

Company no.: 07525501

The Companies Act 2006

Private Company Limited by Guarantee

ARTICLES OF ASSOCIATION

of

PSNGB

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PART 1

INTERPRETATION, LIABILITY, OBJECTS AND DISTRIBUTIONS

1. Defined terms and interpretation

1.1 In the Articles, unless the context requires otherwise:

"the **Act**" means the Companies Act 2006, including any statutory modification or re-enactment thereof;

"**Articles**" means the company's articles of association;

"**Bankruptcy**" includes, but is not limited to, individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**Chairman**" has the meaning given in Articles 8 and 28;

"**Chairman of the Meeting**" has the meaning given in Article 8;

" "**Code of Interconnection**" means the document of the same name as may be amended by the PSNA from time to time;

"**Code of Practice**" means the document of the same name as may be amended by the PSNA from time to time;

"**Control**" has the meaning given to it in s574 of the Capital Allowances Act 2001;

"**Deed of Undertakings**" means an agreement of the same title between a GCNSP and the Responsible Governing Department in relation to the provision of Government Conveyance Network services.

"**Director**" means a Director of the company, and includes any person occupying the position of Director, by whatever name called;

"**DNSP**" means a Direct Network Service Provider, a company, partnership or a public or third sector body, organisation, department or agency certified by the PSNA as complying with the terms of the Code of Interconnection;

“Electronic Form” means a document or information sent or supplied by electronic means (for example, by e-mail or fax), or by any other means while in an electronic form (for example, sending a disk by post);

“Electronic Means” means sent initially and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means;

“Eligible Director” is a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Board’s meeting (but excluding any Director whose vote is not to be counted in respect of that particular matter);

“GCNSP” means Government Conveyance Network Service Provider, a company, partnership or a public or third sector body, organisation, department or agency that has a current Deed of Undertakings;

“Government Conveyance Network” or **“GCN”** means the network provided by the GCNSPs that interconnects the PSN;

“Group Company” means in relation to a company, every other company which is from time to time a subsidiary or holding company of that company (and the terms "subsidiary" and "holding company" shall have the meanings given to them by sections 1159 and 1160 and Schedule 6 of the Act (provided that for the purposes of section 1159(1) of the Act, a company shall be treated as being a member of another company even if any shares in that other company are registered in the name of: (i) a person by way of security (where the company has provided the security), or (ii) a person as nominee for the company), and together such Group Companies shall constitute a **“Group”**;

“Member” means the subscribers of the company's memorandum and every other person who agrees to become a member of the company, and whose name is entered in its register of members;

“Membership Rules” means the rules in relation to the membership of the company which are determined by the Board from time to time;

“Ordinary Resolution” means a resolution that is passed by a simple majority. A written resolution is passed by a simple majority if it is passed by members representing a simple majority of the total voting rights of eligible Members. A resolution passed at a meeting on a show of hands is passed by a simple majority if it is passed by a simple majority of the votes cast by those entitled to vote. A resolution passed on a poll taken at a meeting is passed by a simple majority if it is passed by members representing a simple majority of the total voting rights of Members who (being entitled to do so) vote in person, by proxy or in advance on the resolution;

“Proxy Notice” has the meaning given in Article 14;

“PSNA” shall mean "Public Services Network Authority", an office of the Responsible Governing Department which is responsible for the governance and administration of the PSN or any successor government office or organisation carrying out substantially the same role as appointed by the Responsible Governing Department;

“PSN Operating Model” means the document of the same name as may be amended by the Public Services Network Authority from time to time;

“PSNSP” means Public Services Network Service Provider, a company, partnership or a public or third sector body, organisation, department or agency certified by the PSNA as complying with the terms of the Code of Practice;

“Public Services Network” or **“PSN”** means the network of networks delivered through multiple service providers, as further detailed in the PSN Operating Model;

“Responsible Governing Department” means the department of the Government of the United Kingdom which is responsible for the Public Services Network, which at the date of these Articles is the Cabinet Office; and

“Special Resolution” means a resolution passed by a majority of not less than seventy-five per cent (75%). A written resolution is passed by a majority of not less than seventy-five per cent (75%) if it is passed by members representing not less than seventy-five per cent (75%) of the total voting rights of eligible members. A written resolution is not a special resolution unless it stated that it was proposed as a special resolution. A resolution passed at a meeting on a show of hands is passed by a majority of not less than seventy-five per cent (75%) if it is passed by not less than seventy-five per cent (75%) of the votes cast by those entitled to vote. A resolution passed on a poll taken at a meeting is passed by a majority of not less than seventy-five per cent (75%) if it is passed by members representing not less than seventy-five per cent (75%) of the total voting rights of the members who (being entitled to do so) vote in person, by proxy or in advance on the resolution. A resolution passed at a meeting is not a special resolution unless the notice of the meeting included the text of the resolution and specified the intention to propose the resolution as a special resolution.

