

**The Companies Act 1985 to 2006**

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**Company limited by guarantee  
and not having a share capital**

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**Articles of Association**

**of**

**Payments Council Limited**

(Adopted by special resolution passed on 12<sup>th</sup> January 2012)

**1. Preliminary**

**1.1 Interpretation**

In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

**"Act"** means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force.

**"Admissions Officer"** means the person (if any) appointed by the Board for assessing eligibility and applications for Membership and determining the Voting Rights of any Full Member in accordance with Article 2.4.

**"Appeals Committee"** means a committee of the Board comprising all the Independent Directors as have been appointed for the time being as may be established by the Board from time to time in order to hear an appeal brought under Article 6.1(e).

**"Allocated Voting Rights"** has the meaning given to it in Article 6.1(b).

**"Articles"** means these articles of association as altered or varied from time to time (and **"Article"** means one of these Articles).

**"Associated Undertaking"** means the Company and any Subsidiary of the Company from time to time, any undertaking promoted by or advised by or managed by the Company or its Subsidiaries and any undertaking in which the Company or its Subsidiaries are otherwise interested.

**"Auditors"** means the auditors for the time being of the Company.

**"Associate Member"** means a person who has been appointed an associate member of the Company in accordance with Article 2 and which has no right to have its name

entered on the Register (and **"Associate Membership"** shall be construed accordingly).

**"Bank of England"** means The Governor and Company of the Bank of England.

**"Board"** means the board of Directors of the Company from time to time.

**"Chairman"** means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company.

**"Chief Executive"** means the chief executive of the Company appointed in accordance with Article 7;

**"clear days"** means, in relation to the period of a notice, 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.

**"Company"** means Payments Council Limited.

**"Contracted Payment Scheme"** means a Payment System which has entered into a contract or other formal arrangement with the Company governing its relationship with the Company and which is so designated by the Board from time to time.

**"Corporate Group"** means, in relation to a Member, that Member and all its subsidiary undertakings and parent undertakings (within the meaning of section 1162 of the Act) and any subsidiary undertakings of its parent undertakings from time to time.

**"Director"** means a director for the time being of the Company.

**"Electronic Communication"** has the meaning given to it in the Electronic Communications Act 2000.

**"execution"** means any mode of execution (and **"executed"** shall be construed accordingly).

**"Full Member"** means a person who has been appointed a full member of the Company in accordance with Article 2 and whose name is entered on the Register (and **"Full Membership"** shall be construed accordingly).

**"Holding Company"** has the meaning given to it under section 1159 of the Act.

**"Independent Director"** has the meaning given to it in Article 8.3.

**"Industry Director"** has the meaning given to it in Article 8.4.

**"Membership Event of Default"** means, in relation to a Member, any of the following:

- (a) it is dissolved or liquidated (otherwise than as a step in a solvent consolidation, reorganisation or merger); or

- (b) it becomes insolvent or is unable to pay its debts when due and payable, or fails or admits in writing its inability generally to pay its debts as they become due; or
- (c) it makes a general assignment, an arrangement or a composition with or for the benefit of its creditors; or
- (d) it makes any voluntary arrangement with its creditors or becomes subject to an administration order; or
- (e) an encumbrancer takes possession or a receiver is appointed over any of the property or assets of that Member; or
- (f) its directors, shareholders or other officers request the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer or give notice of their intention to appoint any of the foregoing; or
- (g) causes or suffers any event which has an analogous effect to any of the events specified in (a) to (f) above; or
- (h) it fails to pay when due any Membership fees owing by it and the Board resolves that such non-payment should be treated as a Membership Event of Default; or
- (i) it is found guilty of a criminal offence involving fraud or dishonesty; or
- (j) being a Member having a right to appoint an Industry Director in its own right under Article 8.4(a)(i), it fails in its capacity as a member of a Contracted Payment Scheme to comply with or otherwise implement any relevant decisions of the Board affecting that Contracted Payment Scheme; or
- (k) it is judged by the Board to be guilty of conduct that would be likely in the opinion of the Board to bring the Company into disrepute were that Member to continue as a Member; or
- (l) any other event which is prescribed as a Membership Event of Default in accordance with the Rules.

**"Membership Exclusion Event"** means a Membership Event of Default or a Membership Suspension Event.

**"Membership Suspension Event"** means, in relation to a Member, any of the following:

- (a) it fails to pay when due any Membership fees owing by it and the Board resolves that such non-payment should be treated as a Membership Suspension Event; or
- (b) it is determined by a Contracted Payment Scheme to be in default of any obligation under, or in breach of any representation in, any operational

document which is material to the orderly operation and integrity of that Contracted Payment Scheme; or

- (c) being a Member having a right to appoint an Industry Director in its own right under Article 8.4(a)(i), it fails in its capacity as a member of a Contracted Payment Scheme to comply with or otherwise implement any relevant decisions of the Board affecting that Contracted Payment Scheme; or
- (d) it is judged by the Board to be guilty of conduct that would be likely in the opinion of the Board to bring the Company into disrepute were that Member to continue as a Member; or
- (e) any other event which is prescribed as a Membership Suspension Event in accordance with the Rules.

**"Member"** means a Full Member or an Associate Member (and **"Membership"** shall be construed accordingly).

**"Memorandum"** means the memorandum of association of the Company;

**"Office"** means the registered office of the Company.

**"Payment System"** means a funds transfer system with formal and standardised arrangements and common rules for the processing, clearing and/or settlement of payment transactions howsoever initiated or executed (and, as appropriate, includes closed or proprietary systems, sub-systems and technology systems used for such processing, clearing and settlement) which the Board, acting reasonably, considers to be, and designates from time to time as being, a constituent element of the payment system as a whole operating in the UK.

