
**ARTICLES OF ASSOCIATION
NSARE LIMITED**

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THE COMPANIES ACT 1985 AND 2006

PRIVATE COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF
NSARE LIMITED

1. **PRELIMINARY**

The relevant model articles (within the meaning of section 20 of the Companies Act 2006) are excluded.

2. **DEFINITIONS AND INTERPRETATION**

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

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|-----------------------------|---|
| "these Articles" | these Articles of Association, whether as originally adopted or as from time to time altered by special resolution |
| "Board of Directors" | the board of directors of the Company |
| "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 |
| "Chair" | the chair of the Board of Directors appointed in accordance with these Articles |
| "Company" | the company intended to be regulated by these Articles |
| "Companies Act 1985" | the Companies Act 1985 (as amended from time to time) |
| "Companies Act 2006" | the Companies Act 2006 (as amended from time to time) |
| "Deputy Chair" | the deputy chair of the Board of Directors |

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|---|---|
| | appointed in accordance with these Articles |
| “Director” or “Directors” | is a person or persons on the Board of Directors |
| “electronic address” | any address or number used for the purposes of sending or receiving documents or information by electronic means |
| “electronic form” and “electronic means” | have the meaning given in section 1168 of the Companies Act 2006 |
| “executed” | includes any mode of execution |
| “Full Member” | means a person admitted as a Full Member in accordance with Article 7 and whose name is entered on the register of members as a Full Member and such persons shall be the only persons recognised as members of the Company for the purposes of the Statutes |
| “hard copy form” | has the meaning given in section 1168 of the Companies Act 2006 |
| “Membership Interests” | the membership interests in the Company held by a Full Member |
| “members” | the members of the Company from time to time |
| “Observer” | such person as any Director may nominate as such pursuant to Article 15.2 |
| “proxy” | is defined in Article 9.1 |
| “proxy notice” | is defined in Article 9.8 |
| “seal” | the common seal of the Company (if any) |
| “secretary” | 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 |
| “special resolution” | has the meaning given in section 283 of the Companies Act 2006 |

| | |
|-------------------------|--|
| “the Statutes” | the Companies Acts as defined in section 2 of the Companies Act 2006 and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company |
| “United Kingdom” | Great Britain and Northern Ireland |
| “in writing” | hard copy form or to the extent agreed by the recipient (or deemed to be agreed by virtue of a provision of the Statutes) electronic form or website communication. |

2.2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Statutes but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

2.3 References to any Statute or statutory provision in these Articles include, unless the context otherwise requires, a reference to that Statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant Statute or statutory provision.

2.4 Where the word **“address”** appears in these Articles it is deemed to include postal address and electronic address and **“registered address”** shall be construed accordingly.

3. **NAME AND REGISTERED OFFICE**

3.1 The Company’s name is NSARE Limited (and in this document it is called **“the Company”**).

3.2 The Company’s registered office is to be situated in England and Wales.

4. **OBJECTS OF THE COMPANY**

The Company’s object(s) (**“the Objects”**) are the advancement of education and training primarily for the benefit of the members (without prejudice to the generality of the foregoing) in the field of railway engineering including by increasing the level of skill and training of workers in the railway engineering sector in the United Kingdom.

5. **POWERS OF THE COMPANY**

In furtherance of the above Objects but not further or for any other purpose the Company shall have the following powers ("**the Powers**"):

- 5.1 to raise funds and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation or otherwise provided that this shall be without prejudice to the ability of the Company to disclaim any gift, legacy or bequest in whole or in part in such circumstances as the Board of Directors may think fit;
- 5.2 to lend and advance money and give credit to, to take security for such loans or credit from, and to guarantee and become or give security for the performance of contracts and obligations by, any person or company subject to such conditions or consents as may from time to time be required or imposed by law;
- 5.3 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable, transferable, or mercantile instruments;
- 5.4 to subscribe for either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other securities or obligations of any other company or legal entity;
- 5.5 to borrow and raise money in such manner and on such security as the Board of Directors may think fit;
- 5.6 to invest the moneys of the Company not immediately required for the furtherance of its Objects in or upon such investments, securities or property as the governing board may think fit, subject to such conditions and such consents as may for the time being be imposed or required by law;
- 5.7 to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter any buildings or erections which the governing board may think necessary for the promotion of the Company's Objects;
- 5.8 to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Company with a view to the furtherance of its Objects;
- 5.9 to employ and pay such architects, surveyors, solicitors and other professional persons, workmen, clerks and other staff as are necessary for the furtherance of the objects of the Company;
- 5.10 to establish and carry on conference halls and centres, schools, lecture halls, theatres and rooms, laboratories, workshops, training centres and other places of learning, training or tuition at premises occupied by the Company or at sites

