

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

The Navy, Army and Air Force Institutes

(as adopted by a special resolution passed on 22 September 2021  
and updated by special resolutions dated 25 September 2019 and 22 September 2021)

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THE COMPANIES ACT 2006

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COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

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of

The Navy, Army and Air Force Institutes (the "Company")

(as adopted by a special resolution passed on 22 September 2021  
and updated by special resolutions dated 25 September 2019 and 22 September 2021)

PRELIMINARY

1 INTERPRETATION

(a) In these Articles:

"Act" means the Companies Act 2006 as amended;

"address" in relation to fax and electronic communications means any number or address used for the purposes of such communications;

"Articles" means these Articles of Association as originally adopted, altered or varied from time to time (and "Article" means one of these Articles);

"Auditors" means the Company's auditors appointed in accordance with the Act;

"authenticated" means (subject to section 1146 of the Act) authenticated in such manner as the Board may in its absolute discretion determine;

"Board" means the board of Directors for the time being of the Company;

"Chair" means the Chair of the Company appointed in accordance with Article 46 who shall be a member of the Board;

"Chief Executive" means the Chief Executive of the Company who shall be a member of the Board;

"Clear days" means (in relation to the period of a notice) that period, excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect;

"Council" means collectively the members of the Company;

"Director" means a member of the Board;

chair"Electronic communication" shall mean any communication in electronic form;

"Electronic form" shall have the meaning given in section 1168 of the Act;

"Member" means a member of the Company;

"MOD" means the Second Permanent Under Secretary for Defence;

"President" means the President of the Council who shall be appointed under Article 7;

"Registered Office" means the registered office of the Company;

"Secretary" means any person appointed to perform the duties of the secretary of the Company;

"United Kingdom" means Great Britain and Northern Ireland;

"Writing or written" means any method of representing or reproducing words or other information in a legible form by any method or combination of methods whether sent or supplied in electronic form or otherwise and "written" shall be construed accordingly.

- (b) Unless the context otherwise requires:
  - (i) words in the singular include the plural, and vice versa;
  - (ii) words importing the masculine gender include the feminine gender; and
  - (iii) a reference to a person includes a body corporate and an unincorporated body of persons.
- (c) A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it from time to time in force.
- (d) No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning the articles of association of a company shall apply to the Company, but the following shall be the Articles of Association of the Company.
- (e) Save as aforesaid, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.
- (f) The headings are inserted for convenience only and shall not affect the construction of these Articles.

## OBJECTS

2 The principal objects for which the Company is established are:

- (a) to carry on all or any of the businesses of providing catering, facilities management, retail and leisure facilities to members of all branches of HM Armed Forces and their families for the promotion of the comfort and well-being of HM Armed Forces and to provide for the amusement, instruction and entertainment of HM Armed Forces throughout the world;

- (b) to take over, acquire, construct, equip, maintain, carry on and manage throughout the world retail facilities, restaurants, cafes, canteens, messes, clubs, pubs, gaming and places for entertainment generally with all necessary and usual offices, conveniences, accommodation and other premises necessary for the accommodation of the business including sleeping accommodation for the benefit of all members of HM Armed Forces and their families and other persons with whom the Company is permitted to deal, which may include HM Armed Forces veterans and members of the armed forces of other States working with HM Armed Forces;
  - (c) to carry on the business and to hold such contracts and licences as may be necessary, for catering and all other forms of associated services and facilities whatsoever and for the sale of wine, beer, spirits and tobacco; and
  - (d) to buy, sell (to members of HM Armed Forces, their families, staff in the service of the Company, civilians permitted by the Company and other persons (including HM Armed Forces veterans and members of the armed forces of other States working with HM Armed Forces) with whom the Company is permitted to deal), import, produce, manufacture or otherwise deal in all food and food products, wine, spirits, beer and alcoholic beverages, tobacco, pharmaceutical supplies and other articles required by members of HM Armed Forces and their families.
- 3 The statement of the Company's principal objects in Article 2 above shall not be deemed to limit or restrict the Company's objects in any way and the Company shall have the power to carry out any and all further objects or activities whatsoever and, to carry on any trade or business and to provide services of any kind either in the United Kingdom or in any part of the world and either as principal, agent, attorney, contractor, trustee, or otherwise and either alone or in conjunction with others, and the powers of Company shall not be limited in any way.