**"Qualifying Payment Transactions"** means a qualifying transfer or withdrawal of funds, as determined by the Board from time to time and set out in the Rules.

**"Register"** means the register of members of the Company to be kept pursuant to section 113 of the Act.

**"Relevant Situation"** means a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (other than a situation that cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of interest arising in relation to a transaction or arrangement with the Company)

**"Rules"** means the rules adopted by the Company on the same date as the adoption of these Articles as varied by the Board or the Full Members as applicable from time to time in accordance with these Articles.

**"Secretary"** means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of the Act) a joint assistant or deputy secretary.

**"Share of UK Payment Volumes"** means the number of Qualifying Payment

Transactions executed in a fixed period by or through a Full Member expressed as a percentage of the UK Payment Volumes in that fixed period, as determined by the Board in accordance with the Rules;

**"Subsidiary"** has the meaning given to it under section 1159 of the Act.

**"UK Payment Volumes"** means the total number of Qualifying Payment Transactions executed in a fixed period, as determined by the Board in accordance with the Rules.

**"Ultimate Holding Company"** means a Holding Company that is not also a Subsidiary.

**"United Kingdom"** means Great Britain and Northern Ireland.

**"Voting Rights"** has the meaning given to it in Article 6.1(b).

1.2 In these Articles unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa and words in one gender include any other gender;
- (b) a reference to a statute or statutory provision includes:
  - (i) any subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) made under it; and
  - (ii) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it;
- (c) a reference to a **"person"** includes any individual, firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality); and
- (d) except as set out in Article 1.1, terms defined in the Act have the meanings attributed to them by it.

1.3 The headings are inserted for convenience only and shall not affect the construction of these Articles.

## 2. **Members**

### 2.1 *Appointment of Members*

The subscribers to the Memorandum and such other persons as the Board shall admit to Membership in accordance with these Articles shall be Members of the Company. Save as expressly provided in these Articles, Membership shall not be transferable.

### 2.2 *Classes of Member*

- (a) There shall be two classes of membership:

- (i) Full Members; and
- (ii) Associate Members.
- (b) Full Membership shall be open to such persons as qualify for Full Membership pursuant to and in accordance with these Articles and the Rules.
- (c) Associate Membership shall be open to any persons as qualify for Associate Membership pursuant to and in accordance with these Articles and the Rules.

### 2.3 *Rights and obligations of Members*

- (a) Only Full Members shall be members for the purposes of the Act and accordingly shall be the only persons entitled to have their names and addresses entered on the Register. Full Members shall have the following rights:
  - (i) to attend, speak and vote at general meetings of the Company;
  - (ii) to nominate Industry Directors in accordance with these Articles;
  - (iii) to be consulted and to receive information relating to such matters relating to the activities of the Company and the payment system in the UK as the Board may from time to time determine; and
  - (iv) to receive such other rights and benefits as the Board may from time to time prescribe.
- (b) Associate Members shall not be members for the purposes of the Act and accordingly shall not be entitled to have their names and addresses entered on the Register. Notwithstanding the status of Associate Members under these Articles, any person who becomes an Associate Member shall automatically be bound by the provisions of these Articles upon becoming a Member. Associate Members shall have the following rights:
  - (i) to attend but not to vote or (save with the consent of the Chairman) to speak at general meetings of the Company; and
  - (ii) to be consulted and to receive information relating to such matters relating to the activities of the Company and the payment system in the UK as the Board may from time to time determine; and
  - (iii) to receive such other rights and benefits as the Board may from time to time prescribe.
- (c) Both Full Members and Associate Members shall as a condition of Membership be required to pay such fees as the Board shall from time to time determine in accordance with the Rules.

## 2.4 *Application for Membership*

No person shall be admitted as a Member unless it has completed and furnished to the Board an application in such form as may be prescribed by the Board from time to time having regard to the Membership criteria as set out in these Articles and the Rules from time to time, and such person has satisfied the Board as to its eligibility for Membership under these Articles and as to the correctness of the particulars contained in such application documents. The Board may delegate to an Admissions Officer responsibility for assessing eligibility and applications for Membership and determining the Voting Rights of any person which is admitted as a Full Member.

## 2.5 *Nomination of Member representatives*

Any body corporate which is a Member may nominate such person as it thinks fit to act as its representative at any meeting of Members, or at any meeting of any class of Members, and the person so appointed shall be entitled to exercise the same powers on behalf of the body corporate which it represents as that body corporate could exercise if it were an individual Member.

## 2.6 *Cessation of membership*

A Member shall cease to be a Member in the following circumstances:

- (a) the Member resigns by giving not less than 6 months' written notice (or such shorter notice as the Board may agree) to the Company delivered to the Company at the Office;
- (b) the Member ceases to fulfil the Membership criteria as set out in these Articles and the Rules from time to time provided that, in the case of a Full Member which ceases to fulfil the Membership criteria applicable to Full Members, such cessation shall be without prejudice to the right of any such Full Member to reapply for Membership as an Associate Member subject to it fulfilling the appropriate criteria for Associate Membership as provided in these Articles and the Rules;
- (c) the Member is acquired by or merges with another Member so that both Members have the same (or one Member is in respect of the other the) Ultimate Holding Company in which case one but not both Members shall cease to be a Member of the Company being such one of them as they may nominate by joint notice to the Company. Such nomination shall not be effective unless in writing and until it has been received by the Company. In the absence of such a nomination within a two month period, the Board shall determine which Member shall cease to be a Member and when its Membership shall occur or be deemed to have occurred; and
- (d) a Membership Event of Default occurs in relation to the Member.

