

Waverley Initiatives Limited

Articles of association

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draft (1) dated 23 March 2010

trowers & hamlins

Registered number:

The Companies Act 2006

Company limited by shares

Articles of association

of

Waverley Initiatives Limited (the Company)

1. **Name**

The name of the company (the **Company**) is Waverley Initiatives Limited.

2. **Registered office**

The registered office of the Company will be situated in England and Wales.

3. **Interpretation**

In these Articles:

3.1 **Act** means the Companies Act 2006

3.2 **Articles** means the articles of association of the Company

3.3 **Council** means Waverley Borough Council and any successor body

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

3.5 **electronic communication** and **communication** have the meaning given by the Electronic Communications Act 2000

3.6 **executed** includes any mode of execution

3.7 **in writing** includes, without limitation, electronic communications

3.8 **Model Articles** means the model articles of association for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of adoption of these articles

3.9 **Office** means the registered office of the Company

3.10 **Seal** means the common seal of the Company

- 3.11 **Secretary** means the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint, assistant or deputy secretary
- 3.12 **shares** means shares in the Company
- 3.13 **shareholder** means a person who is the holder of a share
- 3.14 **transmittee** means a person entitled to a share by reason of death or bankruptcy of a shareholder or otherwise by operation of law
- 3.15 **the United Kingdom** means Great Britain and Northern Ireland.
4. Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company.
5. **Objects**
- The Company's objects are unrestricted.
6. **Limited liability**
- The liability of the members is limited to the amount, if any, unpaid on the shares held by them.
7. **Nil or partly-paid shares**
- If the Company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the Model Articles shall apply to the Company and form part of these articles as if the text of such provisions was set out in full in these articles.
8. **Powers to issue different classes of share**
- 8.1.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 8.1.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.
9. **Company not bound by less than absolute interests**
- 9.1 Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

10. **Share certificates**

10.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

10.2 Every certificate must specify:

10.2.1 in respect of how many shares, of what class, it is issued;

10.2.2 the nominal value of those shares;

10.2.3 the amount paid up on the shares to which it relates; and

10.2.4 any distinguishing numbers assigned to them.

10.3 No certificate may be issued in respect of shares of more than one class.

10.4 If more than one person holds a share, only one certificate may be issued in respect of it.

10.5 Certificates must:

10.5.1 have affixed to them the Company's common seal; or

10.5.2 be otherwise executed in accordance with the Act.

11. **Replacement share certificates**

11.1 If a certificate issued in respect of a shareholder's shares is:

11.1.1 damaged or defaced; or

11.1.2 said to be lost, stolen or destroyed that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

11.2 A shareholder exercising the right to be issued with such a replacement certificate:

11.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

11.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

11.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

12. **Share transfers**

12.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

- 12.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 12.3 The Company may retain any instrument of transfer which is registered.
- 12.4 The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it.
- 12.5 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 12.6 The instrument of transfer of any share taken on formation of the Company by a subscriber to the Company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.
- 13. Transmission of shares**
- 13.1 If title to a share passes to a transferee, the Company may only recognise the transferee as having any title to that share.
- 13.2 A transferee who produces such evidence of entitlement to shares as the directors may properly require:
- 13.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
- 13.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 13.3 But transferees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.
- 14. Exercise of transferees' rights**
- 14.1 Transferees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 14.2 If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in respect of it.
- 14.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transferee has derived rights in respect of the share; and as if the event which gave rise to the transmission had not occurred.
- 15. Transferees bound by prior notices**
- 15.1 If a notice is given to a shareholder in respect of shares and a transferee is entitled to those shares, the transferee is bound by the notice if it was given to the shareholder before the transferee's name has been entered in the register of members.

16. Calculation of dividends

16.1 Except as otherwise provided by these Articles or the rights attached to shares, all dividends must be:

16.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

16.1.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

17. Procedure for declaring dividends

17.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

17.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

17.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

17.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

17.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

17.6 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

17.7 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

17.8 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

18. Payment of dividends and other distributions

18.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

18.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

18.1.2 sending a cheque made payable to the distribution recipient by post to the distribution

- 18.1.3 recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 18.1.4 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- 18.1.5 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 18.2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
 - 18.2.1 the holder of the share; or
 - 18.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 18.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.
- 19. **No interest on distributions**
 - 19.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:
 - 19.1.1 the terms on which the share was issued, or
 - 19.1.2 the provisions of another agreement between the holder of that share and the Company.
- 20. **Unclaimed distributions**
 - 20.1 All dividends or other sums which are:
 - 20.1.1 payable in respect of shares, and
 - 20.1.2 unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.
 - 20.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
 - 20.3 If:
 - 20.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - 20.3.2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

20.4 Non-cash distributions

20.5 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).