elsewhere at which persons may undertake education, instruction and training as a means of gaining knowledge of or experience or fluency in any skill, trade, business, profession, calling, occupation or pursuit by written, visual or oral means through personal attendance at lectures, seminars, education and training courses organised and held by the Company or through and by outside sources or through correspondence, pre-recorded cassette, televisual and audio means or any other method which may be adopted and all or any other subjects whatsoever that may be included in a commercial, technical, scientific, classical or academic education or may be conducive to knowledge of or skill in any profession, trade, pursuit, business or calling;

5.11 to make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their widows and other dependants;

5.12 to purchase and maintain, for the benefit of any Director or officer of the Company, indemnity insurance to cover their liability:

5.12.1 which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust, or breach of duty of which they may be guilty in relation to the Company; and/or

5.12.2 to make contributions to the assets of the Company in accordance with the provisions of section 214 of the Insolvency Act 1986;

save that any such insurance in the case of **Article 5.12.1** shall not extend to any liability of a director:

5.12.3 resulting from conduct which the Directors knew, or must be assumed to have known, was not in the best interests of the Company, or where the Directors did not care whether such conduct was in the best interests of the Company or not;

5.12.4 to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the Directors;

5.12.5 to pay a fine;

5.12.6 to make such a contribution where the basis of the Director's liability is his knowledge prior to the insolvent liquidation of that Company (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Company would avoid going into insolvent liquidation;

- 5.13 subject to the provisions of, and so far as may be permitted by, the Companies Act 2006, to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred:
- 5.13.1 in defending any criminal or civil proceedings; or
 - 5.13.2 in connection with any application under sections 661(3), 661(4) or 1157 of the Companies Act 2006.
- 5.14 to subscribe to, become a member of, or amalgamate with any other organisation, institution, society or body formed for any of the purposes included in the Objects;
- 5.15 to co-operate with any organisation, institution, society or body formed for any of the purposes included in the Objects (whether private or public sector, industrial, commercial, profit making or charitable);
- 5.16 to establish and support or aid the establishment and support of any charitable trusts, associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with or calculated by the governing board to further any of the Objects of the Company;
- 5.17 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other Company formed for any of the Objects;
- 5.18 to do all or any of the things hereinbefore authorised either alone or in conjunction with any institution, society or body with which this Company is authorised to amalgamate;
- 5.19 to pay all or any expenses incurred in connection with the promotion, formation, incorporation and registration of the Company;
- 5.20 to enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may to the governing board seem conducive to the attainment of the Company's Objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the governing board may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges and concessions;
- 5.21 to do all such other lawful things as are necessary for the attainment of the above Objects or Powers or any of them;
- and so that:

- (a) where the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts;
- (b) none of the Objects or Powers shall be restrictively construed but the widest interpretation shall be given to each such Object or Power, and none of such Objects or Powers shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other Objects or Powers or inference from the name of the Company;
- (c) none of the Objects therein specified shall be deemed subsidiary or ancillary to any of the Objects specified in any other such sub-article, and the Company shall have full power to exercise each and every one of the Objects.

6. **BENEFITS TO MEMBERS**

The income and property of the Company shall be applied solely towards the promotion of the Objects. None of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any Full Member of the Company or other person so to enrich any Full Member of the Company.

7. **FULL MEMBERS**

- 7.1 The liability of the Full Members is limited.
- 7.2 Every Full Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a Full Member, or within one year after he ceases to be a Full Member, for payment of the Company's debts and liabilities contracted before he ceases to be a Full Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
- 7.3 The subscribers to these Articles and such other persons as are admitted to membership in accordance with these Articles shall be Full Members of the Company. No person shall be admitted as a Full Member of the Company unless it is approved by the Board of Directors.
- 7.4 The Board of Directors shall have an absolute discretion in determining whether to accept or reject any application for membership and shall not be bound to assign any reason for their decision.