## 2.7 *Effect of cessation of Membership*

Cessation of Membership:

- (a) shall not entitle the former Member to repayment of any part of any subscription or levy previously paid by it; and
- (b) shall not affect the Member's liability to pay any subscription or levy which became due and payable before it ceased to be a Member or any commitment of that Member to pay a subscription or levy incurred before the date on which the Member ceased to be a Member but which becomes due and payable after that date.

**3. General meetings**

**3.1 *Annual general meetings***

The Company shall hold an annual general meeting in every calendar year at such time and place as the Board may determine.

**3.2 *Convening of general meeting***

The Board may convene a general meeting whenever it thinks fit. A general meeting may also be convened by the requisition of Full Members pursuant to the provisions of the Act, and upon such requisition the Board shall proceed to convene a meeting within 21 days from the date on which the become subject to the requirement and to beheld on a date not more than 28 days after the notice convening the meeting. At any meeting convened by the Board or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board.

**3.3 *Notice of general meetings***

- (a) Subject to the provisions of the Act, an annual general meeting shall be convened by not less than 21 clear days' notice in writing. All other general meetings shall be convened by not less than 14 clear days' notice in writing.
- (b) Subject to the provisions of the Act and notwithstanding that it is convened by shorter notice than that specified in this Article 3.3, a general meeting shall be deemed to have been duly convened if it is so agreed by a majority in number of the Full Members having a right to attend and vote at the meeting, being a majority together holding not less than 90 per cent of the total Voting Rights at that meeting of all the Full Members.
- (c) Every notice convening a general meeting shall specify:
  - (i) whether the meeting is an annual general meeting or a general meeting;
  - (ii) the place, day and time of the meeting;
  - (iii) the general nature of the business to be transacted; and



- (iv) the right of each Full Member to appoint any person (whether a member or not) to act as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the Company and to appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different vote or votes held by the Full Member. (For the avoidance of doubt, the Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes).
- (d) The notice shall be given to Full Members and Associate Members (other than any who under these Articles or the Rules are not entitled to receive notice from the Company), the Directors and the Auditors and to such other persons (if any) as the Board shall from time to time determine.

### 3.4 ***Omission to send notice***

The accidental omission to give notice of 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.

## 4. **Proceedings at general meetings**

### 4.1 ***Quorum***

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the provisions of Article 4.2, two persons who are entitled to attend and vote on the business to be transacted (each being a Full Member, a proxy for a Full Member or a duly authorised representative of a Full Member) who together hold 75 per cent of the Allocated Voting Rights as determined pursuant to Article 6.1 and the Rules, shall be a quorum.

### 4.2 ***If quorum not present***

If within 30 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during the meeting 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 day and at such time and place as the Board may determine being not more than 28 days thereafter.

### 4.3 ***Chairman***

The Chairman shall preside as chairman at every general meeting of the Company. If there be no such Chairman or if at any general meeting he shall not be present within 30 minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the Directors present shall choose one of their number to act as Chairman of the meeting.

### 4.4 ***Director may attend and speak***

A Director shall, notwithstanding that he is not a Member, be entitled to attend and

speak at any general meeting of the Company.

**4.5 *Chief Executive, Secretary and Bank of England may attend and speak***

The Chief Executive and the Secretary and the Bank of England (by its duly appointed representative), shall be entitled to receive notice of, and either in person or by representative (in the case of the Bank of England), be entitled to attend and speak at, all meetings of the Company as observers, but no such person shall have a vote at any such meetings.

**4.6 *Power to adjourn***

The Chairman of the general meeting may, with the consent of a meeting at which a quorum is present and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as he shall determine. However, without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, without the need for the consent of the meeting, adjourn any meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting.

**4.7 *Notice of adjourned meeting***

When a meeting is adjourned for 14 days or more, not less than 7 clear days' notice, specifying the place, day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of the original meeting. Otherwise it shall not be necessary to give any such notice.

**4.8 *Business of adjourned meeting***

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

**5. *Voting procedure***

**5.1 *Method of voting***

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after 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 by:

- (a) the Chairman of the meeting; or
- (b) by any Full Member entitled to vote at the meeting,

and a demand by a person as proxy (or duly authorised representative) for a Full Member shall be the same as a demand by the Full Member.

**5.2 *Chairman's declaration conclusive on show of hands***

Unless a poll is duly demanded, a declaration by the Chairman of the general meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of it without proof of the number or proportion of the votes recorded in favour of or against such resolution.

### 5.3 *Procedure on a poll*

- (a) A poll duly demanded on the election of a Chairman of a general meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner and at such time and place as the Chairman shall direct.
- (b) The demand for a poll shall not prevent the continuance of the general meeting for the transaction of any business other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.
- (c) The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

### 5.4 *Casting vote*

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have as a duly appointed proxy for or duly authorised representative of a Full Member.

## 6. **Votes of Members**

### 6.1 *Voting Rights*

- (a) Subject to the provisions of the Act and to any suspension of Voting Rights pursuant to these Articles, at any general meeting every Full Member who is present in person shall on a show of hands have one vote.
- (b) Subject to Article 6.1(c), on a poll every Full Member present by duly authorised representative or by proxy shall have the number of votes allocated to that Full Member from time to time by the Board ("**Voting Rights**"). The Board shall allocate Voting Rights ("**Allocated Voting Rights**") by reference to each Full Member's Share of UK Payment Volumes in a fixed period from time to time in accordance with the Rules.
- (c) A Full Member which has received notice from the Company that a Membership Suspension Event has occurred and in respect of which the Company has not given notice that the Membership Suspension Event has been remedied shall not be permitted to vote on a poll and the votes attributed to that Full Member shall not be Allocated Voting Rights for the purposes of these Articles to the intent that the Voting Rights of such Full Member shall not be taken into account in

terms of determining whether a quorum is present for the purposes of Article 4.1.