- 1.2 The relevant model articles (within the meaning of section 20 of the Act) are excluded.
- 1.3 Unless the context otherwise requires, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date of these Articles.
- 1.4 Except where the contrary is stated or the context otherwise requires, any reference in the Articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.
- 1.5 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

2. Liability of Members

- 2.1 The liability of each Member is limited to one pound sterling (£1.00), being the amount that each Member undertakes to contribute to the assets of the company in the event of its being wound up while he is a Member or within one (1) year after he ceases to be a Member, for:
 - 2.1.1 payment of the company’s debts and liabilities contracted before he ceases to be a Member;
 - 2.1.2 payment of the costs, charges and expenses of winding up; and
 - 2.1.3 adjustment of the rights of the contributories among themselves.

2.A Objects

The company's objects shall be restricted to the following (the **Objects**):

- To promote and represent to the PSNA the interest of the PSNSPs, DNSPs and GCNSPs by providing a collective voice to the PSNA for the Members;
- To advise on technical standards, protocols, codes of practice, guidance notes, security policies, procurement strategy, commercial, contractual and legal issues relating to PSN, the PSN marketplace, and the delivery and provision of PSN services;
- To act progressively and develop the PSN marketplace to its full potential and for the mutual benefit of its Members and of the consumers of PSN services; and
- The doing of all such other things as are incidental or conducive to the attainment of the objects set out in this Article 2A.

2.B Restrictions on distributions

2.B.1 The company shall apply its profits or other income to promoting its Objects.

2.B.2 The company shall not pay any dividends (or returns of capital).

2.B.3 If the company is wound up, all the assets shall be transferred to another body which has similar objects or which promotes a charity.

PART 2 MEMBERS

BECOMING AND CEASING TO BE A MEMBER

3. Applications for Membership

3.1 No person (save for the subscribers to the Memorandum of Association and save for other persons who in the Board's reasonable opinion are capable of furthering the Objects) shall become a Member of the company unless:

3.1.1 that person is an individual or organisation whose business includes, without limitation, the manufacture, supply, re-sale, management, or integration of any compliant product or service relevant to the PSN,

3.1.2 the Board is satisfied that such person is not a person subject to any European, United Nations or US asset freezing or other similar sanctions ("**Prohibited Persons**"), and

3.1.3 that person has completed an application for membership in a form approved by the company (including payment of all membership subscription fees in full in advance of being admitted as a Member of the company in accordance with the Membership Rules).

3.2 Upon satisfaction of the criteria set out in Article 3.1, the Board shall approve the application and record admission of the applicant as a Member of the company. The Board may request additional information or other evidence from the applicant to enable it to determine whether the applicant has satisfied the criteria set out in Article 3.1.

- 3.3 All applications for membership shall be considered by the company in good faith, and shall be transparent, non-discriminatory, fair and reasonable, proportionate and in compliance with the Articles and any applicable Law.
- 3.4 Each Member shall comply at all times with:
- (a) these Articles;
 - (b) the reasonable and lawful guidelines and policies of the Board from time to time, as made available from time to time to the Members; and
 - (c) all applicable laws. No Member shall be required to comply with Articles 3.4(a) and 3.4(b) to the extent that such compliance would cause that Member to be in breach of any applicable law.
- 3.5 Only one (1) company from a Group shall be admitted to membership of the company. Membership is not transferable to any other person except to a Group Company of a Member and any Member wishing to transfer their Membership to a Group Company shall have paid all amounts outstanding to the company pursuant to these Articles and shall give the company prior written notice of the transfer.
- 3.6 All persons admitted as Members shall be named in the Register of Members, the details of which shall be made publicly available.

4. Termination of Membership

- 4.1 A person's Membership terminates on the occurrence of any of the following events:
- 4.1.1 upon a Member giving not less than seven (7) days' notice to the company in writing of its intention to withdraw from its membership of the company and thereupon they shall be deemed to have resigned and their name shall be removed from the Register of Members.
 - 4.1.2 any sum due to the company (including, without limitation Membership subscription fees) is not paid by a date no later than sixty (60) days after the due date for payment;
 - 4.1.3 the insolvency, Bankruptcy, winding-up or withdrawal from or cessation of the business of a Member;
 - 4.1.4 immediately where that Member at any time becomes a Prohibited Person;
 - 4.1.5 immediately upon a change in Control of the Member resulting in multiple Members from the same Group. The Member of that Group whose membership is to be terminated shall be determined at the sole discretion of that Group;
 - 4.1.6 by the passing of a Special Resolution to that effect in a general meeting if that Member has materially failed in the observance of the Articles and (in the case of a remediable failure) has failed to remedy such a failure after receiving thirty (30) days' written notice to do so from the company. The Member whose membership is proposed to be terminated shall not be eligible to vote or count towards the quorum and the required majority to pass the resolution, but shall be entitled to make representations; or

4.1.7 on notice by the Board that, in its reasonable opinion, the continued membership of that Member or that Member's conduct would be or has been detrimental to the furtherance of the Objects.

4.2 Upon termination under Article 4.1, such Member will satisfy any and all outstanding obligations including payment of any membership subscription fees that may be due and owing. Upon such termination, the Member shall procure that any Director who is either employed by the Member or otherwise authorised by the Member shall submit all necessary documents and do all things necessary to resign from the Board (if applicable) with immediate effect upon termination.

