

# THE COMPANIES ACT 1985

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

### MEMORANDUM OF ASSOCIATION

#### OF

### THE ESK VALLEY TRUST COMPANY LTD

1. The name of the company is The Esk Valley Trust Company Ltd.
2. The company's registered office is to be situated in Scotland.
3. This clause shall be interpreted as if it incorporated an over-riding qualification to the effect that in any case in which an activity permitted under this clause is in its nature capable of being carried on for purposes which are not charitable or only partially so as well as for purposes which are wholly charitable, (the word "charitable" having the meaning ascribed to it for the purposes of section 360 of the Income and Corporation Taxes Act 1970, including any statutory amendment or re-enactment for the time being in force (which meaning shall be assigned to the word "charitable" wherever it appears in this memorandum of association), the powers of the company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the carrying on of such activity in such manner as will not prejudice the charitable status of the company under the statutory provisions referred to above. Subject to that over-riding qualification, the company's objects are:
  - 3.1 To stimulate public interest in and care for, the beauty, history and character of the River Esk valleys and its surroundings. In particular to promote, encourage, provide, and sustain public amenities in the Esk valleys catchment and to create a path from the river sources to the sea.
  - 3.2 To acquire and take over the whole or any part of the undertakings and liabilities of any person entitled to any property or rights suitable for any of the objects of the company.
  - 3.3 To purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for – the purposes of the activities or the company.
  - 3.4 To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
  - 3.5 To sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
  - 3.6 To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
  - 3.7 To borrow money and give security for the payment or money by, or the performance or other obligations of, the company or any other person.

- 3.8 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- 3.9 To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual, who is or was at any time in the employment of the company and the wife, widow, relatives and dependants of any such individual; and to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- 3.10 To promote any Act of Parliament, Provisional Order and other authority to enable the company to carry out its objects, alter its Constitution, and achieve any other purpose which may promote the company's interests, and to oppose or object to any application or proceedings which may prejudice the company's interests.
- 3.11 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company and to obtain from any such organisation, government or authority any charter, right, privilege or concession.
- 3.12 To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any charitable or benevolent body, whether incorporated or unincorporated.
- 3.13 To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of.
- 3.14 To effect insurance against risks of all kinds.
- 3.15 To invest moneys of the company not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such a manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments and securities.
- 3.16 To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the company and to promote any company or other incorporated body formed for the purpose of carrying on any activity which the company is authorised to carry on.
- 3.17 To amalgamate with any charitable body, incorporated or unincorporated, having objects altogether or in part similar to those of the company.
- 3.18 To subscribe for, take, purchase and otherwise acquire and hold shares, stocks, debentures and other interests in any company with which the company is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the company is authorised to amalgamate.
- 3.19 To transfer all or any part of the undertaking, property and rights of the company to any body, incorporated or unincorporated, with which the company is authorised to amalgamate.

- 3.20 To subscribe and make contributions to or otherwise support charitable or benevolent bodies, whether incorporated or unincorporated, and to make donations for any public purpose connected with the activities of the company or with the furtherance of its objects.
- 3.21 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the objects of the company.
- 3.22 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient or the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.
- 3.23 To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- 3.24 To do anything which may be deemed incidental or conducive to the attainment of any of the objects of the company.

And it is declared that in this clause where the context so admits, "property" means any property, heritable or moveable, real or personal, wherever situated.

4. 4.1 Subject to clause 4.2

- a) The income and property of the company shall be applied solely towards the promotion of its objects as set out in clause 3 or this memorandum of association
- b) No part of the income and property of the company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to the members of the company
- c) No director of the company shall be appointed to any office under the company in respect of which a salary or a fee is payable and
- d) No benefit in money or money's worth shall be given by the company to any director except repayment of out-of-pocket expenses.

4.2 The company shall, notwithstanding the provisions of clause 4.1, be entitled

- a) To pay reasonable and proper remuneration to any director or member of the company in return for services actually rendered to the company
- b) To pay interest at a rate not exceeding the commercial rate on money lent to the company by any director or member of the company
- c) To pay rent at a rate not exceeding the open market rent for premises let to the company by any director or member of the company and
- d) To purchase assets from, or sell assets to, any director or member of the company providing such sale or purchase is at market value.