- (d) All Allocated Voting Rights for any Full Member, or for any Full Members within the same Corporate Group, shall be capped at 24.99 per cent.
- (e) Any Full Member which considers that its Allocated Voting Rights have been incorrectly calculated according to the Rules may appeal any decision regarding such Allocated Voting Rights to the Appeals Committee. The Appeals Committee shall deliver its decision within 14 days of the date upon which the Board receives notice of such appeal and its decision shall, save in the case of manifest error, be final and binding on that Member.

## 6.2 *Proxies*

- (a) An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in a form which is usual or which the Directors approve.
- (b) The instrument appointing a proxy and any authority under which it is executed (or such copy of the instrument or the authority or both as the Directors may approve) may:
  - (i) in the case of an instrument in writing:
    - (A) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the general meeting or in any instrument of proxy sent out by the Company in relation to the general meeting, not less than 48 hours before the time for the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
    - (B) be deposited with the Chairman or the Secretary at the place where the general meeting or adjourned general meeting is to be held at any time before the time for holding the general meeting or adjourned general meeting at which the person named in the instrument proposes to vote, or
  - (ii) 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 general meeting; or
    - (B) in any instrument of proxy sent out by the Company in relation to the general meeting; or
    - (C) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the general meeting,

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

- (c) An instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. A vote given or poll demanded by proxy 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 general meeting or adjourned general 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 general meeting or adjourned general meeting) the time appointed for taking the poll.

### 6.3 ***Members' resolutions***

- (a) All resolutions of the Company in general meetings shall require the approval of no less than 75 per cent of votes cast (following adjustment, if any, under Article 6.1(d)) unless a resolution by law requires approval of a lesser percentage of votes cast on that resolution in which case the approval of such lesser percentage shall be required.
- (b) The Company Members may pass resolutions in writing in accordance with the provisions of the Act and such resolutions shall require the approval of no less than 75 per cent of votes cast (following adjustment, if any, under Article 6.1(d)) unless such a resolution by law requires approval of a lesser percentage of votes cast on that resolution in which case the approval of such lesser percentage shall be required.

## 7. **Chief Executive**

The Board shall appoint a Chief Executive of the Company for such term, at such remuneration, with such duties and upon such conditions as it may think fit, and any Chief Executive so appointed may be removed by the Board.

## 8. **Appointment and retirement of Directors**

### 8.1 ***Number of Directors***

Unless otherwise determined by the Company in a general meeting, the number of Directors shall be 16. If at any time there are more or less than five Full Members which have a right to appoint Industry Directors in their own right in accordance with Article 8.4(a)(i), the Chairman shall immediately convene a Board meeting in order to consider whether these Articles and the Rules should be amended in order to take account of any such change.

### 8.2 ***Appointment of Chairman***

The Board will appoint an independent person to act as Chairman of the Company and

of meetings of the Board and general meetings of the Company and may determine the period for which he is to hold office, the terms and conditions of his appointment and his remuneration. The Chairman may not also be an Independent Director or an Industry Director.

### 8.3 *Independent Directors*

The Board will appoint four independent directors ("**Independent Directors**") (who will class as Directors for the purposes of these Articles). No Independent Director may be appointed or continue in office if he is, or was within the period of 12 months prior to the date of his appointment as a Director, connected with any Member unless the Full Members have passed a special resolution in General Meeting or in writing to approve the appointment of such a person as an Independent Director.

### 8.4 *Industry Directors*

- (a) Subject to the provisions of these Articles, Full Members shall have the right to appoint Directors ("**Industry Directors**") as follows:
  - (i) Every Full Member whose Share of UK Payment Volumes exceeds 5 per cent shall be entitled by notice in writing to the Company to appoint any one individual as a Director and by like notice to remove any Director appointed by it and to appoint another in his stead.
  - (ii) All of the Full Members whose Share of UK Payment Volumes equals or exceeds 1 per cent and does not exceed 5 per cent shall between them be entitled by notice in writing to the Company to appoint up to three individuals as Directors and by like notice to remove any Director or Directors appointed by them and to appoint others in their stead.
  - (iii) All of the Full Members whose Share of UK Payment Volumes is less than 1 per cent shall between them be entitled by notice in writing to the Company to appoint up to three individuals as Directors and by like notice to remove any Director or Directors appointed by them and to appoint others in their stead.
- (b) Where a Full Member, being a Member having a right to appoint an Industry Director in its own right under Article 8.4(a)(i), has been notified by the Company that a Membership Event of Default has occurred in relation to it that Member shall cease to have a right to appoint an Industry Director.
- (c) Where a Full Member, being a Member having a right to appoint an Industry Director in its own right under Article 8.4(a)(i), has been notified by the Company that a Membership Suspension Event has occurred in relation to it:
  - (i) the Industry Director appointed by that Member shall cease to have the right to attend, speak and vote at meetings of the Board, any committee of the Board and general meetings of the Company; and
  - (ii) the Member shall cease to have the right to vote (but shall still have the right to attend and speak) at general meetings of the Company,

until such time as the Company gives notice to the Member that such Membership Suspension Event has been remedied (in which case the restrictions under this paragraph shall automatically be lifted) or that a Membership Event of Default has occurred (in which case the provisions of Article 8.4(b) shall apply).