4.3 Termination or withdrawal of membership shall not:

- (a) affect the accrued obligations and liabilities of the terminated Member under these Articles up to and including the date of termination;
- (b) relieve the terminated Member from its obligation to pay any membership subscription fees which have become due and payable but which remain unpaid as at the date of termination; or
- (c) relieve the terminated Member from any obligation which is expressed to survive a person ceasing to be a Member.

4.4 A terminated or withdrawn Member shall cease to be entitled to exercise any rights as a Member.

PART 3 DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

5. General Meetings: General

5.1 A general meeting of the company shall be held in every calendar year as its annual general meeting at such time and place as the Board shall decide.

5.2 A general meeting may be convened by the Board or by requisition of Members who represent at least five per cent (5%) of the total voting rights of all the Members having a right to vote at general meetings.

5.3 Subject to the provisions of the Act, a minimum of fourteen (14) days' notice in writing shall be given specifying the day, time and place of any general meeting, and in the case of ordinary business the general nature of such business shall be given to Members, and the text of any Special Resolution to be considered by Members at the general meeting shall be provided. A general meeting may be held on shorter notice with the consent of all Members entitled to receive notice thereof, or of such proportion thereof as is prescribed by the Act in the case of general meeting other than annual general meetings. The accidental omission to give notice to any Member, or the non-receipt by any Member of such notice, shall not invalidate the proceedings of any general meeting.

5.4 The business of an annual general meeting shall be:

- 5.4.1 to receive and consider the annual accounts and balance sheets and the reports of the Board;

5.4.2 to appoint Directors to the Board.

5.5 Any Member who wishes to authorise named person(s) to act as its representative for all purposes in that Member's dealings with the company shall serve notice on the company to that effect. The notice shall be given in accordance with the Articles. A copy of the form of appointment duly executed by an authorised signatory of the Member shall be taken to be conclusive evidence of such appointment. The form of appointment shall be submitted in Electronic Form to the company. The person or persons so authorised shall be entitled to exercise all powers on behalf of the Member they represent during the period of any such authorisation. A Member of the company represented at a general meeting by its authorised representative(s) shall be deemed for all purposes to be present in person.

6. Attendance and speaking at general meetings

6.1 Members or their proxies must be physically present in order to attend and vote at annual general meetings, which shall be held at such time and place in the United Kingdom as the Board may determine.

6.2 Other general meetings shall be held at such time and place in the United Kingdom as the Board may determine, unless the Board decide that Members may attend remotely by means of conference telephone or any communication equipment which allows all Members participating in any such meetings to communicate with and to hear each other at all times. A Member so participating shall be deemed to be present in person at these meetings and shall be entitled to vote and be counted in a quorum accordingly as appropriate.

6.3 Subject to the Articles, Members participate in a general meeting when:

6.3.1 the general meeting has been called and takes place in accordance with the Articles; and

6.3.2 they can communicate to each of the other Members present and participating any information or opinions they have on any particular item of the business of the general meeting. All or any of the Members may participate in general meetings by means of conference telephone or any communication equipment which allows all Members participating in any such meetings to communicate with and to hear each other at all times. A Member so participating shall be deemed to be present in person at these meetings and shall be entitled to vote and be counted in a quorum accordingly as appropriate.

7. Quorum for general meetings

No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. Unless otherwise provided for in the Articles, such number of Members present in person or by proxy as is equal to not less than fifty-one per cent (51%) of the total number of Members entitled to attend and vote shall constitute a quorum.

8. Chairing general meetings

8.1 The Directors shall appoint a Chairman to chair general meetings.

8.2 If at any general meeting no such Chairman is present and willing to take the chair within thirty (30) minutes after the time appointed for holding such meeting, the Members present or represented by proxy shall choose by simple majority vote on a show of hands one (1) of the Directors of the Board present to be Chairman, or if no Director of the Board be present and

willing to take the chair, the Members present or represented by proxy shall choose by simple majority vote on a show of hands a representative of one (1) of the Members present or represented to be Chairman.

8.3 The person chairing a general meeting in accordance with this Article 8 is referred to as the **“Chairman of the Meeting”**.

8.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall not be entitled to a casting vote in addition to any other vote he may have.

9. Attendance and speaking by Directors and non-Members

9.1 Directors may attend and speak at general meetings. They shall not be entitled to vote unless they are also a proxy or a duly authorised representative of a Member.

9.2 The Chairman of the Meeting may permit other persons who are not Members to attend and speak at a general meeting.

10. Adjournment

10.1 If the persons attending a general meeting within thirty (30) minutes of the time at which such meeting was due to start do not constitute a quorum, or if during a general meeting a quorum ceases to be present, if such meeting was convened by the Members, the general meeting shall be dissolved and, in any other case, the Chairman of the Meeting shall adjourn it. If at the adjourned general meeting the persons attending within thirty (30) minutes of the time at which such meeting was due to start do not constitute a quorum, the Members present or represented by proxy shall constitute a quorum.

10.2 The Chairman of the Meeting shall adjourn a general meeting at which a quorum is present if:

10.2.1 the Members attending the general meeting consent to an adjournment, or

10.2.2 it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the general meeting or ensure that the business of such meeting is conducted in an orderly manner.