20.6 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

20.6.1 fixing the value of any assets;

20.6.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

20.6.3 vesting any assets in trustees.

20.7 Waiver of distributions

21. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

21.1.1 the share has more than one holder, or

21.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

22. Authority to capitalise and appropriation of capitalised sums

22.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

22.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

22.1.2 appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

22.2 Capitalised sums must be applied:

22.2.1 on behalf of the persons entitled; and

- 22.2.2 in the same proportions as a dividend would have been distributed to them.
- 22.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 22.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 22.5 Subject to the Articles the directors may:
- 22.5.1 apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- 22.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- 22.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

23. **General meetings**

The directors may call general meetings and, on the requisition of shareholders pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any shareholder of the Company may call a general meeting.

24. **Notice of general meetings**

- 24.1 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the shareholders having a right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at the meeting of all the shareholders.
- 24.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.
- 24.3 The notice shall be given to all the shareholders and to the directors and auditors.
- 24.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

25. **Proceedings at general meetings**

- 25.1 No business shall be transacted at any meeting unless a quorum is present. One person entitled to vote upon the business to be transacted, being a shareholder or a

- proxy for a shareholder or a duly authorised representative of a corporation, shall be a quorum.
- 25.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time as the directors may determine.
- 25.3 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 25.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the shareholders present and entitled to vote shall choose one of their number to be chairman.
- 25.5 A director shall, notwithstanding that he is not a shareholder, be entitled to attend and speak at any general meeting.
- 25.6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 25.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- 25.7.1 by the chairman; or
- 25.7.2 by at least two shareholders having the right to vote at the meeting; or
- 25.7.3 by a shareholder or shareholders representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting;
- and a demand by a person as proxy for a shareholder shall be the same as a demand by the shareholder.
- 25.8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- 25.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 25.10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be shareholders) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 25.11 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such other time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 25.12 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 25.13 The shareholders of the Company may pass a resolution in writing in accordance with the terms of the Act. A proposed written resolution of the shareholders of the Company shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the Act).
26. **Votes of shareholders**
- 26.1 On a show of hands every shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a shareholder entitled to vote, shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote.
- 26.2 A shareholder in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 26.3 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not

disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

- 26.4 The appointment of a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

I/We _____ of _____

being a shareholder/shareholders of the above-named Company, hereby appoint

of _____ or failing him

of _____

as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on _____ and at any adjournment thereof.

Signed on _____

- 26.5 Where it is desired to afford shareholders an opportunity of instructing the proxy how he shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

I/We _____ of _____

being a shareholder/shareholders of the above-named Company, hereby appoint

of _____ or failing him

of _____

as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company, to be held on _____, and at an adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 †for †against

Resolution No 2 †for †against

† strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this _____ day of _____

26.6 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:

26.6.1 in the case of an instrument in writing be deposited at the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

26.6.2 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

a in the notice convening the meeting, or

b in any instrument of proxy sent out by the Company in relation to the meeting, or

c in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

26.6.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

26.6.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

In this Article and in the next, "address" in relation to electronic communications includes any number or address used for the purpose of such communications.

26.7 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited or where the appointment of the proxy was contained in an electronic communication at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

27. **Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum and the minimum number is one.

28. **Powers of directors and shareholders' reserve power**

28.1 Subject to the provisions of the Act and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

28.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

28.3 The shareholders may, by special resolution, direct the directors to take or retain from taking, specified action. No such special resolution invalidates anything which the directors have done before the passing of the resolution.

29. **Delegation of directors' powers**

The directors may delegate any of their powers to any committee consisting of one or more directors or other persons. They may also delegate to any employee or officer of the Company or of the Council such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more persons shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

30. **Appointment and retirement of directors**

Notwithstanding any other provision of these Articles, the shareholders of the Company may at any time and from time to time appoint any person to be a director or remove any director from office. Every such appointment or removal shall be effected by notice in writing and signed by or on behalf of the relevant shareholders. Such notice may be in the form of a facsimile or other machine-made copy and shall take effect immediately (or on such later date, if any, specified in the notice) upon deposit of the notice at the registered office of the Company marked for the attention of the directors. Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more shareholders.