- (d) No person may be appointed as an Industry Director under Article 8.4(a)(ii) or (iii) unless that individual is employed or engaged by one of the Full Members entitled collectively to make such appointment.
- (e) The appointment and removal of Industry Directors under Article 8.4(a)(ii) or (iii) shall in each case be made in accordance with such policies and procedures (including as to nomination and voting rights and majorities required) as may be set out in the Rules and otherwise as the relevant Full Members may agree from time to time.
- (f) No person may be appointed as an Industry Director if such appointment would result in there being more than one individual on the Board who is employed or engaged by the same Full Member or any other member of the same Corporate Group.

## 8.5 ***Retirement***

- (a) Subject to the Rules, every Director shall retire at the close of the first Board meeting following the third anniversary of the date of his appointment as a Director or at such other time as the Board when appointing (or re-appointing) a Director determines to be appropriate.
- (b) A Director who retires under Article 8.5(a) shall be eligible for re-election and may, if willing to act, be re-appointed at the Board meeting at which he is required to retire under Article 8.5(a) or at any subsequent Board meeting held within 6 months of such Board meeting. A retiring Director who is re-elected under this Article 8.5(b) will be deemed to have continued in office without a break.
- (c) Subject to Article 8.5(d), a Director who is re-appointed under Article 8.5(b) shall automatically retire at the close of the first Board meeting following the third anniversary of the date of his re-appointment under Article 8.5(b) but shall not be eligible for re-election thereafter until the expiration of not less than one year after such date of retirement.
- (d) Notwithstanding the provisions of Article 8.5(c), a Director may, by resolution of the Board, remain eligible for re-appointment if an extension of his term of office is considered to be in the best interests of the Company by virtue of any particular project or undertaking with which that Director is involved and where, in the opinion of the Board, disruption would otherwise be caused as a result of his retirement from office. In any such case, the Board shall determine the period of extension for which the Director may serve following which he shall retire provided that any such Director shall be eligible for re-appointment following the expiration of not less than one year after such date of retirement.

- (e) The Board may agree transitional arrangements in relation to the date of retirement of any person who is a Director as at the date of adoption of these Articles in order to ensure the orderly retirement of Directors over a period of time.

#### 8.6 *Alternates*

- (a) Any Director may appoint any other Director to be his alternate for the purpose of attending and voting at any particular meeting of the Board or any committee of the Board of which his appointor is a member, where the Director appointing him is not personally able to be present, and generally to perform all the functions of his appointor as a director in his absence. Any Director who is appointed as an alternate shall automatically cease to be an alternate for his appointor at the close of the meeting. A Director may not appoint any person who is not a Director to be his alternate.
- (b) Any appointment or removal of an alternate director shall be made by notice given in writing (including electronically) or by telephone to the Company by the Director making or revoking the appointment or in any other manner approved by the Board.
- (c) Save as otherwise provided in the Articles, an alternate director shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

#### 8.7 *Removal by ordinary resolution*

The Company may, by ordinary resolution of which special notice has been given in accordance with section 312 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place.

#### 8.8 *Vacation of office by Director*

- (a) The office of a Director shall be vacated if:
  - (i) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Board resolves to accept such offer;
  - (ii) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director of a Company;
  - (iii) the Full Member by whom he was appointed, being a Member having a right to appoint an Industry Director in its own right under Article



8.4(a)(i), ceases to be a Full Member;

- (iv) the Full Member or Members by whom he was appointed notifies the Board in writing that it or they replace that Director with another;
  - (v) a Membership Event of Default occurs in relation to the Full Member, being a Member having a right to appoint an Industry Director in its own right under Article 8.4(a)(i), by whom he was appointed;
  - (vi) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the Court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
  - (vii) an order is made by any court of competent jurisdiction (whether in the United Kingdom or elsewhere) on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his property or affairs or he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force in the United Kingdom relating to mental disorder or, in any other territory, in pursuance of an application for admission under analogous legislation or regulations and the Board resolves that his office be vacated;
  - (viii) he shall be absent, without the permission of the Board, from two consecutive Board meetings and the Board resolves that his office be vacated; or
  - (ix) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director.
- (b) A resolution of the Board declaring a Director to have vacated office under the terms of Article 8.8(a) shall be conclusive as to the fact and grounds of vacation stated in the resolution.
  - (c) For the avoidance of doubt, no Director shall vacate his office or be ineligible for re-appointment as a Director, by reason only of his having attained a particular age.

## 9. **Directors' remuneration and expenses**

### 9.1 ***Directors remuneration***

- (a) An Independent Director who is engaged on Company business shall be entitled to receive payment at such daily or hourly rate as the Board shall from time to time agree provided that an Independent Director shall only be eligible to claim such payment if he is not otherwise compensated by his employer or otherwise for the time spent engaged on such business.

- (b) Except as permitted by Article 9.1(a) and clause 4 of the Memorandum, the Directors shall not be entitled to any salary, remuneration or other benefit in money or money's worth from the Company.

## 9.2 *Expenses*

The Independent Directors shall be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings of the Company.

## 10. **Powers and duties of the Board**

### 10.1 *Powers of the Board*

Subject to the provisions of the Act, the Memorandum and these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of the Memorandum or of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.