10.3 The Chairman of the Meeting shall adjourn a general meeting if directed to do so by a simple majority vote on a show of hands of the Members present or represented by proxy at such meeting.

10.4 When adjourning a general meeting, the Chairman of such meeting shall:

10.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

10.4.2 have regard to any directions as to the time and place of any adjournment which have been given by a simple majority vote on a show of hands of the Members present or represented by proxy at such meeting.

10.5 If the continuation of an adjourned general meeting is to take place more than fourteen (14) days after it was adjourned, the company shall give at least seven (7) days' notice of it:

10.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and

- 10.5.2 containing the same information which such notice is required to contain.
- 10.6 No business shall be transacted at an adjourned general meeting other than the business left unfinished from such meeting at which the decision to adjourn was taken.

VOTING AT GENERAL MEETINGS

11. Voting: General and specific majority requirements

- 11.1 Each Member shall have one (1) vote. Save as otherwise provided in the Articles, all decisions of the company taken at general meetings shall be approved by a simple majority of votes of the Members present or represented.
- 11.2 A resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is duly demanded in accordance with the Articles. A Member present by proxy (subject to Article 14.4) may vote on a show of hands.
- 11.3 Amendments to the Articles shall be made by Special Resolution of the Members and not less than fifty-one per cent (51%) of all Members present in person or by proxy shall constitute a quorum.

12. Errors and disputes

- 12.1 No objection may be raised as to the qualification of any person voting at a general meeting except at such meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the general meeting is valid.
- 12.2 Any such objection as is permitted in Article 12.1 shall be referred to the Chairman of the Meeting, whose decision is final and binding.

13. Poll votes

- 13.1 A poll on a resolution may be demanded:
- 13.1.1 in advance of the general meeting where it is to be put to the vote, or
 - 13.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 13.2 A poll on a resolution may be demanded by:
- 13.2.1 the Chairman of the Meeting;
 - 13.2.2 the Directors present at the meeting;
 - 13.2.3 two (2) or more Members entitled to vote on the resolution; or
 - 13.2.4 a Member representing not less than ten per cent (10%) of the total voting rights of all the Members having the right to vote on the resolution.
- 13.3 A demand for a poll may be withdrawn if:
- 13.3.1 the poll has not yet been taken, and
 - 13.3.2 the Chairman of the Meeting consents to the withdrawal.

A demand for a poll so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand for a poll was made.

- 13.4 Polls shall be taken immediately and in such manner as the Chairman of the Meeting directs.
- 13.5 Votes on a resolution may be given by a poll by the Members either personally, by authorised representative or by proxy.

14. Content of proxy notices

- 14.1 Proxies shall only validly be appointed by a notice in writing (a **“Proxy Notice”**) which:
- 14.1.1 states the name and address of the Member appointing the proxy;
 - 14.1.2 identifies the person appointed to be that Member’s proxy and the general meeting in relation to which that person is appointed;
 - 14.1.3 is signed by or on behalf of the Member appointing the proxy; and
 - 14.1.4 is delivered to the company in accordance with the Articles not less than forty-eight (48) hours before the time appointed for holding the general meeting in relation to which the proxy is appointed and in accordance with any instructions contained in the notice of the general meeting to which they relate (but notwithstanding this an appointment of a proxy may be accepted by the Directors at any time prior to the general meeting at which the person named in the appointment proposes to vote (or, where a poll is demanded at the general meeting, but not taken forthwith, at any time prior to the taking of the poll)).
- 14.2 An instrument appointing a proxy shall be in the following form, or as near thereto as circumstances shall admit:-
- “I [] of [] a Member of PSNGB (the “Company”) and entitled to one (1) vote, hereby appoint [] of [], or failing him, [] of [] as my/our proxy to attend and speak* and vote* in my/our name(s) and on my/our behalf at the general meeting of the Company to be held on the [] day of [] 20[] and at any adjournment thereof.
- *Delete as appropriate*
- As Witness my hand this [] day of [] 20[]”.
- 14.3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one (1) or more resolutions, but the company shall not be obliged to ascertain that any proxy has complied with those or any other instructions given by the appointor and no decision on any resolution shall be vitiated by reason only that any proxy has not done so.
- 14.4 On a vote on a resolution on a show of hands at a general meeting, every proxy present who has been duly appointed by one (1) or more Members entitled to vote on the resolution has one (1) vote, except that if the proxy has been duly appointed by more than one (1) Member entitled to vote on the resolution and:
- 14.4.1 has been instructed by one (1) or more of those Members to vote for the resolution and by one (1) or more other of those Members to vote against it, or

14.4.2 has been instructed to vote the same way (either for or against) on the resolution by all of those Members except those who have given the proxy discretion as to how to vote on the resolution,

then the proxy is entitled to one (1) vote for and one (1) vote against the resolution.

14.5 Unless a Proxy Notice indicates otherwise, it shall be treated as:

14.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the general meeting, and

14.5.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as such meeting itself.

15. Delivery of Proxy Notices

15.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of such meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the company by or on behalf of that person.

