or institutions with similar objects to those of the Company then he may pay or transfer the surplus to any one or more charities as he shall determine.
- 31.1.2** No addition, alteration or amendment shall be made to Article 30 or Article 31.1.1 or to this Article 31.1.2.
- 31.1.3** The Special Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is the Special Member or within one year after he ceases to be the Special Member for payment of the debts and liabilities of the Company contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributories among themselves such amount as may be required, not exceeding one pound.

## **32 Authentication of Documents**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed at a members' meeting or at a meeting of the Board or any committee, and any book record, document or account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or account is elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon faith thereof that such resolution has been duly passed or, as the case may be, that any minutes so extracted is a true and accurate record of proceedings at a duly constituted meeting.

## **33 Establishment of reserves**

The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Statutes.

## **34 Business bought as from a past date**

Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

## **35 Indemnity**

### **35.1 Entitlement to Indemnity**

**35.1.1** Subject to the provisions of and so far as may be consistent with the Statutes, every Director and officer of the Company and of each of the Associated Companies of the Company shall be indemnified by the Company out of its own funds against:

- (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company other than:
  - (i) any liability to the Company or any Associated Company; and
  - (ii) any liability of the kind referred to in Section 234(3) of the Companies Act 2006; and
- (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

**35.1.2** Subject to the Companies Acts the Company may indemnify a Director of the Company and any Associated Company of the Company if it is the trustee of an occupational pension scheme (within the meaning of Section 235(6) of the Companies Act 2006).

**35.1.3** Where a Director or officer is indemnified against any liability in accordance with this paragraph 35.1 of this Article 35, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

**35.1.4** In this Article 35 "Associated Company" shall have the meaning given thereto by Section 256 of the Companies Act 2006.

### **35.2 Purchase of Insurance**

Without prejudice to paragraph 35.1 of this Article 35 above the Directors shall have power to purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any Relevant Company (as defined in paragraph 35.3 of this Article 35 below) or who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are or were at any time interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the

actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme (and all costs, charges, losses, expenses and liabilities incurred by him in relation thereto).

### **35.3 Relevant Company**

For the purpose of paragraph 35.2 of Article 35 above "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company or such other body, or any subsidiary undertaking of the Company or of such other body.

### **35.4 Defence expenditure**

Subject to the provisions of and so far as may be permitted by the Companies Acts, the Company:

- (a) may provide a Director or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company of the Company or in connection with any application for relief under the provisions mentioned in Section 205(5) of the Companies Act 2006; and
- (b) may do anything to enable any such Director or officer to avoid incurring such expenditure.

**35.5** The terms set out in Section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under paragraph 35.4 of this Article 35.

**35.6** Subject to the provisions of and so far as may be permitted by the Companies Acts, the Company:

- (a) may provide a Director or officer of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company; and
- (b) may do anything to enable any such Director or officer to avoid incurring such expenditure.

**35.7** In paragraphs 35.4-35.6 "Associated Company" shall have the meaning given thereto by Section 256 of the Companies Act 2006.

## **36 Limited liability of Members**

The liability of the Special Member is limited.

## 37 Objects

**37.1** The objects for which the Company is established are:

- 37.1.1** Either itself or through any subsidiary or undertaking to carry on the business of acquiring, owning, managing, providing, operating and developing railway network services and station services in all their aspects including without limitation:
- (c) designing, financing, managing, granting access to, constructing, equipping, maintaining, operating, altering, substituting, renewing and replacing railway networks for the carriage of passengers and goods;
  - (d) designing, financing, managing, granting access to, construction and equipping of new railway network facilities or the carrying out of such activities in relation to the enhancement of existing railway network facilities whether by the Company alone or in conjunction with other parties;
  - (e) the construction, maintenance, alteration, substitution, realignment, reconfiguration and renewal of the permanent way of any railway, together with the ballast, sleepers and metals laid thereon, and any associated structures or works including (but not limited to) level crossings, bridges, viaducts, tunnels, culverts, watercourses, drains, sewers, roads, footpaths, bridleways, abutments, walls, embankments, retaining walls, gates, barriers and fences;
  - (f) the provision, control and operation of appliances, apparatus, devices, equipment and systems for instructing, controlling and monitoring the provision and operation of railway services including (without limitation) the installation, operation, maintenance, renewal, alteration, substitution, discontinuance or replacement of railway signalling systems or of any other railway communication equipment;
  - (g) the provision, control and operation of appliances, apparatus, devices, equipment and systems for the supply and distribution of electrical power including (without limitation) the construction, control, maintenance, renewal, alteration, substitution, discontinuance or replacement of electrical conductor rails or overhead lines, or any supports for such rails or lines and of any electrical sub-stations or power connections used or to be used in connection therewith;
  - (h) the provision and operation of services for keeping track and associated structures free from, or serviceable notwithstanding, obstruction (whether by snow, ice, water, fallen leaves or any other natural or artificial obstacle or hindrance) or for removing any such obstruction;
  - (i) the provision, operation, maintenance, renewal and replacement of any plant, equipment or machinery used in carrying on any of the activities specified in Articles 37.1.1(a) to 37.1.1(f) above;
  - (j) the exercise of day to day control and management over train movements over or along any track, including the preparation of timetables for the purpose of exercising such control and management and the provision and operation of processes and procedures in respect thereof;
  - (k) the development, operation, maintenance and commercial exploitation of any computer hardware and software systems and other information systems including timetable database services and infrastructure capacity planning;