5. The liability of the members is limited.

- 6. Every 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 member or within one year after he ceases to be a member, for payment of

the company's debt and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

7. 7.1 If on the winding up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company but shall be transferred to some other charitable body or bodies (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the company and whose constitution restricts the distribution of income and assets among members to an extent at least as great as does clause 4 of this memorandum or association.  
7.2 The body or bodies to which property is transferred under clause 7.1 shall be determined by the members of the company at or before the time of dissolution or, failing such determination and approval, by such court as may have or may acquire jurisdiction.  
7.3 To the extent that effect cannot be given to the provisions of clauses 7.1 and 7.2, the relevant property shall be applied to some other charitable object or objects.
8. 8.1 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.  
8.2 The company's auditors shall make a report to the members on the accounts examined by them and on every balance sheet and income and expenditure account and of all group accounts, copies of which are to be laid before the company in general meeting.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum.

# THE COMPANIES ACT 1985

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

### ARTICLES OF ASSOCIATION OF THE ESK VALLEY TRUST COMPANY LTD

#### INTERPRETATION

1. In these regulations:

“the Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

“the articles” means the articles 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.

“executed” includes any mode of execution.

“office” means the registered office of the company.

“secretary” means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

“the United Kingdom” means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

#### MEMBERS

2. The subscribers to the memorandum of association of the company and such other persons as are admitted to membership in accordance with the articles shall be members of the company.

#### Categories of Member

3. There will be two categories of membership

“Individual members” and “Associate members”

#### **Qualification for Membership**

4. Individual members must be over 18 years of age and have an interest in the objects of the company.

Associate members must be over 18 years of age and will represent organisations with a common interest in that of the company. Associate members will be appointed by invitation of the company’s Directors.

#### **Restrictions on Membership**

5. No employee of the company may become a member.
6. The directors shall be entitled at their discretion to refuse to admit any person to membership notwithstanding that he fulfils one of more of the qualifications under article 4 and is not debarred from membership by article 5.

#### **Applications for Membership**

7. Any person (other than the subscribers to the memorandum of association of the company) who wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require), signed by him and, in the case of an applicant nominated by a qualifying body, signed by the appropriate official of the body nominating him for membership.
8. A person applying for admission as a member shall lodge such evidence in support of his application as the directors require.
9. Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application (and, if appropriate, supporting evidence) required under the preceding two articles.
10. The directors shall notify each applicant in writing of their decision as to whether or not to admit him to membership within 30 days after the meeting at which the application is considered.

#### **Cessation of Membership**

11. A member of the company shall cease to be a member of the company on his death or if he becomes of unsound mind or resigns his membership by notice in writing sent to or left with the secretary at the office.

12. A person admitted to membership shall automatically cease to be a member if he becomes an employee of the company.
13. The directors shall have the right for good and sufficient reason to terminate the membership of any member provided that the member concerned shall have a right to be heard before any final decision is made.

#### **Withdrawal from Membership**

14. Any person who or organisation which wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors require), signed by him, on receipt of such notice by the company he or it shall cease to be a member.

#### **Expulsion from Membership**

15. Subject to articles 16 to 20, the company may, by special resolution, expel any person from membership.
16. Any member who wishes to propose at any meeting a resolution for the expulsion of any person from membership shall lodge with the company written notice of this intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than six weeks before the date of the meeting.
17. The company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned and the member concerned shall be entitled to make written representations to the company with regard to the notice.
18. If representations are made to the company in pursuance of the preceding article the company shall (unless such representations are received by the company too late for it to do so).
  - a) State the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed and
  - b) Send a copy of the representations to every person to whom notice of the meeting is or was given.
19. Whether or not a copy of written representations has been given to each of the persons entitled to receive notice of the meeting, the member concerned shall be entitled to be heard on the resolution at the meeting.
20. Failure to comply with any of the provisions of articles 16 to 19 shall render any resolution for the expulsion of a person from membership invalid.
21. A person expelled from membership under articles 15 to 20 shall cease to be a member with effect from the time at which the relevant resolution is passed.

### **General Meetings**

22. All general meetings other than annual general meetings shall be called extraordinary general meetings.
23. An extraordinary general meeting shall be convened by the directors on requisition by members (under section 368 of the Act) or on requisition by a resigning auditor (under section 391 of the Act).
24. Subject to the preceding article and to the requirements under section 366 of the Act as to the holding of annual general meetings, the directors may convene general meetings whenever they think fit.

### **Notice of General Meetings**

25. An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution requiring special notice shall be called by at least twenty one clear days' notice; all other extraordinary general meetings shall be called by at least fourteen clear days' notice.
26. A notice convening a meeting shall specify the time and place of the meeting; it shall also state the terms of any resolution which is to be proposed as a special resolution or extraordinary resolution of which constitutes a resolution requiring special notice and shall indicate the general nature of any other business to be transacted at the meeting.
27. A notice convening an annual general meeting shall specify the meeting as an annual general meeting.
28. Notice of every general meeting shall be given to all the members and directors and to the auditors.
29. 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.