15.2 An appointment under a Proxy Notice shall be revoked by delivering to the company a notice in writing to that effect given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.

15.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the general meeting or such adjourned meeting to which it relates.

15.4 If a Proxy Notice or a notice revoking a Proxy Notice is not executed by the person appointing the proxy, it shall be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

16. Amendments to resolutions

16.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

16.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty-eight (48) hours before such meeting is to take place (or such later time as the Chairman of the Meeting may determine), and

16.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

16.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

16.2.1 the Chairman of the Meeting proposes the amendment at such general meeting at which the resolution is to be proposed, and

16.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

16.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

PART 4
BOARD OF DIRECTORS

17. Representation

- 17.1 Unless otherwise decided by Special Resolution of the Members, the number of Directors (other than alternate Directors) shall not be more than eight (8) but shall be not less than four (4) following the first election of Directors held pursuant to Article 17.5.
- 17.2 Subject at all times to the provisions of the Act, no Member shall be represented by more than one (1) Director on the Board.
- 17.3 Each Director shall have one (1) vote.
- 17.4 Until the first election of Directors held pursuant to Article 17.5, the Directors shall be those persons who are appointed to be Directors as at the date of these Articles.
- 17.5 The first election of Directors shall take place at the first annual general meeting, which shall be no later than twelve (12) months following the date that these Articles come into effect. Subsequent elections shall take place at each subsequent annual general meeting.
- 17.6 All Directors shall retire with effect from the end of the annual general meeting in each year unless reappointed at the meeting. No Director shall be appointed or reappointed as a Director unless he has been nominated for appointment or reappointment, as the case may be, pursuant to the procedure in Article 18.

18. Nomination and election of Directors

- 18.1 A nomination paper shall be sent to each Member not later than seventy (70) days prior to the annual general meeting.
- 18.2 Each Member shall be entitled to nominate for election a single individual, such individual to either be employed by the Member or be otherwise authorised by the Member (such authorisation to be at the sole discretion of that Member).
- 18.3 No nomination shall be effective unless received by the company within twenty-eight (28) days of the receipt by Members of nomination papers and accompanied by the signed consent of the individual nominated to the effect that he consents to his nomination as a Director. Any nomination paper which does not comply with this Article 18.3 shall be void.
- 18.4 If, following the procedure in Article 18.3, the number of nominees validly nominated is less than eight (8), the nominees so nominated (if any) shall be elected to the Board with effect from the upcoming annual general meeting.
- 18.5 If, following the procedure in Article 18.3, the number of nominees validly nominated is more than eight (8), the following provisions shall apply:
- 18.5.1 A ballot paper shall be sent to each Member not later than twenty-eight (28) days prior to the annual general meeting. The ballot paper shall include a list of the candidates validly nominated for election as Directors.
- 18.5.2 Each Member shall be entitled to exercise eight (8) votes on the basis of one vote per nominee.

- 18.5.3 No votes for Directors shall be effective unless received by the Board not later than fourteen (14) days prior to the annual general meeting.
- 18.5.4 The eight (8) nominees with the most number of votes cast by the Members shall be elected as Directors with effect from the date of the annual general meeting.
- 18.6 The results of the election under Article 18.4 or 18.5 shall be announced and notified by the company to all Members at the annual general meeting.

19. Board's general authority and approval of publications

- 19.1 Subject at all times to the provisions of the Act and save in respect of amendments to the Articles, which require approval by the Members under Article 11.3, the management of the business and affairs and the control of the company shall be vested in the Board, who, in addition to the authorities, powers, duties, obligations and discretions conferred upon them by the Articles, may exercise all such powers and do all such acts and things as can be exercised or done by the company.
- 19.2 No documents that set out the company's opinions, recommendations or proposals in relation to the Objects shall be published without the prior approval of at least seventy-five per cent (75%) of the Directors.
- 19.3 No public statements that set out the company's opinions, recommendations or proposals in relation to the Objects shall be made without the prior approval of at least seventy-five per cent (75%) of the Directors.
- 19.4 Where documents and public statements have been approved by the Board under Articles 19.2 and 19.3 but some Directors have voted against such approval, those Directors are entitled to notify the Board that they wish to have their dissenting views included in the publication and/or an indication included in the publication that it is not unanimously agreed by the Members.
- 19.5 If a Director exercises their option under Article 19.4, the Board shall vote to decide whether to:
- (a) publish the document or public statement with a statement at the start of the publication that it is not unanimously agreed by the Members;
 - (b) publish the document or public statement with:
 - i) a statement at the start of the publication that it is not unanimously agreed by the Members and that dissenting views are included in an annex; and
 - ii) the Director's dissenting views included in an annex;
 - (c) amend the publication and call for a vote on the amended publication under Articles 19.2 and 19.3; or
 - (d) stop the publication.
- 19.6 The Board shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and proper, but any such meetings shall be held at least quarterly or more frequently as the Board may at its discretion decide.

20. Members' reserved powers

- 20.1 The Members may, by Special Resolution, direct the Board to take, or refrain from taking, specified action.
- 20.2 No such Special Resolution invalidates anything which the Board have done before the passing of a resolution pursuant to Article 20.1.