- (l) the development, operation, control and management of safety specifications and procedures for use in the railway industry generally, including advising upon and monitoring the implementation of safety systems and procedures by third parties;
- (m) the provision of design, planning, management, consultancy, advisory, training, educational and research services to all persons involved in or connected with the railway industry;
- (n) in connection with the Company's business, the preparation and publication of plans, instructions, schemes, studies, specifications and tenders, the arranging and making of all kinds of contracts and the management and supervision of the performance of contracts and the execution of work and the compilation, custody, maintenance and provision of access to records in all forms;
- (o) the design, development, exploitation, operation, administration and management of payment and accounting systems for use in the railway industry;
- (p) the provision, development, exploitation, operation, control, management, maintenance and renewal of passenger, goods and other stations and terminals, including any approaches, buildings, structures, works, forecourts, car parks, cycle stores or other land or property capable of being used in connection with such a station or terminal.

**37.1.2** To carry on the business of a holding company and to co-ordinate, finance and manage all or any part of the businesses and operations of any and all companies controlled directly or indirectly by the Company or in which the Company is interested, whether as a shareholder or otherwise and whether directly or indirectly.

**37.1.3** To carry on the business of real property owners and developers in all its aspects, together with that of estate and property managers and management agents, and to purchase, take on lease or in exchange, or otherwise acquire or sell, lease, grant rights over or otherwise dispose by any means of the whole or part of such property or of any interest therein for such consideration as the Company may think fit and to provide all such services at, from or by means of such properties as the directors may consider appropriate, including (but without prejudice to the generality of the foregoing) railway light maintenance services.

**37.1.4** To do anything which the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company is or may be authorised to do under or pursuant to the Railways Act 1993 or any other enactment or any licence granted to the Company or any such other company thereunder or pursuant thereto or which the Company or any such other company is required or permitted to do under or by virtue of that Act or any other enactment or such a licence, together with any activities incidental thereto.

**37.1.5** To purchase, apply for and take out or otherwise acquire for any estate or interest any property (real or personal) or assets or any concessions, licences, grants, patents, patent rights, inventions, secret processes, designs, trade marks, service marks, copyrights, know-how or other exclusive or non-exclusive rights of any kind or any secret or other information as to any invention or secret process of any kind and to hold, develop and turn to account and deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on or

commission all kinds of research work and to establish and maintain research stations, laboratories, workshops, testing and proving grounds, facilities and establishments and installations and to exploit and turn to account the results of any research and development carried out by or for it.

- 37.1.6** To build, construct, alter, remove, replace, equip, execute, carry out, improve, work, develop, administer, maintain, repair, renew, discontinue, manage or control buildings, structures, works, apparatus, equipment or facilities of all kinds, whether for the purposes of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company or for sale, letting or hire to or in return for any consideration from any company, firm or person, and to contribute to or assist in or carry out any part of any such operation.
- 37.1.7** To subscribe, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities or investments of any nature whatsoever, and any options or rights in respect thereof or interests therein, and to buy, or otherwise acquire, or sell, or otherwise dispose of, or invest in foreign currencies and foreign exchange, to engage in spot and forward rate exchange contracts and any other foreign exchange hedging arrangements and to enter into derivative transactions and other financial instruments of any kind for trading, investment or any other purpose.
- 37.1.8** To draw, make, accept, endorse, discount, negotiate, execute, and issue, and to buy, sell and deal with bills of exchange, letters of credit, promissory notes, and other forms of credit, negotiable or transferable instruments or securities.
- 37.1.9** To invest and deal with the moneys of the Company or any subsidiary or holding company of the Company or subsidiary of any such holding company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- 37.1.10** To open and maintain accounts of every kind, character or description whatsoever of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company and accounts with and for customers or other persons, including margin or collateral accounts with respect to financial futures, currencies and commodities and to do anything incidental to the maintaining of such accounts.
- 37.1.11** To acquire an interest in or amalgamate or enter into partnership or any joint venture or profit/loss-sharing arrangement or other association with, or make grants, donations or loans to any company, firm, person or body, where such acquisition, collaboration, grant, donation or loan may seem to advance the interests or affairs of the Company or of any subsidiary or holding company of the Company or subsidiary of any such holding company.
- 37.1.12** To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any company, firm, person, association or body carrying on or proposing to carry on any business which the Company or any subsidiary or holding company of the Company or subsidiary of any such holding company is authorised to carry on or possessed of any property suitable for the purposes of the Company or any subsidiary or holding company of the Company or subsidiary of any such holding company.