#### INCOME AND PROPERTY

- 4 The income and property of the Company from whatever source shall be applied solely to the promotion of the objects of the Company as set out in these Articles and no part thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the Members provided that nothing herein shall prevent the payment in good faith of reasonable and proper remuneration, pensions, allowances, gratuities and bonuses to any officer or servant of or connected with the Company in return for any services actually provided to the Company. Provided further that the Company shall be permitted, by resolution of the Board, to distribute excess funds to the Ministry of Defence or the constituent part of HM Armed Forces including regional territory commands as may be agreed to be applied solely for welfare purposes for the benefit of members and dependants of HM Armed Forces.
- 5 If on the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the Members, but shall be given or transferred to such charitable body or charitable bodies established for the purposes of assisting current or former UK servicemen or service women or their families or dependents or to such other similar organisation as may be determined by the Members at or before the time of the winding up or dissolution and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.

## LIABILITY OF MEMBERS

- 6 The liability of the Members is limited. Every 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 year afterwards, for payment of the debts and liabilities of the Company contracted before he ceases to be a Member, and the costs charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding one pound.

## MEMBERS

- 7 The number of Members shall not exceed twelve and shall, subject to Article 9 below, include the following, appointed on an ex officio basis:

Chief of Defence People (“CDP” – who shall also be the President of the Council)  
Director Armed Forces People Policy (“D AFP Pol”)  
Head of Commercial Head Office and Corporate Services (“Def Comrcl, Hd HOCS”)  
Second Sea Lord (“2 SL”)  
Commander Home Command (“Comd HC”)  
Air Member for Personnel & Capability (“AMP&C”)  
Director Overseas Bases, UK Strategic Command (“Dir OB UK StratCom”)  
Defence Infrastructure Organisation, Hd of DIO Overseas & Training (“DIO, Hd OT”)  
MOD Finance Director (Head Office and Strategic Programmes) (“D Fin – HO & SP”)  
The Chair NAAFI  
Non-Executive Director NAAFI

- 8 Subject to Article 9, membership shall not be transferable and shall cease on leaving office.

- 9 The body with authority to appoint the ex officio Member shown in the first column below shall be that body named opposite it in the second column, as follows:-

(1) Ex officio appointment	(2) Appointing body
CDP:	MOD;
D AFP Pol:	MOD;
Def Comrcl, Hd HOCS:	MOD;
2 SL:	Royal Navy;
Comd HC:	Army;
AMP&C:	Royal Air Force;
Dir OB UK StratCom:	UK Strategic Command;
DIO, Hd OT:	DIO;
D Fin – HO & SP:	MOD

- 10 Each appointing body shown in the second column of Article 9 shall have the right to replace or substitute any person so appointed by such body. Such substitution or replacement shall be notified in writing to the Secretary. The appointing body shall also have the right to name some other office holder to be its ex officio nominee by notification to the Secretary in writing.
- 11 If any ex officio post is abolished or amalgamated with another role, then the relevant appointing body for such post shall notify the Secretary in writing of such change and shall inform the Secretary in writing of the identity of the person who the relevant

appointing body shall appoint in future to become a member of the Council. Such notification shall be conclusive without the need for amendment to these Articles.

- 12 In these Articles the Members may collectively be referred to as the Council.