### **Proceedings at General Meetings**

30. No business shall be transacted at any meeting unless a quorum is present; five persons entitled to vote other upon the business to be transacted, each being a member or a proxy for a member, shall be a quorum.
31. If the quorum required under the preceding article is not present within half an hour after the time appointed for the meeting, or if during a meeting such a

quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairman of the meeting.

32. The convener (or, in his absence, the vice convener) shall (if present and willing to act as chairman) preside as chairman of the meeting; if neither the convener nor the vice-convener is present and willing to act as chairman within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairman or, if there is only one directors present and willing to act, he shall be chairman.
33. If no director willing to act as chairman is present within half an hour after the time appointed for holding the meeting, the members present shall elect one of their number to be chairman.
34. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
35. The chairman may, with the consent of the 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.
36. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting which was adjourned if the adjournment had not taken place.
37. Where a meeting is adjourned for thirty days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of the business to be transacted; in any other case, it shall not be necessary to give any notice of an adjourned meeting.
38. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded by the chairman or by at least two members having the right to vote at the meeting and a demand by a person as proxy for a member shall be deemed to be a demand by such member.
39. Unless a poll is demanded in accordance with the preceding article, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
40. 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 invalidate the result of a show of hands declared before the demand was made nor the result of a show of hands declared after the demand is so withdrawn.

41. If a poll is demanded in accordance with article 38, it shall be taken at once by means of a secret ballot of all the persons present and entitled to vote (whether as members or as proxies for members) conducted in such manner as the chairman may direct; the result of such poll shall be declared at the meeting at which the poll was demanded.
42. A resolution in writing signed by all the members shall be as effectual as if it had been passed at a general meeting duly convened and held; it may consist of several documents in the same form each signed by one or more members.

### **Votes of Members**

43. Every "individual member" shall have one vote which may be given either personally or (whether on a show of hands or on a poll) by proxy. "Associate members" are not entitled to vote unless they are individual members in their own right in which case they shall have one vote.
44. A member who wishes to appoint a proxy to vote on his behalf at any meeting (or adjourned meeting) shall lodge with the company, at the office, not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting), a written instrument of proxy (in such form as the directors require), signed by him; an instrument of proxy which does not conform with the preceding provisions or which is not lodged in accordance with such provisions shall be invalid.
45. A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
46. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him to speak at the meeting and need not be a member of the company.
47. A vote given, or poll demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a poll had terminated prior to the giving of such vote or demanding or such poll unless notice of such termination was received by the company at the office before the commencement of the meeting or adjourned meeting at which the vote was given or the poll demanded.
48. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
49. No objections may be raised as to the validity of any vote except at the meeting at which the vote objected to is tendered, and every vote not disallowed at the

meeting shall be valid; any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

### **Maximum and Minimum Number of Directors**

50. The maximum number of directors (other than alternate directors) shall (unless otherwise determined by special resolution) be seven, and (unless otherwise determined by special resolution) the minimum number of directors shall be two.

### **Appointment, Retiral, Re-appointment**

51. Any member who wishes to be considered for appointment as a director at an annual general meeting shall lodge with the company a written notice of his willingness to be appointed (in such form as the directors require), signed by him, at any time up to commencement of the annual general meeting.
52. At an annual general meeting the company may by ordinary resolution appoint as a director any member in respect of whom a written notice of willingness to accept such an appointment has been received in compliance with the preceding article.
53. The directors may at any time appoint any member (providing he is willing to act), to be a director either to fill a vacancy or as an additional director.
54. At the first annual general meeting all the directors shall retire from office.
55. At each annual general meeting (other than the first)
  - a) All directors who have been appointed by the directors since the date of the last annual general meeting shall retire from office and
  - b) Out of the remaining directors, one third (to the nearest round number) shall retire from office.
56. The directors to retire under paragraph (b) of article 55 shall be those who have been longest in office since they were last appointed or reappointed; the question of who is to retire as between directors appointed or reappointed on the same date shall be determined by lot.
57. The company may at any annual general meeting by ordinary resolution reappoint any director who retires from office at the meeting under articles 54 or 55 (providing he is willing to act); if any such director is not re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

### **Disqualification and Removal of Directors**

58. A director shall vacate office if
- a) He ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director
  - b) He becomes bankrupt or apparently insolvent
  - c) He becomes incapable for medical reasons for fulfilling the duties of his office and such incapacity is expected to continue for a period of more than six months.
  - d) He becomes an employee of the company
  - e) He ceases to be a member of the company
  - f) He resigns office by notice to the company or
  - g) He is absent (without permission of the directors) from more than three successive meetings of directors held in any period of six months or more and the directors resolve to remove him from office.