- 37.1.13** To establish, promote, or join in the promotion of, any company, fund or trust whether or not having or promoting, or carrying on activities falling within objects similar to those of the Company.
- 37.1.14** To make and carry into effect such agreements or arrangements with Governments, authorities and any other company, firm, person, association or body as may appear conducive to the furtherance of any of the objects of the Company or any subsidiary or holding company of the Company or subsidiary of any such holding company.
- 37.1.15** To borrow and raise money for the purposes of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company or any other company, firm, person, fund or trust and to secure or discharge any debt or obligation of or binding on the Company or any subsidiary or holding company of the Company or subsidiary of any such holding company in such manner as may be thought fit and in particular by mortgages, debentures and charges upon all or any part of the undertaking, property and assets (present and future) of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company or by the creation and issue of debentures, debenture stock or other securities of any description.
- 37.1.16** To advance, lend or deposit money or give credit to or with any company, firm, person, fund or trust on such terms as may be thought fit and with or without security.
- 37.1.17** To guarantee or give indemnities or other assurance for the obligations of any person or provide security, with or without consideration and whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) of the Company, or by all or any such methods, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures or other securities, of any person, firm, company, fund or trust including (without limiting the generality of the foregoing) any company which is for the time being a holding company of the Company or another subsidiary of any such holding company, or is associated with the Company in business.
- 37.1.18** To issue any securities which the Company has power to issue for any other purpose by way of security or indemnity or in satisfaction of any liability undertaken or agreed to be undertaken by the Company.
- 37.1.19** To constitute any trusts with a view to the issue of preferred and deferred or any other special stocks, securities, certificates or other documents based on or representing any shares, stocks or other assets appropriated for the purposes of any such trust and to settle and regulate and if thought fit to undertake and execute any such trusts, and to issue, hold or dispose of any such preferred, deferred or other special stocks, securities, certificates or documents.
- 37.1.20** To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company or any part thereof for such consideration as may be thought fit, and in particular for shares or other securities, whether fully or partly paid up.

- 37.1.21** To procure the registration, recognition or incorporation of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company in or under the laws of any territory outside England.
- 37.1.22** To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered in connection with the formation, promotion, and registration of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company and the underwriting or placing or issue at any time of any securities of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company or of any other person.
- 37.1.23** To apply for, promote and obtain any Act of Parliament, statutory instrument, order, right, privilege, franchise, concession, licence or authorisation of any government, state or municipality or other department or authority, and to carry out, exercise and comply with the same, or enter into arrangements with any such body for enabling the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company to carry out any of its or their objects or for extending any of the powers of the Company or any such other company or for effecting any modification of the constitution of the Company or any such other company or for any other purpose which may seem to the Company to be expedient and to carry out, exercise and comply with the same and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or any such other company.
- 37.1.24** To apply for, acquire and hold membership in any trade, financial or other association or organisation membership of which will in any way facilitate the conduct of the Company's business or that of any subsidiary or holding company of the Company or any subsidiary of any such holding company.
- 37.1.25** To subscribe for or guarantee (in cash or in kind) any national, charitable, benevolent, public, general or useful object or for any purpose which may be considered likely directly or indirectly to further the interests of the Company or any subsidiary or holding company of the Company or any subsidiary of any such holding company, its employees or its members.
- 37.1.26** To establish and maintain or contribute to any pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of the Company or of any company which is its holding company or is a subsidiary of the Company or any such holding company or otherwise is allied to or associated with the Company or any of the predecessors of the Company or any other such company as aforesaid or any company which has been the holding company of a subsidiary of the Company or a subsidiary of any such holding company, or who are or were at any time directors or officers of the Company or of any such other company, and the wives, widows, families and dependants of any such individuals; to establish and subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit any such persons or to further the interests of the Company or of any such other company; to make payments for or towards the insurance of any such persons; and, in particular, but without prejudice to the generality of the foregoing, to make arrangements for the continuance or transfer to the Company of any pension



arrangements to which any predecessor of the Company or any subsidiary or holding company of such predecessor or subsidiary of such holding company or to which any subsidiary of the Company or any company which is or has been the holding company of any such subsidiary or other subsidiary of any such holding company is or has been party.