### GENERAL MEETINGS

- 13 The Council shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting of the Council and that of the next. The annual general meeting shall be held at such time and place as the Board may appoint.
- 14 The Council shall meet on at least one occasion each year in addition to the annual general meeting and that meeting shall be designated the "Half Year Meeting". The meeting shall be specified as such in notices calling it. The Half Year Meeting shall be held at such time and place as the Board may appoint.
- 15 All general meetings other than annual general meetings and Half Year Meetings shall be called extraordinary general meetings.
- 16 The Board may, whenever they think fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on the requisition of not less than four Members.
- 17 The Council may invite non-members to attend at any or all the Company's general meetings (including annual general meetings and Half Year Meetings), including (but without limitation) the Chief Executive, the Financial Director of the Company, the Secretary and relevant members of HM Forces. Such persons may be invited to attend and speak but shall not be entitled to any vote.
- 18 The Secretary (or such person as the Secretary shall nominate) shall also act as the secretary of any such meeting. In his absence, his deputy or such other person as the Council shall appoint shall act as secretary of any such meeting.

### NOTICE OF GENERAL MEETINGS

- 19 All general meetings including any annual general meeting, Half Year Meeting or extraordinary general meeting shall be convened by not less than 14 clear days' notice (regardless of the type of any resolution which is to be passed at such meeting) to be given to the Members, the Directors and to the Auditors.
- 20 Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in Article 19, a general meeting shall be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting by all the Members entitled to attend and vote at the meeting; and
  - (b) in the case of any other meeting by a majority in number of the Members who together represent not less than 90 per cent. of the total voting rights of all the Members entitled to attend and vote at that meeting.
- 21 The notice shall specify:

- (a) whether the meeting is the annual general meeting, the Half Year Meeting or an extraordinary general meeting;
  - (b) the place, date and time of the meeting;
  - (c) the general nature of the business to be transacted at the meeting;
  - (d) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and
  - (e) with reasonable prominence, that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not also be a Member.
- 22 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 and shall be disregarded for the purpose of determining whether notice of the meeting or resolution (as the case may be) is duly given.
- 23 In respect of an annual general meeting and Half Year Meeting, the Board shall cause to be prepared and laid before the Council at each of the annual general meeting and the Half Year Meeting a report in respect of on the activities of the Company since the end of the period covered by the previous report and setting out the general nature of any new or intended development in the Company's business. Such report shall be served on the Members not less than seven clear days before the relevant meeting and in accordance with Articles 99 to 103.

#### PROCEEDINGS AT GENERAL MEETINGS

- 24 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided, four Members present in person or represented by their proxy shall be a quorum.
- 25 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the President may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
- 26 The President of the Council shall preside as chair at every general meeting of the Company, or if there is no such President or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or shall be unwilling to preside, such person as the President (if applicable) shall determine shall stand as President for that meeting, or failing such determination, the Members shall choose some other Member.
- 27 The chair of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 28 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by any one Member present in person.
- 29 Unless a poll be so demanded a declaration by the chair of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost shall be final and an entry to that effect in the book containing the minutes of proceedings of the Council shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 30 The demand for a poll may be withdrawn.
- 31 If a poll is duly demanded, it shall be taken in such manner and at such time and place not being more than 30 days from the date of the meeting or adjourned meetings at which the poll was demanded as the chair directs. Any business other than that upon which a poll has been demanded may continue pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 32 No poll shall be demanded on the election of a chair of a general meeting or on any question of adjournment.
- 33 In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

#### VOTES OF MEMBERS

- 34 At any general meeting every Member who is present in person or by proxy shall on a show of hands have one vote.

#### PROXIES

- 35 The Board may send instruments of proxy, in a format approved by the Board, to Members for use at any general meeting. Where instruments of proxy are issued, they must be sent to all Members.
- 36 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. Deposit or receipt of an instrument of proxy shall not preclude a Member from attending, voting and speaking in person at the meeting in respect of which the proxy is appointed or at any adjournment of it.
- 37 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority, certified notarially, or in some other way approved by the Board, shall:
- (a) in the case of an instrument in writing be received at the Registered Office or at such other place as is specified by the notice of the meeting or in any notice of any adjourned meeting or in any instrument of proxy itself, not less than 24 hours before the time for holding the meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications in the notice of the meeting or in the instrument of proxy, or in any other electronic communication issued by the Company, be received at such



address not less than 24 hours before the time for holding the meeting at which the person named in the appointment proposes to vote;

- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
  - (d) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chair of the meeting or to any Director.
- 38 An instrument of proxy not deposited or delivered or received in a manner set out in Article 37 shall be invalid unless such invalidity is specifically waived by the Company. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.
- 39 Any proxy delivered by electronic communication to the Company and found to contain a computer virus shall be invalid.
- 40 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 41 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meetings at which the proxy is used.

#### THE BOARD: APPOINTMENT AND REMOVAL

- 42 Until otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall be not less than four. The Board will comprise the Chair and the Chief Executive together with such other executive and non-executive Directors as may have been appointed.
- 43 The Company may by ordinary resolution appoint a person who is willing to be a Director either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.
- 44 The Company may by ordinary resolution, of which special notice has been given in accordance with section 168 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and without prejudice to any claim for damages for breach of contract between the Director and the Company.
- 45 Without prejudice to the power of the Company to appoint any person who is willing to act to be a Director pursuant to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall retire and be eligible for election at the annual general meeting next following such appointment.

- 46 The Board may from time to time select one of the Directors to act as Chair and may at any time remove either of them from such office and, if so decided, appoint another Director in his place.
- 47 The remuneration of the Directors shall be fixed by the Council subject to the recommendation of the Board or any relevant committee of the Board.

#### THE BOARD OF MANAGEMENT: RETIREMENT

- 48 At each annual general meeting of the Company one third of the Directors (excluding those appointed and retiring under Article 45) shall retire from office. In addition, any Director who wishes to retire from office may do so at any annual general meeting.
- 49 A Director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been 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.
- 50 The Company at the meeting at which a Director retires under any provision of these Articles may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. In default the retiring Director shall be deemed to have been elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the election of such Director is put to the meeting and lost;
  - (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (c) where such Director is for any other reason no longer eligible for re-election.
- 51 The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

#### ALTERNATE DIRECTORS

##### Appointments

- 52 Each Director (other than an alternate Director) may, by notice in writing to the Secretary appoint any other Director or any person approved for that purpose by the Board and willing to act, to be his alternate.
- 53 No appointment of an alternate Director who is not already a Director shall be effective until his consent to act as a Director in the form prescribed by the Companies Acts has been received at the Office.
- 54 An alternate Director shall not be counted in reckoning any maximum or minimum number of Directors allowed by these Articles.

##### Participation in Board Meetings

- 55 Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a

member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor. A Director acting as alternate Director shall have, in addition to his own vote (if any) a separate vote at Board meetings for each Director for whom he acts as alternate Director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### Alternate Director Responsible for own Acts

- 56 Every person acting as an alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him. Accordingly, except where the context requires otherwise, a reference to a Director shall be deemed to include a reference to an alternate Director.

#### Interests of Alternate Director

- 57 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not be entitled to receive from the Company any fees for his services as alternate, except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Article, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director and to indemnify him to the same extent as if he were a Director.

#### Revocation of Appointment

- 58 An alternate Director shall cease to be an alternate Director:
- (a) if he resigns his office by notice in writing to the Company; or
  - (b) if his appointor revokes his appointment by notice to the Company which shall be in a hard copy form or in electronic form sent to such address (if any) for the time being specified by the Company for that purpose or, in default of such specification, to the Registered Office; or
  - (c) if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
  - (d) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

## POWERS AND DUTIES OF THE BOARD

- 59 Subject to the provisions of the Act, these Articles and to any special resolutions, the business of the Company shall be managed by the Board who may exercise all the powers of the Company.
- 60 No alteration of the Articles and no direction of the Council shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.
- 61 All cheques, promissory notes, drafts, bills of exchange, hedging instruments and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn accepted, endorsed or otherwise executed in such a manner as the Board shall from time to time by resolution determine.
- 62 The Board shall cause minutes to be made of all appointments of officers and of all interests of any Director, which register shall be made available to the public.