### 10.2 *Delegation to committees*

- (a) The Board may delegate any of its powers, authorities and discretions for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of two or more Directors and (if thought fit) one or more other persons provided that:
  - (i) a majority in number of the members of a committee shall be Directors or a majority of the votes shall be held by Directors;
  - (ii) each committee shall, taking account of its terms of reference, include an appropriate balance of Independent Directors and Industry Directors; and
  - (iii) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors.
- (b) Subject to any conditions which may be imposed by the Board from time to time, the proceedings of a committee shall be governed by these Articles so far as they are capable of applying.
- (c) The Board may also delegate to the Chief Executive or any person holding any other executive office of the Company such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

## 11. **Proceedings of Directors and Committees**

### 11.1 *Board meetings*

Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit provided that the Board shall meet not less than four times in each calendar year.

### 11.2 *Notice of Board meetings*

- (a) A Director may, and the Secretary at the request of a Director shall, call a Board meeting at any time. 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 or sent by email to a previously notified email address. A Director may waive the requirement that notice be given to him of any Board meeting either prospectively or retrospectively. It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose but he shall not in such event be entitled to a longer period of notice than if he had been present in the United Kingdom at that address.
- (b) Five clear days' notice of Board meetings shall be given to all Directors provided that the Chairman may, if he is satisfied that the urgency of the matter so requires, convene a Board meeting on short notice.

### 11.3 *Chairman of Board*

If at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of that meeting. The Director so chosen shall not be entitled to any vote in his capacity as Chairman of that meeting in addition to any vote he may have as a Director.

### 11.4 *Observers*

The Board shall be entitled to invite any person who is not a Director to attend and speak at any of its meetings as observers but no such person shall have a vote at any such meeting. The Chief Executive and the Secretary of the Company and the Bank of England (by its duly appointed representative), shall be entitled to receive notice of, and either in person or by representative (in the case of the Bank of England), be entitled to attend and speak at, all meetings of the Board as observers, but no such person shall have a vote at any such meetings. Any person who is designated an observer under these Articles shall have none of the duties and responsibilities of a Director.

### 11.5 *Quorum*

- (a) The quorum necessary for the transaction of business shall be 11 Directors for the time being holding office, present in person or, subject to Article 11.5(b), by alternate, excluding the Chairman (save that, if the subject of the vote is a

particular Member and that Member or any other Member in the same Corporate Group as that Member has a right to appoint an Industry Director in its own right under Article 8.4(a)(i), the Industry Director appointed by that Member or such other Member shall not count for the purposes of forming a quorum for such meeting and will not be entitled to vote in relation to any resolution relating to that Member or its Industry Director).

- (b) In determining whether a quorum is present for the purposes of Article 11.5(a), any Director who has been appointed as the alternate of any other Director in accordance with Article 8.6 shall be counted both in his own right and separately for each and every other Director who has appointed him as their alternate for that meeting provided that there is a minimum of seven Directors present in person at that meeting.

#### 11.6 *Voting*

- (a) Questions arising at any meeting shall be decided by votes in favour representing not less than 70 per cent in number (rounded up to the nearest whole number) of those Directors entitled to vote at Board meetings (including any Directors who are not present at the meeting) provided that no resolution shall be deemed to have been passed if all the Independent Directors for the time being holding office (whether present in person or by alternate) vote against the resolution.
- (b) The Chairman shall not have any vote including in the case of an equality of votes.

#### 11.7 *Voting in relation to Membership Exclusion Events*

- (a) A Board meeting to determine whether a Membership Exclusion Event has occurred in relation to a Member or whether a Membership Exclusion Event no longer exists in relation to a Member, may be called by a Director, or the Secretary at the request of a Director by notifying all the other Directors, with the exception of any Director appointed by a Member the subject of an alleged Membership Exclusion Event and any Director appointed by a Member within the same Corporate Group as the Member the subject of the alleged Membership Exclusion Event. The quorum for such meeting shall be a majority in number of all the Directors for the time being holding office.
- (b) A determination by the Company that a Membership Exclusion Event has occurred, or no longer exists, in relation to a Member shall be made by a resolution of the Directors (other than any Industry Director appointed by that Member) present and voting at a Board meeting. Such a resolution must be passed by votes in favour representing not less than a majority in number of all the Directors for the time being holding office.
- (c) The Member who is the subject of such a meeting shall be notified of the time and place of the meeting and shall be entitled to attend the meeting and be heard in defence but shall not be entitled to be present at the voting or take part in the proceedings otherwise than as the Directors present at that meeting

(other than the Director (if any) appointed by that Member) shall permit. A Member shall be entitled to invoke any dispute process established by the Company and set out in the Rules.

#### 11.8 ***Voting and Directors' interests***

Provided that he has disclosed to the Directors the nature and extent of the interest or duty, a Director may vote as a Director on a resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his votes shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration.

#### 11.9 ***Participation by telephone***

Any Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no group which is larger than any other group where the Chairman of the meeting then is. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that two or fewer than two Directors or alternate Directors are physically present at the same place.

#### 11.10 ***Resolution in writing***

A resolution in writing signed by all the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum or by all the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and not being less than a quorum of that committee shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board or committee, as the case may be. Such a resolution may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile transmission. For such a resolution to be effective it shall not be necessary for it to be signed by a Director who is prohibited by these Articles from voting thereon.

#### 11.11 ***Minutes of proceedings***

- (a) The Board shall cause minutes to be made in books kept for the purpose of recording:
  - (i) all appointments of officers and committees made by the Board; and
  - (ii) the names of Directors present at every meeting of the Board or a committee of the Board and all orders, resolutions and proceedings of such meetings.

- (b) Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in such minutes without any further proof.
- (c) All minutes of the Board shall be available on request to Members, and shall be published by the Company (including on its website), subject to and in accordance with the Rules provided that the Board may determine that matters of a confidential or commercially sensitive nature and any other matters it believes for good reason should not be disclosed to Members (or any category thereof) or to the public shall not be made available or published in such manner but that the minutes of such discussions shall be maintained in a separate confidential minute book, made available only to Directors.