In addition to Full Members the Company shall have such categories of membership as the Board of Directors may create from time to time in accordance with **Article 29** PROVIDED ALWAYS that the only class of member for the purposes of the Statutes is the Full Member.

- 7.5 Subject to all moneys presently payable by it to the Company pursuant to any rules or bye-laws made by the Directors pursuant to **Article 29** or otherwise having been paid, a Full Member may at any time resign from the Company by giving at least six months notice in writing to the Company provided that after such resignation the number of Full Members remaining is not less than two.
- 7.6 Full Membership is not transferable and will terminate in the event of:
- 7.6.1 such Full Member giving at least six months' notice to terminate its membership; or
 - 7.6.2 such Full Member ceasing to exist or operate; or
 - 7.6.3 such Full Member's bankruptcy or the making of any arrangement or composition with his creditors, or being a corporation, liquidation.
- 7.7 No Full Member of the Company shall cease to be a Full Member of the Company by reason of its winding up or dissolution which takes place as part of a genuine re-organisation of the relevant Full Member (statutory or otherwise) which is not linked to any financial difficulty or any event described in **Article 7.6.2** or **7.6.3**, in which case the relevant Full Member's interest in the Company shall transfer to its succeeding body or organisation, or where there is more than one, to such succeeding body or organisation as the relevant Full Member may elect.
- 7.8 Full Membership shall terminate if (i) the Full Members of the company resolve by special resolution that it is in the best interests of the Company to terminate such membership and (ii) written notice of termination has been served on the expelled Full Member.
- 7.9 The Board of Directors shall be free to create additional classes of membership, determine the admissions criteria and decide what the rights and obligations of such members shall be (including without limitation whether such classes of members shall be Full Members for the purposes of the Statutes).

8. **GENERAL MEETINGS**

- 8.1 The Company shall hold an annual general meeting in accordance with the Statutes in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it. Any such annual general meeting shall be held at such time and place as the Directors shall appoint. All meetings other than annual general meetings shall be called general meetings.

- 8.2 The Directors may call general meetings at any time.
- 8.3 If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two Full Members of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

9. **NOTICE OF GENERAL MEETINGS**

- 9.1 An annual general meeting shall be called by at least fourteen days' notice. All other meetings of the Company other than an annual general meeting shall be called by at least fourteen clear days' notice in writing. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted, in case of special business. The notice must also contain a statement setting out the rights of Full Members to appoint a proxy under section 234 of the Companies Act 2006 (a "**proxy**").
- 9.2 All business shall be deemed special that is transacted at a general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the profit and loss account, balance sheet, and the reports of the Directors and auditors, and the appointment of, and the fixing of the remuneration, of the auditors.
- 9.3 Subject to the provisions of these Articles notice of and other communications relating to a general meeting shall be given to all Full Members, to all Directors and to the auditors.
- 9.4 Notwithstanding the foregoing provisions of these Articles a general meeting may be called by shorter notice if it is so agreed in accordance with section 307 of the Companies Act 2006.
- 9.5 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.
- 9.6 Every notice convening a general meeting shall be given in accordance with section 308 of the Companies Act 2006 that is, in hard copy form, electronic form or by means of a website.
- 9.7 The Company may send a notice of meeting by making it available on a website or by sending it in electronic form and if notice is sent in either way it will be valid provided it complies with the relevant provisions of the Companies Act 2006.
- 9.8 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- 9.8.1 states the name and address of the member appointing the proxy;
 - 9.8.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 9.8.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 9.8.4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 9.9 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 9.10 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 9.11 Unless a proxy notice indicates otherwise, it must be treated as:
- 9.11.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - 9.11.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 9.12 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 9.13 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 9.14 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 9.15 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