## VACATION OF OFFICE OF DIRECTORS

- 63 The office of a Director shall be vacated if:
- (a) they cease to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Articles or they become prohibited by law from being a Director; or
  - (b) they become bankrupt, has an interim receiving order made against them, makes any arrangement or compounds with their creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
  - (c) an order is made by any court of competent jurisdiction on the ground (howsoever formulated) of mental disorder for their detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to their affairs or they are admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the Board resolves that their office be vacated; or
  - (d) they resign their office by written notice to the Company at the Registered Office or tendered at a meeting of the Board; or
  - (e) they shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolve that their office be vacated.
  - (f) that person has a service or employment contract with the Company which either expires and is not renewed within 14 days or which is terminated by the Company.

- 64 A resolution of the Board declaring a Director to have vacated office under the terms of Article 63 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

#### PROCEEDINGS OF THE BOARD

- 65 The Board may meet for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chair shall have a second or casting vote.
- 66 A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board by any means permitted by these Articles for the service of notices.
- 67 Unless otherwise determined by the Board the quorum necessary for the transaction of the business of the Board shall be three.
- 68 Notwithstanding Article 67 should the number of Directors fall below four the continuing Directors may act until such time as replacement Director or Directors are appointed under the provisions of Articles 43 or 45 above.
- 69 The Board may delegate any of their powers to committees consisting of such persons as they think fit provided that any such committee shall have, as a majority of its members, Directors of the Company and any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board and shall report all acts and proceedings fully and promptly to the Board.
- 70 If at any meeting of the Board the Chair is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chair of the meeting. Like provision shall apply to any committee of the Board.
- 71 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chair shall have a second or casting vote.
- 72 Any Director or his alternate may validly participate in a meeting of the Directors or a committee of Directors through the medium of conference telephone or video conferencing facility or any other form of electronic means provided that all persons participating in the meeting are able to hear and speak to each other throughout the meeting or by a series of telephone calls or video conferences or by exchange of communications in any other electronic form from and to the Chair of the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted as part of the quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Directors, or a committee of the Directors shall for the purposes of the Articles be deemed to be validly and effectively transacted at a meeting of the Directors or of a committee of the Directors notwithstanding that fewer than four Directors or alternate Directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chair of the meeting then is. A resolution passed at any meeting in the above manner, and signed by the Chair of the meeting shall be as valid and effective as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.
- 73 All acts bona fide done by any meeting of the Board or of a committee of Directors or by any person acting as a Director, alternate Director or member of a committee,

notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director, alternate Director or member of a committee or that they or any of them were disqualified shall be as valid as if every such person had been and continued to be duly appointed and was qualified to be a Director, alternate director or member of a committee as appropriate and entitled to vote.

- 74 The Board shall cause minutes to be made of the proceedings of all meetings of the Company, the Board and committees of the Board and all business transacted, and resolutions passed at such meetings, and any such minutes of any meeting, if purported to be signed by the Chair of such meeting, or by the Chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts stated.
- 75 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board and to vote on the resolution at such meeting, not being less than a quorum or by all the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and to vote on the resolution at such committee meeting shall be as valid and effective as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

### CONFLICTS OF INTEREST

#### Directors' powers to authorise conflicts of interest

- 76 The Board shall, for the purposes of section 175 the Act, have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company.
- 77 Authorisation of a matter pursuant to Article 76 shall be effective only if:
- (a) any requirement as to the quorum at the meeting of the Board at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors"); and
  - (b) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 78 Any authorisation of a matter pursuant to Article 76:
- (a) may extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
  - (b) shall be subject to such conditions or limitations as the Board may determine, whether at the time such authorisation is given or subsequently;
  - (c) may be terminated or suspended by the Board at any time,
- provided always that any such termination or suspension or the imposition of any such conditions or limitations will not affect anything done by the Director concerned prior to such event in accordance with the relevant authorisation.
- 79 A Director shall comply with the terms of any such authorisation and with any policies or procedures dealing with conflicts of interest which are from time to time approved by the Board.
- 80 Articles 76 to 79 (inclusive) shall not apply to any interest permitted under Articles 81 - 85.