### **Appointments to Executive Office**

59. Directors shall be appointed to hold the offices of convener, vice convener, treasurer and such other executive offices as the directors may consider appropriate; each such office shall be held, subject to article 62, until the conclusion of the annual general meeting which next follows appointment.
60. The appointments to executive office under the preceding article shall, subject to article 63, be made at a meeting of directors held as soon as reasonably practical after the incorporation of the company and thereafter at a meeting of directors held immediately after each annual general meeting.
61. A director whose period of executive office expires under article 59 may be re-appointed to such office (providing he is willing to act).
62. The appointment of any director to executive office shall terminate if he ceases to be a director or if he resigns from such executive office by notice to the company.
63. If the appointment of any director to executive office terminates under the preceding article, the directors shall, at a meeting of directors held as soon as reasonable practicable after such termination, appoint another director to hold such office in his place; a director so appointed shall (subject to article 62) hold such executive office until the conclusion of the first annual general meeting which follows such appointment.

### **Directors' Interests**

64. Subject to the provisions of the Act and of clause 4 of the memorandum of association and provided that he has disclosed to the directors the nature and extend of any material interest of his, a director notwithstanding his office

- a) May be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested
  - b) May be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested and
  - c) Shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.
65. For the purposes of the preceding article
- a) A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified and
  - b) An interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### **Directors' Remuneration and Expenses**

66. No director shall be entitled to any remuneration, whether in respect of his office as director or as holder of any executive office under the company.
67. The directors may be paid all travelling expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings, meetings of committees of directors or meetings of general committees (as defined in article 103) or otherwise in connection with the discharge of their duties.

#### **Powers of Directors**

68. Subject to the provisions of the Act, the memorandum of association and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company.
69. No alteration of the memorandum of association or these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.

70. The powers conferred by article 68 shall not be limited by any special power conferred on the directors by the articles.
71. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
72. The directors may, by power or attorney or otherwise, appoint any person to be the agent of the company for such purpose and on such conditions as they may determine, including authority for the agent to delegate all or any of his powers.

### **Proceedings of Directors**

73. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit.
74. Any director may call a meeting of the directors or request the Secretary to call a meetings of the directors.
75. No notice of a meeting of directors need be given to a director who is absent from the United Kingdom.
76. Questions arising at a meeting of directors shall be decided by a majority of votes; in the case of an equality of votes, the chairman shall have a second or casting vote.
77. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
78. 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 the nearest whole number representing one third of the total number of directors; a person (other than a director) acting as alternate director shall, if his appointor is not present, be counted in the quorum.
79. The continuing directors or a sole continuing director may act notwithstanding vacancies but if the number of remaining directors is less than the number fixed as the quorum, they or he may act only for the purpose of filling vacancies or of calling a general meeting.
80. Unless he is unwilling to do so, the convener shall preside as chairman at every meeting of directors at which he is present.
81. If the convener is unwilling to act as chairman or is not present within fifteen minutes after the time appointed for the meeting, the vice convener shall act as chairman; if the vice convener is not willing to act as chairman is not present

within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

82. All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was 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.
83. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held; it may consist of several documents in the same form each signed by one or more directors.
84. A resolution signed by an alternate director need not also be signed by his appointor; a resolution signed by a director who has appointed an alternate director need not be signed by the alternate director in that capacity.
85. Except as otherwise provided by the articles, a director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within either or both of the following paragraphs
  - a) The resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or any obligation incurred by him for the benefit of, the company or any of its subsidiaries
  - b) The resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part (and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security.
86. For the purposes of the preceding article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the company), connected with a director shall be treated as an interest of the director; an interest of the appointor of an alternate director shall be treated as an interest of the alternate director.
87. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
88. The company may by special resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles

prohibiting a director from voting at a meeting of the directors or at a meeting of a committee of directors.

89. Where proposals are under consideration concerning the appointment of two or more directors to executive offices with the company the proposals may be divided and considered in relation to each director separately; provided he is not for another reason precluded from voting, each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
90. If a question arises at a meeting of directors or at a meeting or a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting; his ruling in relation to any director other than himself shall be final and conclusive.
91. The directors may invite or allow any person to attend and speak, but not to vote, at any meeting or meetings of the directors or any committee of the directors.