10. **PROCEEDINGS AT GENERAL MEETINGS**

- 10.1 No business shall be transacted at any general meeting unless a quorum of Full Members is present. Ten persons entitled to vote upon the business to be

transacted, each being a Full Member or a duly authorised representative of a body corporate Full Member shall be a quorum save that, if and for so long as the Company has only one Full Member, one Full Member present in person (or being a body corporate) through a duly authorised representative shall be a quorum. A Full Member's properly appointed proxy shall count for the purpose of counting the quorum. If within half an hour from the time appointed for the general meeting a quorum is not present the general meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore the Full Member or Full Members present in person or (being a body corporate) by representative and entitled to vote upon the business to be transacted shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

- 10.2 The chair of each general meeting shall be the Chair or, in his or her absence, the Deputy Chair unless the Full Members or their properly appointed proxies by majority vote choose a different person to chair each general meeting. The Chair (and in his absence the Deputy Chair) or, as the case may be, such person selected by the Full Members shall preside as chair at every general meeting of the Company, or if the relevant person shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Full Members present or their proxies shall select a person to chair the meeting.
- 10.3 A Director shall, notwithstanding that he or she is not a Full Member, be entitled to attend and speak in his or her capacity of director, but for the avoidance of doubt not vote in his or her capacity of director, at those parts of a general meeting so approved by the Full Members. For the avoidance of doubt a Full Member may be represented at any general meeting by a person who is also a Director of the Company and in that event such person shall not be prevented from voting in their capacity as a Full Member representative.
- 10.4 The chair may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 10.5 A resolution put to the vote of the 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 Companies Act 2006, a poll may be demanded:-
- 10.5.1 by the chair of the general meeting; or
- 10.5.2 by at least twenty five percent of the Full Members present at the meeting.
- 10.6 A declaration by the chair 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 of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 10.7 A written resolution passed by the Full Members in accordance with the Statutes is as valid as a resolution actually passed at a general meeting (and for this purpose the written resolution may be set out in more than one document).

11. **VOTES OF FULL MEMBERS**

- 11.1 On a show of hands every Full Member present in person or their properly appointed proxy or (being a body corporate) represented by a duly authorised representative shall have one vote.
- 11.2 No Full Member shall be entitled to vote at any general meeting unless all moneys presently payable by it to the Company pursuant to any rules or bye-laws made by the Directors under **Article 29** or otherwise have been paid.
- 11.3 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 chair whose decision shall be final and conclusive.

12. **WRITTEN RESOLUTIONS**

- 12.1 A written resolution, proposed in accordance with section 288(3) of the Companies Act 2006, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.
- 12.2 For the purposes of this **Article 12** "circulation date" is the day on which copies of the written resolution are sent or submitted to Full Members or, if copies are sent or submitted on different days, to the first of those days.

13. **COMPOSITION OF BOARD OF DIRECTORS**

- 13.1 Unless otherwise determined by unanimous resolution, the Directors shall be appointed by ordinary resolution of the Full Members. The minimum number of Directors shall be six. The maximum number of Directors shall be twenty.
- 13.2 The Directors may appoint up to two co-opted Directors. A 'co-opted Director' means a person who is appointed to be a Director by being co-opted by Directors who have not themselves been so appointed.
- 13.3 Subject to **Article 18**, each Director shall be entitled to serve a term of one year and may be reappointed for additional terms of one year.

14. **CHAIR AND DEPUTY CHAIR**

- 14.1 The Chair and the Deputy Chair (who shall not be the same person) shall be elected by the Directors from amongst themselves. Subject to **Article 18**, the Chair and the Deputy Chair shall be elected for such period of time as the Directors may decide when appointing the Chair or Deputy Chair and can be re-elected for such period as the Directors may decide from time to time.

15. **ALTERNATE DIRECTORS AND OBSERVERS**

- 15.1 A Director shall not be entitled to appoint an alternate Director and neither the Chair or Deputy Chair shall be entitled to appoint an alternate.
- 15.2 Any Director shall be entitled from time to time to nominate an Observer and revoke any such nomination in both cases by giving notification in writing to the Board of Directors.
- 15.3 An Observer shall be entitled to receive notice of all meetings of the Board of Directors in accordance with **Article 20.1** and shall be entitled to attend and speak at all meetings of the Board of Directors and committees constituted pursuant to **Article 17** at which the Director who appointed the Observer is entitled to attend but is not present.
- 15.4 An Observer shall not be a Director or officer of the Company and shall not be entitled to vote. The Board of Directors will give due consideration to the views expressed by an Observer but shall be under no obligation whatsoever to act in accordance with any views expressed by the Observer.
- 15.5 An Observer must absent himself from any discussions which his or her appointed Director would have been required to be absent pursuant to **Article 16.2**.