## Permitted Interests

- 81 Subject to compliance with Article 83 a Director notwithstanding their office may:
- (a) be a party to, or otherwise interested in, any proposed or existing contract, transaction or arrangement with a Relevant Company;
  - (b) hold any other office or place of profit with any Relevant Company (except that of auditor) in conjunction with their office of Director on such terms, including as to remuneration, as the Directors may determine;
  - (c) alone, or through a firm with which they are associated, do paid professional work (except as auditor) for any Relevant Company, and be entitled to remuneration for professional services as if they were not a Director;
  - (d) be a Director or other officer or trustee or representative of, employed by, a partner or a member of, or hold shares or other securities (whether directly or indirectly) in, or otherwise be interested in, any Relevant Company;
  - (e) have any interest which has been authorised by an ordinary resolution of the Company, subject to any terms or conditions applicable to such authorisation under or pursuant to such resolution.
- 82 For the purposes of Article 81 a "Relevant Company" means:
- (a) the Company, the ultimate holding company of the Company and all subsidiaries and subsidiary undertakings of that holding company; or
  - (b) any other body corporate promoted by the Company or in which the Company is otherwise interested.
- 83 Subject to Article 84, a Director shall declare the nature and extent of any interest permitted under Article 81 at a meeting of the Board or in the manner set out in section 184 or section 185 of the Act (irrespective of whether the interest is in a transaction or arrangement with the Company and whether they are under a duty under the Act to make such a declaration) or in such other manner as the Board may lawfully determine.
- 84 No declaration of an interest shall be required by a Director:
- (a) in relation to an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (b) in relation to an interest of which the Director is not aware or where the Director is not aware of the contract, transaction or arrangement in question (and for these purposes, the Director concerned is treated as aware of anything of which they ought reasonably to be aware);
  - (c) if, or to the extent that, the other Directors are already aware of such interest (and for these purposes, the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - (d) if, or to the extent that, it concerns the terms of their service contract.
- 85 If a Director has an interest which is permitted under Article 81 they shall comply with any policies or procedures dealing with conflicts of interest and with any specific terms relating to that Director which are (in each case) from time to time approved by the Board.

### Benefits

- 86 A Director shall not by reason of their holding office as Director (or of any fiduciary relationship established by holding that office) be accountable to the Company for any benefit, profit or remuneration which they or any person connected with them derives from any matter authorised under Article 76 or any interest permitted under Articles 81 - 85.

### Contracts

- 87 No contract, transaction or arrangement relating to any matter authorised under Article 76 or any interest permitted under Articles 81 - 85 shall be liable to be avoided by virtue of such authorised matter or permitted interest.

### Confidential Information

- 88 Subject to any terms imposed by the Board and/or to any policies or procedures dealing with conflicts of interests which are from time to time approved by the Board, a Director shall be under no obligation to disclose to the Company any information which they obtain or has obtained otherwise than as a Director of the Company and in respect of which they owe a duty of confidentiality to another person in relation to any matter authorised under Article 76 or any interest permitted under Articles 81 - 85.
- 89 Article 88 is without prejudice to any equitable principle or rule of law which may excuse a Director from disclosing information where these Articles would otherwise require them to do so.