#### 11.12 *Validity of proceedings*

All acts done by a meeting of the Board or of any committee of the Board or by any person acting as a Director or member of a committee shall, as regards all persons dealing in good faith with the Company notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid or that they or any of them were or was disqualified from holding office or not entitled to vote or had in any way vacated their or his office or that the delegation to such committee, had been annulled, varied or revoked, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a Director or member of a committee and had been entitled to vote or as if the delegation had continued in full force and effect.

#### 11.13 *Directors' interests*

- (a) A Director notwithstanding his office or that such situation or interest may conflict with the interests of or his duties to the Company:
  - (i) may be a party to, or otherwise interested in, any contract, transaction or arrangement in which an Associated Undertaking is interested; and
  - (ii) may be a director or other officer of, or employed by, or otherwise interested in, any Associated Undertaking.
- (b) A director who has an interest under Article 11.13 (a) shall declare to the other directors the nature and extent of his interest as soon as practicable after such interest arises, except to the extent that to do so would amount to a breach of duty of confidentiality or a breach of applicable law or regulation.
- (c) Without prejudice to the provisions of Articles 11.13(a) and 11.13(b), for the purposes of section 175(5)(a) of the Act the Directors may authorise a Relevant Situation in respect of any director and the continuing performance by the relevant Director of his duties as a director of the Company on such terms as they may determine. For the avoidance of doubt, such terms may permit the interested director to continue to participate in the decision-making process and count in the quorum and vote if a proposed decision of the directors relates to

the subject matter of the Relevant Situation. Authorisation of a Relevant Situation may be withdrawn, and the terms of authorisation may be varied or subsequently imposed, at any time.

- (d) Any decision of the directors for the purposes of providing, varying the terms of or withdrawing such authorisation shall not be effective unless:
  - (i) the requirement as to the quorum is met without counting the interested director or any other interested director; and
  - (ii) the decision is made without the interested director or any other interested director voting or would have been passed if their votes had not been counted,but otherwise shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors in accordance with the provisions of these Articles.
- (e) An interested director must act in accordance with any terms determined by the directors under Article 11.13(c).
- (f) Any authorisation of a Relevant Situation given by the directors under Article 11.13(c) may provide that, where the interested director obtains (other than through his position as a director of the Company) information that is confidential to a third party or in respect of which he owes a duty of confidentiality to a third party or the disclosure of which would amount to a breach of applicable law or regulation, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence or a breach of applicable law or regulation.
- (g) Provided that a Relevant Situation has been duly authorised by the directors or the Company (or it is permitted under Article 11.13(a) and its nature and extent has been disclosed to the other directors in accordance with Article 11.14), a director may participate in the decision-making process and count in the quorum and vote if a proposed decision of the directors is concerned with such situation (subject to any restrictions imposed under the terms on which it was authorised).
- (h) References in these Articles to a conflict of interest include a conflict of interest and duty and a conflict of duties, and an interest includes both a direct and an indirect interest.

#### 11.14 *Transactions with the Company*

- (a) Provided that he has declared to the other directors the nature and extent of any interest of his, a director notwithstanding his office may be a party to, or otherwise directly or indirectly interested in, any proposed or existing transaction or arrangement with the Company.
- (b) Subject to Article 11.14(c) and provided that he has declared to the other

directors the nature and extent of any interest of his, a director may participate in the decision-making process and count in the quorum and vote if a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which the director is interested.

- (c) A director shall not count in the quorum and vote on a proposal under consideration concerning his appointment to an office or employment with the Company or any undertaking in which the Company is interested. Where proposals are under consideration concerning the appointment of two or more directors to any such offices or employments the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to participate in the decision-making process and count in the quorum and vote in respect of each decision except that concerning his own appointment.

11.15 A director shall not, by reason of his office, (or of the fiduciary relationship established by holding that office), be accountable to the Company for any benefit resulting from any situation or interest permitted under Article 11.13 or 11.14 or duly authorised by the directors or the Company nor shall the receipt of such remuneration, profit or other benefit constitute a breach of the director's duty under section 176 of the Act or otherwise, and no contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit or any director having any type of interest which is permitted under Article 11.13 or 11.14 or duly authorised by the directors or the Company.

11.16 For the purposes of Article 11.13 and 11.14:

- (a) a declaration of interest or other notification may be made by a director at a meeting of the directors or by notice in writing to the other directors. A director need not declare any interest if it cannot reasonably be regarded as likely to give rise to a conflict of interest, or if he is not aware of the interest, or if, or to the extent that, the other directors are already aware of it (and for these purposes a director shall be treated as aware of anything of which he ought reasonably to be aware) or if, or to the extent that, it concerns terms of his service contract that have been or are to be considered (a) by a meeting of the directors or (b) by a committee of the directors appointed for the purpose under the Company's constitution; and
- (b) each Director shall be deemed to have given notice to all the Directors that he is to be regarded as having an interest in any transaction or arrangement involving his appointor.

## 12. **Rules**

12.1 Subject to the provisions of this Article 12, the Board may from time to time make, vary, amend or rescind such Rules as it may deem necessary or expedient for the proper conduct of the Company. A copy of the Rules shall be supplied to every Member on its admission to the Company and shall also be made available on the Company's website. In particular, but without prejudice to the generality of the



foregoing, the Board may make Rules relating to:

- (a) admission to and the conditions of Membership and the rights and privileges of such Members;
- (b) the terms on which Members may resign or have their Membership terminated;
- (c) subscriptions and other fees or payments to be made by Members; and
- (d) the proceedings at general meetings and Board and committee meetings insofar as such proceedings are not regulated by these Articles,

and any rule adopted in accordance with this Article shall be binding on all Members provided that no such Rule shall be inconsistent with, or shall affect or alter anything contained in, the Memorandum or these Articles.