16. **POWERS OF DIRECTORS**

- 16.1 Subject to the provisions of the Statutes and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board of Directors who may exercise all the powers of the Company. No alteration of these Articles and no such direction shall invalidate any prior act of the Board of 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 16.1** shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 16.2 A Director must absent himself or herself from any discussions of the Directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Company and any personal interest (including but not limited to any personal financial interest).
- 16.3 All cheques, promissory notes, drafts, bills of exchange and other negotiable 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 Directors shall from time to time by resolution determine.

17. **DELEGATION OF DIRECTORS' POWERS**

- 17.1 The Directors may delegate any of their powers to any committee consisting of one or more Directors and such other persons (if any) not being Directors co-opted on to such committee as the Directors think fit. Subject to **Article 16.3**, any such delegation may be made subject to any conditions the Directors may impose (including reporting structures to the Board of Directors) and may be collateral to their own powers and may be revoked or altered. Subject to any such conditions the proceedings of a committee with two or more Full Members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.
- 17.2 Subject to **Article 16.3**, the Board of Directors may delegate any of its powers to any officers (such as the chief executive) or committee of officers (such as the management team), which do not need to be Directors. The Board of Directors shall adopt from time to time regulations setting out the titles, duties, responsibilities and reporting lines of such officers.

18. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

Notwithstanding **Article 13.3**, the office of a Director shall be vacated if:

- 18.1 he or she ceases to be a Director by virtue of any provision of these Articles, he or she becomes prohibited by law from being a director of a company which is

governed by the Companies Act 2006 (as may be amended or re-stated from time to time); or

18.2 he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or

18.3 he or she is, or may be, suffering from mental disorder and either:

18.3.1 he or she 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 1960; or

18.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his or her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his or her property or affairs; or

18.4 he or she resigns his or her office by notice to the Company; or

18.5 he or she has been absent without permission of the Board of Directors from more than six consecutive meetings of the Board of Directors and the Directors resolve that his or her office be vacated.

19. **DIRECTORS' REMUNERATION**

The Directors shall not be paid any remuneration for their services as Directors.

20. **PROCEEDINGS OF THE DIRECTORS**

20.1 Subject to the provisions of these Articles, the Directors may regulate their meetings, as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Board of Directors. Questions arising at a meeting shall be decided by a majority of votes. Each Director shall have one vote. In case of equality of votes the person chairing the meeting (whether the Chair, Deputy Chair or otherwise) shall not have a casting or second vote. Notice of every meeting of the Board of Directors shall be given to each Director, including Directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service.

20.2 Any Director may participate in a meeting of the Directors or a committee constituted pursuant to **Article 18** of which he or she is a Full Member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such

meeting and, subject to these Articles and the Statutes, shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chair of the meeting then is.

- 20.3 The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number, shall be 50% of the total number of Directors.
- 20.4 Notwithstanding any vacancies in their number, the continuing Directors or where there is only one, the sole continuing Director, may continue to act but, if the number of Directors is less than the number fixed as the quorum they (or in the case of a sole Director s/he), may act only for the purpose of filling vacancies, or of calling a general meeting.
- 20.5 If he or she is present and willing to do so, the Chair shall preside at every meeting of the Directors at which he or she is present. If he or she is not present within fifteen minutes after the time appointed for the meeting or unwilling to preside then the Deputy Chair shall preside. If there is no person holding the office of Chair or Deputy Chair or if the Chair and Deputy Chair are both unwilling to preside or not present within fifteen minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chair of the meeting.
- 20.6 All acts done by any meeting of the Directors or of a committee constituted pursuant to **Article 17**, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or 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.
- 20.7 A resolution in writing, signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee constituted pursuant to **Article 17** shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) such a committee duly convened and held and may consist of several documents in the like form each signed by one or more Directors or members of the committee (as the case may be).