### Quorum, Voting and Board Papers

- 90 Subject to any terms imposed by the Board and/or to any policies or procedures dealing with conflicts of interests which are from time to time approved by the Board, a Director:
- (a) shall be counted in the quorum for and shall be entitled to attend and vote at any meeting of the Board in relation to:
    - (i) any proposed or existing contract, transaction or arrangement with the Company in which they are interested and which is permitted under Article 81(a);
    - (ii) any resolution relating to a matter authorised under Article 76 or any interest which is permitted under Article 81; and/or
  - (b) may, where they reasonably believe that any actual or potential conflict of interest arising out of any matter authorised under Article 76 or any interest permitted under Articles 81 - 85 exists:
    - (i) absent themselves from any meeting of the Board (or part of any meeting) at which any such matter or interest will or may be discussed; and/or
    - (ii) decide not to receive or review documents or information relating to any such matter or interest and/or for such documents or information relating



to any such matter or interest to be received and reviewed by a professional adviser.

## SECRETARY

- 91 The Secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as they may think fit; and any secretary so appointed by them may be removed by them.

## ACCOUNTS

- 92 The Board shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Company;
  - (c) the assets and liabilities of the Company.
- 93 Proper books 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 explain its transactions.
- 94 The books of account shall be kept at the registered office of the Company or, subject to the Act at such other place or places as the Board think fit and shall always be open to the inspection of the Board.
- 95 The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board or by the Company in general meeting.
- 96 The Board shall from time to time in accordance with the Act and government accounting policy from time to time in force, cause to be prepared such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required and shall cause such accounts, balance sheets and reports to be laid before the Members in general meeting.
- 97 A copy of every profit and loss account, balance sheet and report (including every document required by law to be annexed thereto) which is to be laid before the Council in annual general meeting together with a copy of the Auditors' report shall be sent to every Member together with the notice of such annual general meeting provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware.
- 98 Prior to the Half Year Meeting, an unaudited statement of accounts for the period from the date of the annual accounts laid before the Council in accordance with Article 97, shall be sent to every Member together with the notice of such Half Year Meeting.

## NOTICES

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

## Service of Notice

- 100 Subject to Article 99 and unless otherwise provided by these Articles, the Company shall send or supply a document or information to a Member in such form and by such means as it may in its absolute discretion determine provided that the provisions of the Act which apply to a document or information required or authorised to be sent or supplied by the Act shall, mutatis mutandis, also apply to any document or information required or authorised to be sent by these Articles or any other rules or regulations to which the Company may be subject. Subject to the Act, any document or information shall be validly sent or supplied by the Company if it is made available on a website.
- 101 Subject to Article 99 and unless otherwise provided by these Articles, a Member shall send a document or information pursuant to these Articles to the Company in such form and by such means as the Company may in its absolute discretion decide provided that:
- (a) the determined form and means are permitted by the Act for the purpose of sending or supplying a document or information of that type to a company pursuant to a provision of the Act; and
  - (b) unless the Board otherwise permits, any applicable condition or limitation specified in the Act including without limitation as to the address to which the document or information may be sent, is satisfied.

Unless otherwise provided by these Articles or required by the Board, such document or information shall be authenticated in the manner specified by the Act for authentication of a document or information sent in the relevant form.

- 102 The Board will endorse and adopt terms and conditions relating to the use of electronic means for the sending of notices, other documents and proxy appointments by the Company to Members or persons entitled by transmission and by Members or persons entitled by transmission to the Company.
- 103 Documents or information sent to the Company in electronic form shall not be treated as received by the Company if they are rejected by computer virus protection arrangements.

## Evidence of Service

- 104 Any Member present, in person or by proxy, at any meeting of the Company shall be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.
- 105 Proof that a document or information was properly addressed, prepaid and posted shall be conclusive evidence that the document or information was sent. Proof that a document or information sent or supplied by electronic means was properly addressed and despatched shall be conclusive evidence that the document or information was sent or supplied, unless the Company is aware that there has been a failure of delivery of such document or information following two attempts in which case such document or information shall be sent to the Member at their registered address or address for service provided that the date of deemed service or delivery shall be 48 hours after the time that such document or information was originally sent by electronic means in accordance with Article 106 below. A document or information sent by the Company to a Member by post shall be deemed to have been received:
- (a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to

another address in that other country, on the day following that on which the document or information was posted;

- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom), on the third day following that on which the document or information was posted;
  - (c) in any other case, on the second day following that on which the document or information was posted.
- 106 A document or information sent or supplied by the Company to a Member in electronic form shall be deemed to have been received by the Member at the expiration of 48 hours after the time that such document or information was sent to the Member. Such document or information shall be deemed received by the Member on that day notwithstanding that the Company becomes aware that the Member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the Member.
- 107 A document or information sent or supplied by the Company to a Member by means of a website shall be deemed to have been received by the Member:
- (a) when the document or information was first made available on the website; or
  - (b) if later, when the Member is deemed by Articles 105 or 106 to have received notice of the fact that the document or information was available on the website. Such a document or information shall be deemed received by the Member on that day notwithstanding that the Company becomes aware that the Member has failed to receive the relevant document or information for any reason and notwithstanding that the Company subsequently sends a hard copy of such document or information by post to the Member.
- 108 Where a Member has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be given to them or an address to which notices may be sent using electronic communications, they shall be entitled to have notice given to them at that address; but otherwise no such Member shall be entitled to receive any notice or document from the Company.
- 109 If on three consecutive occasions notices or other documents have been sent through the post to any Member at their registered address or their address for the service of notices but have been returned undelivered, such Member shall not thereafter be entitled to receive notices or other documents from the Company until they shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

#### RIGHT TO INDEMNITY

- 110 If and only to the extent permitted by law, but without prejudice to any indemnity to which a Director or other officer (excluding an auditor) may otherwise be entitled, the Company may, if the Board so determines, indemnify out of its own funds:
- (a) every Director or other officer (excluding an auditor) of the Company or any associated company against all costs, charges, losses, expenses and liabilities incurred by them:

- (i) in connection with any negligence, default, breach of duty or breach of trust by them in relation to the Company;
  - (ii) in performing their duties; and/or
  - (iii) in exercising their powers; and/or
  - (iv) in claiming to perform their duties or exercise their powers; and/or
  - (v) otherwise in relation to or in connection with their duties, powers or office; and
- (b) every Director of the Company or any associated company where the Company or associated company acts as a trustee of an occupational pension scheme against any liability incurred in connection with the relevant company's activities as a trustee of such scheme.
- 111 For the purposes of Articles 110 and 114, "associated company" shall mean a company which is either a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company.

### INSURANCE

- 112 If and only to the extent permitted by law, but without prejudice to the power contained in Articles 110 and 111, the Directors may purchase and maintain at the expense of the Company insurance for or for the benefit of any persons who are or were at any time Directors, officers (excluding auditors) or employees of the Company or any related company or trustees of any pension fund in which any employees of the Company or any related company are interested.
- 113 In Article 112 "related company" means (i) any company which is or was the Company's holding company or (ii) any body (whether incorporated or not) in which the Company or any holding company has or had any kind of interest (whether direct or indirect) or (iii) any body (whether incorporated or not) which is associated or connected in any way with the Company or any holding company of the Company, (iv) any predecessors in business of the company or any other body referred to in this Article 113, or (v) any body (whether incorporated or not) which is a subsidiary undertaking of the Company or any other body referred to in this Article 113.

### FUNDS TO MEET EXPENDITURE

- 114 The Company (to the extent permitted by law):
- (a) may provide a Director or officer (excluding auditor) or a former Director or officer (excluding auditor) of the Company or of its holding company with funds to meet expenditure incurred or to be incurred by them:
    - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by them in relation to the Company or an associated company; or
    - (ii) in connection with any application for relief under any of the provisions mentioned in section 205(5) of the Companies Act 2006; or
    - (iii) in defending themselves in any investigation by a regulatory authority or against action proposed to be taken by a regulatory authority, in connection with any alleged negligence, default, breach of duty or breach

of trust by them in relation to the Company or an associated company;  
or

- (b) may do anything to enable a Director or officer (excluding auditor) or a former Director or officer (excluding auditor) of the Company or of its holding company to avoid incurring such expenditure.