31. **Disqualification and removal of directors**

The office of a director shall be vacated if:

- 31.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- 31.2 he is removed from office under Article 30; or
- 31.3 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 31.4 he is, or may be, suffering from mental disorder and either:
 - 31.4.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
 - 31.4.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 31.5 he resigns his office by notice to the Company; or
- 31.6 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

32. Directors' expenses

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committee of directors or general meetings or separate meetings of the holders of debentures of the Company or otherwise in connection with the discharge of their duties.

33. Directors' appointments and interests

- 33.1 Subject to the provisions of the Act and of the Articles, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.
- 33.2 Subject to the provisions of the Act and these Articles and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
 - 33.2.1 may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

33.2.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

33.2.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

33.3 For the purposes of Article 33.2:

33.3.1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

33.3.2 an interest 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.

33.3.3 A director shall not have an interest in any arrangement between the Council and the Company because the director is an employee or an elected member of the Council.

34. **Authorisation of directors' interests**

34.1 For the purposes of section 175 of the Act, the board of directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the Act.

34.2 Authorisation of a matter under Article 34.1 shall be effective only if:

34.2.1 the matter in question shall have been proposed in writing for consideration by the board of directors, or in such other manner as the board of directors may determine;

34.2.2 any requirement as to the quorum at the meeting of the board of 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

34.2.3 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.

34.3 Unless otherwise determined by the board of directors (excluding the Interested Directors), any authorisation of a matter under Article 34.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

34.4 Any authorisation of a matter under Article 34.1 shall be on such terms and/or conditions as the board of directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the board of directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the board of directors (excluding the Interested Directors) pursuant to any such authorisation.

34.5 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

34.5.1 disclose any such information to the Company, the board of directors or any other director or employee of the Company; or

34.5.2 use or apply any such information in connection with the performance of his duties as a director;

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the Act, this Article shall apply only if such situation or relationship has been authorised by the Board under Article 34.1.

34.6 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 board of directors under Article 34.1 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

35. **Proceedings of directors**

35.1 Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the Secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Any decision of the directors shall either be a majority decision at a meeting or a decision taken in accordance with article 35.5. In the case of an equality of votes, the chairman shall have a second or casting vote.

35.2 The quorum for the transaction of business of the directors shall be two unless there is a sole director, in which event, the sole director shall constitute a quorum.

35.3 The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within 5 minutes after the time appointed for the

meeting, the directors present may appoint one of their number to be chairman of the meeting.

- 35.4 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 35.5 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors as (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.
- 35.6 If and so long as there is a sole director, he shall be entitled to exercise all the powers and authorities vested in the directors by these Articles, in which event, the provisions of these Articles shall be construed accordingly. A sole director may exercise any such powers and authorities by resolution in writing signed by him.
- 35.7 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.
- 35.8 Directors participate in a directors' meeting, or part of a directors' meeting, when—
- 35.8.1 the meeting has been called and takes place in accordance with these articles, and
- 35.8.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 35.9 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 35.10 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

36. **Secretary**

The Company may have a Secretary who shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

37. **Minutes**

The directors shall cause minutes to be made in books kept for the purpose:

- 37.1 of all appointments of officers made by the directors;

37.2 of all proceedings at meetings of the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting; and

37.3 any other decision of the directors

and the directors shall ensure the Company keeps such minutes for at least 10 years from the date of any decision reached.

38. **The Seal**

The Seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a director and by the Secretary or by two directors.

39. **President, vice-presidents and patrons**

The directors may appoint any person to be the president and any person or persons to be vice-presidents or patrons of the Company for such term or terms specified at the time of appointment as they shall think fit. Such persons shall not by virtue only of such appointments be directors or shareholders of the Company.

40. **Accounts**

No shareholder shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

41. **Notices**

41.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.

41.2 The Company may give any notice to a shareholder either personally or by sending it by post in a prepaid envelope addressed to the shareholder at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the shareholder. In this Article "address" in relation to electronic communications includes any number or address used for the purpose of such communications. A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such shareholder shall be entitled to receive any notice from the Company.

41.3 A shareholder present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

41.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance

issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

42. Indemnity

- 42.1 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)) provided that this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the Act and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled.
- 42.2 To the extent permitted by, and subject to the restrictions in, the Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Act, or to enable him to avoid incurring such expenditure.
- 42.3 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.

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