21. **AUDITORS' APPOINTMENT AND RE-APPOINTMENT**

- 21.1 Auditors must be appointed for each financial year of the Company and shall be appointed by the Directors in respect of the Company's first financial year and by a resolution of the Full Members in respect of all subsequent financial years. Other than the Company's first financial year, the appointment must be made in

the period for appointing auditors as defined in section 485 of the Companies Act 2006.

- 21.2 Auditors cease to hold office at the end of next period for appointing auditors unless and until they are re-appointed.

22. **SECRETARY**

- 22.1 Subject to the provisions of the Statutes, the secretary 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.

- 22.2 A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

23. **MINUTES**

The Directors shall cause minutes to be made in books kept for the purposes:

- 23.1 of recording the names and addresses of all Full Members; and
- 23.2 of all appointments of officers made by the Directors; and
- 23.3 of all proceedings at meetings of the Company and of the Directors and of committees constituted pursuant to **Article 17** including the names of Directors and Full Members (as appropriate) present at each such meeting.

24. **THE SEAL**

If the Company has a seal it shall only be used with the authority of the Directors or of a committee constituted pursuant to **Article 17** which is comprised entirely of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined, every instrument to which the seal is affixed shall be signed by one Director whose signature shall be attested in the presence of a witness or by one Director and the secretary or by two Directors.

25. **ACCOUNTS AND ANNUAL REPORT**

The Directors must prepare accounts and keep accounting records as required by the Statutes.

26. **NOTICES**

- 26.1 Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing and shall be sent

to an address for the time being notified for that purpose to the person giving the notice.

- 26.2 The Company may give any notice to a person either personally or by sending it by first class post in a prepaid envelope addressed to the person at his, her or its registered address or by leaving it at that address or by giving it in electronic form to an address for the time being notified to the Company by the person. A person who gives to the Company an address either within or outside the United Kingdom at which notices may be given to it, him or her, or an address to which notices may be sent in electronic form, shall be entitled to have notices given to him, her or its at that address, but otherwise no such person shall be entitled to receive any notice from the Company.
- 26.3 A Full Member present in person, 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.
- 26.4 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 in electronic form 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 24 hours after the envelope containing it was posted or, in the case of a notice contained in electronic form, at the expiration of 24 hours after the time it was sent.
- 26.5 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all Full Members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

27. **WINDING UP**

If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall be paid to or distributed among the Full Members of the Company.

28. **INDEMNITIES FOR DIRECTORS**

Subject to the provisions of, and so far as may be permitted by the Statutes but without prejudice to any indemnity to which the person concerned may be

otherwise entitled, the Company shall indemnify every Director, auditor, or other officer of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his or her duties or the exercise of his or her powers or otherwise in relation to or in connection with his or her duties, powers or office, excluding any liability which may attach to him or her in respect of any negligence, default, breach of duty or breach of trust in relation to anything done by him or her as a Director, auditor or other officer of the Company.

29. **RULES OR BYE-LAWS**

29.1 The Directors may from time to time make such rules or bye-laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, it may by such rules or bye-laws regulate:

29.1.1 the conduct of Full Members of the Company in relation to one another, and to the Company's servants;

29.1.2 the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;

29.1.3 the procedure at general meetings and meetings of the Directors and committees constituted pursuant to **Article 17** in so far as such procedure is not regulated by these Articles;

29.1.4 and, generally, all such matters as are commonly the subject matter of such rules,

provided, nevertheless, that no rule or bye-law shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum of Association of the Company or these Articles,

29.2 The Company shall have power to alter or repeal the rules or bye-laws referred to in **Article 29.1** and to make additions thereto. The Directors shall adopt such means as they deem sufficient to bring to the notice of Full Members all such rules or bye-laws made pursuant to this **Article 29** which, so long as they shall be in force, shall be binding on all Full Members.

30. **DOCUMENTS SENT IN ELECTRONIC FORM OR BY MEANS OF A WEBSITE**

30.1 Where the Statutes permit the Company to send documents or notices to its Full Members or Directors in electronic form or by means of a website, the

documents will be validly sent provided the Company complies with the requirements of the Statutes.

- 30.2 Subject to any requirement of the Statutes documents and notices may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.