21. Board may delegate

- 21.1 Subject to the Articles, the Board may delegate any of the powers which are conferred on them under the Articles:

- 21.1.1 to such person or committee;
- 21.1.2 by such means (including by power of attorney);
- 21.1.3 to such an extent;
- 21.1.4 in relation to such matters or territories; and
- 21.1.5 on such terms and conditions;

as they think fit and proper. The power to delegate shall be effective in relation to the authorities, powers, duties, obligations and discretions of the Board generally and shall not be limited by the fact that in certain of the Articles, but not in others, express reference is made to particular authorities, powers, duties, obligations or discretions being exercised by the Board or by a committee authorised by the Board.

- 21.2 If the Board so specifies, any such delegation may authorise further delegation of the Board's powers by any person to whom they are delegated.
- 21.3 The Board may revoke any delegation in whole or part, or alter its terms and conditions.
- 21.4 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

22. Committees

- 22.1 Committees to which the Board delegate any of their powers shall follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by the Board.
- 22.2 A member of a committee need not be a Director.
- 22.3 The Board may make rules of procedure for all or any committees, which shall prevail over rules derived from the Articles if they are not consistent with them.

23. Board to take decisions collectively

Unless otherwise stated in these Articles, the general rule about decision-making by the Board is that any decision of the Board shall be either a simple majority decision at a Board meeting or a decision taken in accordance with Article 24.

24. Written resolutions

- 24.1 Any Director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other Directors (including alternate Directors).
- 24.2 If the company has appointed a company secretary, the company secretary shall propose and put forward for consideration to each of the other Directors (including alternate Directors) a Directors' written resolution if that Director so requests by giving notice in writing to each of the other Directors (including alternate Directors).
- 24.3 Notice of a proposed Director's written resolution shall indicate:
- the proposed resolution; and
 - the time by which it is proposed that the Board should adopt it.
- 24.4 A proposed Director's written resolution is adopted when all of the non-conflicted Directors (or their alternates) have signed one (1) or more copies of it, provided that those Directors (or their alternates) would have formed a quorum at a Board meeting were the resolution to have been proposed at such meeting.
- 24.5 Once a Director's written resolution has been adopted, it shall be treated as if it had been a decision taken at a Board meeting in accordance with the Articles.

25. Calling a Board meeting

- 25.1 Any Director may call a Board meeting by giving a minimum notice of seven (7) days' prior notice in writing of such meeting to each of the other Directors (including alternate Directors) or by authorising the company secretary (if any) to give such notice to all such persons.
- 25.2 Notice of any Board meeting shall indicate:
- 25.2.1 its proposed date and time;
 - 25.2.2 where it is to take place; and
 - 25.2.3 if it is anticipated that Directors participating in the Board meeting will not be in the same place, how it is proposed that they should communicate with each other during such meeting.
- 25.3 Notice of a Board meeting shall be in writing and shall be given to each Director (including each alternate Director).

26. Participation in Board meetings

- 26.1 Subject to the Articles, Directors participate in a Board meeting, or part of a Board meeting, when:
- 26.1.1 the Board meeting has been called and takes place in accordance with the Articles, and
 - 26.1.2 they can communicate to each of the other Directors (including alternate Directors) present and participating any information or opinions they have on any particular item of the business of the Board meeting. All or any of the Directors may participate in meetings of the Board by means of conference telephone or any communication equipment which allows all Directors participating in any such meetings to

communicate with and to hear each other at all times. A Director so participating shall be deemed to be present in person at these meetings and shall be entitled to vote and be counted in a quorum accordingly as appropriate.

26.2 If all the Directors participating in a Board meeting are not in the same place, the Board meeting shall be deemed to take place where the largest group of those Directors participating is assembled or, if there is no such group, where the Director acting as Chairman in accordance with Article 28, is present.

26.3 The Board may permit other individuals to attend and speak at one or more meetings of the Board (or any part thereof as determined by the Board), including a representative of a Member, the representative of the Secretary and other guests. For the avoidance of doubt, no such individual shall have any voting rights at any meeting of the Board or shall be counted in the quorum.

27. Quorum for Board meetings

27.1 At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another Board meeting.

27.2 The quorum for Board meetings shall be not less than seventy-five per cent (75%) of all Directors.

28. Chairing of Board meetings

28.1 The Board shall appoint a Director to chair their meetings. The person so appointed for the time being is known as the Chairman.

28.2 The Board may terminate the Chairman's appointment at any time.

28.3 If no Director has been appointed Chairman, or the Chairman is unwilling to chair the Board meeting or is not participating in such Board meeting within thirty (30) minutes of the time at which it was to start, the participating Directors shall appoint one of themselves to chair it.

29. Directors' interests

Except to the extent that Article 30 applies or the terms of any authority given under that Article otherwise provide, and without prejudice to such disclosure as is required under the Act, a Director may be a party to, or otherwise interested in, any transaction or arrangement with the company and shall be entitled to participate in the decision-making process for quorum and voting purposes on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty that conflicts or may conflict with the interests of the company.