#### **Alternate Directors**

92. A director (other than an alternate director) may, if so permitted by resolution of the directors, appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
93. An alternate director shall, subject to the following article, be entitled to be given notice of all meetings of directors and of all meetings of committee of directors and meetings of general committees of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence.
94. A notice of a meeting of directors, a meeting of a committee of directors or a meeting of a general committee need be given to an alternate director who is absent from the United Kingdom.
95. An alternate director shall not be entitled to receive any remuneration from the company for his services as an alternate director.
96. An alternate director shall, subject to the following article, cease to be an alternate director if his appointor ceases to be a director.
97. If a director retires (by rotation or otherwise) but is reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to retirement shall continue after his reappointment.

98. An appointment or removal of an alternate director may be effected by notice given to the company at the office signed by the director making or revoking the appointment or may be effected in any other manner approved by the directors.
99. An alternate director shall alone be responsible for his own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing him.
100. References in the articles to directors shall, unless the context otherwise requires, be construed as including alternate directors.

#### **Delegation to Committees of Directors and Holders of Executive Office**

101. The directors may delegate any of their powers to any committee consisting of one or more directors; they may also delegate to the convener or any director holding any other executive office such of their powers as they consider desirable to be exercised by him.
102. Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
103. Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.

#### **Delegation to General Committees**

104. For the purposes of the articles, “general committee” means a committee appointed by the directors whose constitution complies with article 106.
105. The directors may, subject to articles 108, 109 and 110, delegate to any general committee all such powers as the director may think fit; any such delegation shall be made collaterally with, and not to the exclusion of, the directors’ powers and may be revoked or altered.
106. The members of a general committee shall include at least one director and a majority of the other members of the committee shall be members of the company; the remaining members of the committee need not be members of the company.
107. The director included among the members of a general committee (or, if more than one director is included among the members of the committee, the director appointed to such office at a meeting of directors) shall hold office as convener of the committee.

108. Each general committee shall regulate its proceedings in accordance with the directions issued by the directors and shall give effect to any instruction or decision on matters of principle issued or made by the directors.
109. Unless otherwise determined by special resolution, the following matters shall be excluded from delegation to any general committee.
- a) Any introduction of a new policy or any change in policy which could have a significant impact on the company or which would fall within the responsibility of another committee or conflict with the declared policy of another committee
  - b) Any matter involving expenditure not in accordance with the financial regulations of the company
  - c) Any capital building project
  - d) The appointment or dismissal of any employee of the company.
110. All contracts with third parties in connection with the discharge of the functions of a general committee shall be entered into by the convener of the committee or, in his absence, by some other director of the company; no member of a general committee (other than a director) shall contract, or hold himself out as contracting, on behalf of the company.
111. All acts done by a general committee shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member of the committee or that any member of the committee was not qualified to act as such, be as valid as if every such person had been duly appointed and was so qualified.
112. A resolution in writing signed by all the members of a general committee shall be as valid and effectual as if it had been passed at a meeting of the committee duly convened and held; it may consist of several documents in the same form each signed by one of more members of the committee.
113. A resolution signed by an alternate director appointed by a director who is a member of a general committee need not also be signed by his appointor; a resolution signed by a member of a general committee who has appointed an alternate director need not be signed by the alternate director in that capacity.

### **Secretary**

114. Subject to the provisions of the Act, 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.

### **Minutes**

115. The directors shall ensure that minutes are made (in books kept for the purpose) or all proceedings at general meetings, meetings of the directors, meetings of committees of directors and meetings or general committees; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present.

### **Accounts**

116. The directors shall cause accounting records to be kept by the company in accordance with Section 221 of the Act.
117. The accounting records shall be kept at the office or, subject to section 222 of the Act, at such other place or places as the directors may think fit, and the accounting records shall always be open to the inspection of any director.
118. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorised by the directors or by ordinary resolution of the company.

### **Auditors**

119. Auditor of the company shall be appointed and their duties regulated in accordance with the Act.

### **Notices**

120. Any notice to be given in pursuance of these articles shall be in writing; the company may give any such notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his registered address or by leaving it at that address.
121. Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
122. A member present at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposed for which it was called.

### **Winding Up**

123. If the company is wound up, the liquidator shall transfer the assets of the company to an appropriate body in accordance with the provisions of the memorandum of association.

## **Indemnity**

124. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any loss of liability which he may sustain or incur in connection with the execution of the duties of his office including, without prejudice to that generality, any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connections with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.