12.2 The Board shall have no power to make, vary, amend or rescind any of the provisions in the Rules relating to:

- (a) voting rights of Directors and Members (including, without limitation, the basis on which their respective voting rights are calculated);
- (b) the composition of the Board, the quorum for Board meetings and the majority required for decisions, directions or resolutions of the Board to be made, given or passed; nor
- (c) the establishment of different classes of Membership other than sub-classes of Associate Members,

nor to make, vary or amend or rescind any other Rule which would, if so made, varied, amended or rescinded, undermine any rights or benefits as are granted pursuant to such provisions provided that nothing in this Article 12.2 shall prevent the Board from fixing or increasing such subscriptions and other fees as may be payable by Members from time to time in connection with Membership provided that it acts reasonably.

12.3 The Company may by special resolution in general meeting amend or rescind any Rule and may adopt any new Rule provided that no such Rule shall be inconsistent with, or shall affect or alter anything contained in, the Memorandum or these Articles.

12.4 The Board shall take all reasonable steps in order to bring the adoption of any new Rule or any amendment or rescission of any existing Rule to the attention of Members as soon as reasonably practicable after such adoption, amendment or rescission.

### 13. **Execution of documents**

#### 13.1 *Application of common seal*

The common seal of the Company (if the Company shall have one) shall be used only by the authority of a resolution of the Board. Unless otherwise determined by the

Board, every instrument to which the seal is affixed shall be signed by a Director and the Secretary or by two Directors or by any other person duly authorised by the Board for the purpose.

### 13.2 *Deed without sealing*

A document signed by a Director and the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company as a deed shall have the same effect as if it were executed under the common seal of the Company, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of a resolution of the Board. An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

## 14. **Secretary**

Subject to the provisions of the Act, the Secretary shall be appointed by the Board at such remuneration and on such terms and conditions as it thinks 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 services between him and the Company. No person shall be appointed to hold the salaried position of Secretary who is a Director or a corporation in which a Director is interested.

## 15. **Accounts**

### 15.1 *Accounting records*

The Board shall cause accounting records to be kept in accordance with the Act and shall keep such other books and registers as are necessary to comply with the Act.

## 16. **Notices**

### 16.1 *Notice to be in writing*

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice convening a Board meeting need not be in writing.

### 16.2 *Service of notice on Members*

- (a) The Company may give any notice or document to a Member, either personally or by sending it by post or other delivery service in a prepaid envelope addressed to the Member at its registered address or by leaving it at that address, or by giving it to a Member by using Electronic Communication to an address for the time being notified to the Company by the Member.
- (b) If on three consecutive occasions notices or other documents have been sent to any Member either through the post to its registered address, or to an electronic address provided by the Member, but have been returned undelivered, such Member shall not thereafter be entitled to receive notices or other documents from the Company until it shall have communicated with the Company and

supplied in writing a new registered address within the United Kingdom, or a new electronic address for the service of notices.

- (c) Any notice to be given to a Member may be given by reference to the Register as it stands at any time within the period of 15 days before the notice is given and no change in the Register after that time shall invalidate the giving of the notice.

### 16.3 ***Evidence of service***

- (a) Any Member present, in person or by proxy at any general meeting of the Company shall be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.
- (b) Any notice certificate or other document, addressed to a Member at its registered address or address for service in the United Kingdom shall, if sent by post be deemed to have been given at the expiration of 48 hours after the envelope was posted. In proving such service or delivery it shall be sufficient to prove that the envelope containing the notice or document was properly addressed and put into the post as a prepaid letter. Any notice, certificate or other document sent to a Member by means of Electronic Communication shall be deemed to have been given at the expiry of 48 hours after the time it was sent. Any notice, certificate or other document not sent by post, or by means of Electronic Communication, but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left.

## 17. **Electronic Communication with Members**

17.1 The Company may communicate with any Member by making any notice or document available on its website provided:

- (a) the Member has agreed in writing to receive communications in this way and not revoked that agreement; or
- (b) the Member is taken to have so agreed in accordance with Article 17.2.

17.2 A Member shall be taken to have so agreed if:

- (a) the Member has been asked (not more than once in any 12 month period) to agree to receive communications via the Company's website; and
- (b) the Company has not received a response within 28 days of that request.

## 18. **Indemnity and liability insurance**

### 18.1 ***Right to indemnity***

- (a) Subject to the provisions of and to the extent permitted by statutes, every

Director or other officer (excluding an auditor) of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, but:

- (i) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
  - (ii) the indemnity is subject to such officer taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced
- (b) Any Full Member or Members (being a Member or Members having a right to appoint an Industry Director under Articles 8.4(a), (b) and (c)) which remove an Industry Director from office, or whose appointee vacates office under these Articles, shall indemnify the other Full Members and the Company against any claim, whether for compensation for loss of office, wrongful dismissal or otherwise, which arises out of that Director ceasing to hold office.

## 18.2 *Power to insure*

Subject to the provisions of the Act and clause 4 of the Memorandum, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer or employee.

## 18.3 *Division of assets*

The provision of clauses 7 and 8 of the Memorandum relating to the winding up or dissolution of the Company shall have effect and be observed as if the same were repeated in these Articles.

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**Name and address of subscriber**

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Dated • 2007

Witness to the above signature[s]:

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[*address*]