- 37.1.27** To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or any such holding company or any of the predecessors of the Company or any such holding company has or had any interest (whether direct or indirect) or which is in any way allied to or associated with the Company or with any such other company, or of any subsidiary of the Company or of such other company, or who are or were at any time trustees of any pension fund or employees' share scheme in which any employees of the Company or of any such other company or subsidiary are or were at any time interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to the Company or any such other company, subsidiary or pension fund or employees' share scheme and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability.
- 37.1.28** To have regard to the protection of buildings and other objects of historic, architectural or other significance when formulating and implementing proposals and more generally to participate in, manage and co-operate in projects or works designed to restore, preserve, improve or protect the environment.
- 37.1.29** To carry on any other business or activity of any nature whatsoever which may seem to the directors to be capable of being conveniently or advantageously carried on in connection or conjunction with any business of the Company hereinbefore authorised or that of any subsidiary or holding company of the Company or any subsidiary of any such holding company or to be expedient with a view directly or indirectly to enhancing the value of or to rendering profitable or more profitable any of the Company's or any such other company's assets or utilising its or their skills, know-how or expertise.
- 37.1.30** To do all or any of the above things and matters aforesaid in any part of the world and, either as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, subsidiary companies or otherwise, and either alone or in conjunction with others.
- 37.1.31** To do all such other things as may be deemed, or as the Company considers to be, incidental or conducive to any of the above objects.

**37.2** In this Article 37:

- (a) "**company**", except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not, incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere;

- (b) “**subsidiary**” and “**holding company**” shall include “**subsidiary undertaking**” and “**parent undertaking**”;
- (c) “**securities**” shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation; and
- (d) “**and**” and “**or**” shall mean “**and/or**” where the context so permits.

**37.3** The objects specified in Article 37.1 shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph of Article 37.1 or the name of the Company or the order in which the same occur, and none of the paragraphs of Article 37.1 shall be deemed merely subsidiary or incidental to any other paragraph of Article 37.1 but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

## Table of Contents

<b>Contents</b>	<b>Page</b>
1 <b>Definitions and Interpretation</b> .....	1
2 <b>Exclusion of Table C</b> .....	5
3 <b>Appointment, Removal and Resignation of Members</b> .....	5
4 <b>Deleted</b> .....	6
5 <b>Deleted</b> .....	6
6 <b>Membership transferable</b> .....	6
7 <b>Deleted</b> .....	6
8 <b>Form of resolution</b> .....	6
8A <b>Special Member's requests for resolutions</b> .....	9
9 <b>General Meetings</b> .....	8
10 <b>Notice of general meetings</b> .....	8
11 <b>Proceedings at general meetings</b> .....	9
12 <b>Polls</b> .....	11
13 <b>Voting</b> .....	12
14 <b>Proxies</b> .....	13
15 <b>Transactions</b> .....	14
16 <b>Special Rights and Articles</b> .....	17
17 <b>Directors</b> .....	20
18 <b>Alternate Directors</b> .....	24
19 <b>Remuneration, Expenses and Pensions</b> .....	26
20 <b>Directors' Interests</b> .....	27
21 <b>Powers and Duties of the Board</b> .....	32

22	<b>Proceedings of Directors .....</b>	33
23	<b>Committees.....</b>	35
24	<b>Appointment and Removal of the Company Secretary .....</b>	36
25	<b>Use of Seals.....</b>	36
26	<b>Records.....</b>	37
27	<b>Auditors .....</b>	37
28	<b>Communications with Members .....</b>	38
29	<b>Signature or authentication of documents sent by electronic means .....</b>	39
30	<b>Application of income and property .....</b>	39
31	<b>Winding up.....</b>	40
32	<b>Authentication of Documents .....</b>	40
33	<b>Establishment of reserves .....</b>	40
34	<b>Business bought as from a past date .....</b>	41
35	<b>Indemnity .....</b>	41
36	<b>Limited liability of Members.....</b>	42
37	<b>Objects .....</b>	43