30. Directors' conflicts of interest

30.1 Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director may, notwithstanding his office or that, without the authorisation conferred by this Article, he would or might be in breach of his duty under the Act to avoid conflicts of interest, be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking in the same Group Company as the company, or promoted by the company or by any undertaking in the same Group Company as the company, or in which the company or any undertaking in the same Group Company as the company is otherwise interested.

30.2 No Director shall:

- 30.2.1 by reason of his office, be accountable to the company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under Article 30.1 (and no such benefit shall constitute a breach of the duty under the Act not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);
- 30.2.2 be in breach of his duties as a Director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the Board or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under Article 30.1; or
- 30.2.3 be required to disclose to the company, or use in relation to the company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under Article 30.1 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection.
- 30.3 A general notice given to the Board 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 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.
- 30.4 The Board may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest, and any Director (including the Director concerned) may propose that the Director concerned be authorised in relation to any matter the subject of such a conflict provided that:
- 30.4.1 such proposal to and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of the Articles, except that the Director concerned and any other Director with a similar interest:
- (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;
 - (b) shall, if the Board decides, be excluded from participating in the decision-making process while the conflict is under consideration; and
 - (c) shall not vote on any resolution authorising the conflict except that, if any such conflicted Director does vote, the resolution will still be valid if it would have been agreed to if his votes had not been counted; and
- 30.4.2 where the Board gives authority in relation to such a conflict:
- (a) it may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as it may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in

any decision-making or discussion (whether at meetings of the Board or otherwise) related to the conflict;

- (b) the Director concerned and any other Director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the Board in relation to the conflict but will not be in breach of his duties as a Director by reason of his doing so;
- (c) the authority may provide that, where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;
- (d) the authority may also provide that the Director concerned or any other Director with a similar interest shall not be accountable to the company for any benefit that he receives as a result of the conflict;
- (e) the receipt by the Director concerned or any other Director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Act not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) the Board may withdraw such authority at any time.

30.5 Subject to Article 30.6, if a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to participate in such meeting (or part of such meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman, whose ruling in relation to any Director other than the Chairman is to be final and binding.

30.6 If any question as to the right to participate in a meeting of the Board or of a committee of the Board (or part of any such meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in such meeting (or that part of such meeting) for voting or quorum purposes.

31. Records of decisions to be kept

The Board shall ensure that the company keeps a record, in hard copy form, for at least ten (10) years from the date of the decision recorded, of every written resolution or majority decision taken by the Board and of every decision taken by committees of the Board.

32. Board's discretion to make further rules

Subject to the Articles, the Board may make any rule which it thinks fit and proper about how it takes decisions collectively, and about how such rules are to be recorded or communicated to all Directors (including all alternate Directors).

33. Termination of Director's appointment

- 33.1 A person ceases to be a Director as soon as:
- 33.1.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
 - 33.1.2 a Bankruptcy order is made against that person;
 - 33.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 33.1.4 he becomes, in the opinion of all his co-Directors, physically or mentally incapable of discharging his duties as a Director;
 - 33.1.5 notification is received by the company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;
 - 33.1.6 he is convicted of a criminal offence which the Board resolves renders him unfit to continue in office;
 - 33.1.7 the Director ceases to be either employed by the Member or be otherwise authorised by the Member who nominated him for election to the Board ; or
 - 33.1.8 he is otherwise duly removed from office,
- and in such situation the relevant Member may appoint a replacement Director with immediate effect.
- 33.2 The Board may act and exercise all its powers notwithstanding any vacancies in the number of Directors, including if the number of Directors is less than the minimum number set out in Article 17.1.
- 33.3 All acts done by the Board, or of a committee of the Board, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

34. Directors' remuneration

- 34.1 Directors may undertake any services for the company that the Board decides.
- 34.2 No payment, remuneration, or other benefit in money or money's worth shall be given by the company to any Director unless any of the following applies:
- 34.2.1 the payment is repayment of reasonable and proper out-of-pocket expenses;
 - 34.2.2 the Director was an employee of the company at the time of their election or appointment to the Board, that fact was known to the Members of the company at the time of election or appointment, and the payment is one that is being made as a normal part of their employment; or

- 34.2.3 the Board shall have agreed the payment in advance, in which case they shall notify the Members of the company within twenty-eight (28) days of the payment being made, or at a general meeting if one is held in the intervening period.

ALTERNATE DIRECTORS

35. Appointment and removal of alternate Directors

35.1 Any Director may appoint as an alternate to himself any other person, to:

35.1.1 exercise that appointor's powers; and

35.1.2 carry out that appointor's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.

35.2 Any appointment or removal of an alternate Director shall identify the proposed alternate Director and be effected by notice in writing to the company signed by his appointor, or in any other manner approved by the Directors, prior to the relevant meeting of the Board.

36. Rights and responsibilities of alternate Directors

36.1 Except as the Articles specify otherwise, alternate Directors:

36.1.1 are deemed for all purposes to be Directors;

36.1.2 are liable for their own acts and omissions;

36.1.3 are subject to the same restrictions as their appointor; and

36.1.4 are not deemed to be agents of or for their appointor.

and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member.

36.2 A person who is an alternate Director but not a Director:

36.2.1 shall be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

36.2.2 shall participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not participate); and

36.2.3 shall not be counted as more than one (1) Director for the purposes of Articles 36.2.1 and 36.2.2.

36.3 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one (1) Director for the purposes of determining whether a quorum is present.

36.4 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director.

37. Termination of alternate Directorship

An alternate Director's appointment as an alternate terminates when his appointor revokes his appointment by notice to the company in writing specifying when it is to terminate or when the appointor who appointed the alternate ceases to be a Director (howsoever occasioned).

**PART 5
ADMINISTRATIVE ARRANGEMENTS**

38. Membership Subscription Fees

38.1 Company Membership subscription fees shall be determined by the Board and shall be payable by all Members.

38.2 Company Membership subscription fees are non-refundable and, save as otherwise set out in the Membership Rules, shall be payable in full annually in advance following three (3) months' notice given to the Members by the Board of the amount due.

38.3 The Board may exceptionally levy ad-hoc contributions from each Member to cover any extraordinary, unusual or unanticipated operating expenses or operating deficits of the Company. Any proposed contribution in excess of twenty-five per cent (25%) of the Members' subscription fees for that financial year shall require the prior approval of Members by special resolution.

38.4 Late payment of company Membership subscription fees shall be subject to the accrual and payment of interest charges under the terms of the Late Payment of Commercial Debts (Interest) Act 1998 (as amended).

38.5 The company shall notify the Members as soon as reasonably practicable:

- (a) after the company has received notice of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the company and which, if adversely determined, are reasonably likely to involve a liability to the company exceeding ten thousand pounds sterling (£10,000.00) (or its equivalent in other currencies); or
- (b) if the Board reasonably believes that the company will require an ad-hoc contribution under Article 38.3.

38.6 The requirement to notify the Members under Article 38.5(a) shall not apply if and to the extent that the Board determines that notification of the relevant proceedings would be materially prejudicial to the company's interests and/or in breach of any obligation of confidentiality which is binding on the company.

39. Means of communication to be used

39.1 Any notice, proxy, consent or other communication or any other document to be served upon any Member or by any Member upon the company or other Member may be served either personally or by sending it by first class prepaid registered or recorded delivery post to the registered address of the company or to the nominated electronic mail address of the Member or of the company.

39.2 Any requirement by the Articles or otherwise for any notice, proxy, consent or other communication or any other document to be "written" or "in writing" shall be deemed to be

satisfied where such notice, proxy, consent or other communication or other document is transmitted in writing by Electronic Means. In particular (but without prejudice to the generality of the foregoing), the company's obligation to send to Members and others a copy of the company's annual accounts and Board report in accordance with Section 238(1) of the Act shall (subject to the provisions of the said section) be deemed to be satisfied by the transmission of a copy of such documents by Electronic Means to the nominated electronic mail address of the Members concerned.

40. Accounts of the company

40.1 The income of the company shall be applied solely towards the attainment of all or any of the Objects as the Board may think fit and proper with power to the Board to create a reserve fund or reserve funds to be applicable for any such Objects, and if the Board shall think fit and proper also to apply all or any part of the reserve fund(s) appropriated to any of the Objects.

40.2 The Board shall approve an annual budget for the activities of the company.

40.3 The Board shall cause proper books of account to be kept of:-

(a) the sums of money received and expended by the company and the matters in respect of which such receipts and expenditure are to be or have been applied; and

(b) all sales and purchases of property and goods by the company; and

(c) the assets and liabilities of the company.

40.4 Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

40.5 The books of account shall be kept at the company's registered office or, subject to Sections 399 and 403 of the Act, at such other place or places as the Board may determine, and shall always be open to the inspection of the Board and of the Members

40.6 At the annual general meeting in every year the Board shall lay before the company an income and expenditure account for the period since the preceding account, made up-to-date not more than six (6) months before such annual general meeting. A balance sheet as at the date to which the income and expenditure account is made up shall be made out and laid before the company at the annual general meeting, and such balance sheet shall be accompanied by proper reports of the Board. A copy of every balance sheet (including every document required by the law to be annexed thereto) which is to be laid before the company in annual general meeting shall, twenty-one (21) days prior to such annual general meeting, be sent to every Member.

41. Company seals

41.1 Any common seal may only be used by and with the authority of the Board.

41.2 The Board shall decide by what means and in what form any common seal is to be used.

41.3 Unless otherwise decided by the Board, if the company has a common seal and it is affixed to a document, the document shall also be signed by at least one authorised person in the presence of a witness who attests the signature.

41.4 For the purposes of this Article, an authorised person is:

41.4.1 any Director of the company;

41.4.2 the company secretary (if any); or

41.4.3 any person authorised by the Board for the purpose of signing.

42. Secretary

Subject to the Act, the Board may appoint a company secretary (or two (2) or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the Board thinks fit and proper; and any company secretary (or joint secretary) so appointed may be removed by the Board. The Board may also from time to time appoint on such terms as it thinks fit and proper, and remove, one (1) or more assistant or deputy secretaries.