

Company No: 1661776

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION OF  
HERMES PENSIONS MANAGEMENT LIMITED

At an Extraordinary General Meeting of the above mentioned Company held on 9th day of October 1995, the resolution set out below was proposed and passed as Special Resolution.

Special Resolution

"That the regulations set forth in the printed document and for the purposes of identification signed by the Chairman, be adopted forthwith as the Articles of Association of the Company in substitution for, and to the exclusion of all existing Articles thereof."



.....  
CHAIRMAN



*Signed for identification  
Tamm  
12/9/95*

**THE COMPANIES ACT 1985**

**A PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**HERMES PENSIONS MANAGEMENT LIMITED\***

**PRELIMINARY**

- 1 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter referred to as "Table A") shall apply to the Company save in so far as they are excluded or varied hereby: that is to say, Clauses 8, 24-25, 64, 65, 73-80, 89, 91, 93, 101 and 118 shall not apply to the Company; and in addition to the remaining Clauses of Table A, as varied hereby, the following shall be the Articles of Association of the Company.

**PRIVATE COMPANY, AND THE TRANSFER OF SHARES**

- 2 The Company is a Private Company.
- 3 The right to transfer shares is restricted as follows. For as long as the Trustees of BT Pension Scheme or their respective nominee company or custodian trustee company are a member, no transfer of shares shall be registered without their prior written consent. The Directors shall be bound to register any transfer of shares which has the prior written consent of the Trustees of BT Pension Scheme.

**SHARES**

- 4 (a) Subject to paragraph (d) of this Article the directors shall not without the authority of company in general meeting allot any of the shares in the capital of the company.

- \* The name of the Company was changed from Postel Investment Management Limited on 31 March 1995.

- (b) Where authority has been given to the directors as referred to in paragraph (a) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued allot such shares to such persons (including any directors) at such times and generally on such conditions as they think proper provided that no shares shall be issued at a discount contrary to the Act.
- (c) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.
- (d) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors may without further authority allot such shares as may require to be allotted pursuant to the exercise of such right.
- (e) In accordance with Section 91 of the Act, Section 89(1) and Section 90(1) to (6) of the Act shall not apply to any allotment of equity securities (as defined in Section 94 of the Act) by the Company.

### **LIEN**

- 5 The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any person whether solely or as one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any dividend or other amount payable in respect thereof.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 6 In Clause 40 of Table A, the following words shall be added at the end of the second sentence, namely: "Except where the company is a private company limited by shares and having only one member, in which case the quorum shall be one person, being the member, a proxy for the member or a duly authorised representative of a corporation."
- 7 In Clause 41 of Table A, the following words shall be added at the end, namely: "and if at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by a duly authorised representative, shall be a quorum."

### **VOTES OF MEMBERS**

- 8 In Clause 59 of Table A, the following words shall be added at the end of the second sentence, namely: "A proxy need not be a member of the Company."

## **CORPORATIONS ACTING BY REPRESENTATIVES**

- 9 Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **NUMBER OF DIRECTORS**

- 10 Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than three.

## **APPOINTMENT AND REMOVAL OF DIRECTORS**

- 11 No shareholding qualification for Directors shall be required.
- 12 (a) A member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the Company shall have power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument which shall be in writing and shall (except in the case of an appointment or removal by telex or a facsimile copy of an appointment or removal otherwise complying with the requirements of this Article) be executed by the member or members making the same or by their duly authorised attorneys or in such other manner as the directors may approve, and shall take effect upon such appointment or removal being deposited or received at the office or otherwise communicated to the company at the office or being handed or otherwise communicated to the chairman of a meeting of the directors at which a quorum is present.
- (b) Without prejudice to paragraph (a) of this Article the Company may by ordinary resolution appoint any person to be a director either to fill a vacancy or as an additional director.
- (c) The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these present. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

- (d) A member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the Company shall have power from time to time and at any time to appoint any person as Chairman of the Company and to remove from office any Chairman howsoever appointed. Any such appointment or removal shall be effected in accordance with the procedure set out in Article 12(a) above.
- 13 The Directors shall not be subject to retirement by rotation.
- 14 In Clause 81 of Table A, the following words shall be added at the end of the Clause, namely: "(f) he resigns from the employment of the Company."

### **ALTERNATE DIRECTORS**

- 15 A director, except for Roy Cox if a director at anytime, may appoint any person, including another director, to be his alternate and may remove from office an alternate so appointed by him. Such appointment shall take effect on being approved by the directors.

### **PROCEEDINGS OF DIRECTORS**

- 16 The quorum for the transaction of the business of the directors shall be three, one of whom shall be a non-executive director of the company. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 17 For the purpose of determining whether a quorum exists for the transaction of the business of the board of directors:
- (a) in the case of a resolution of directors, who would (if attending a meeting) comprise a quorum, who are in telephonic communication with one another, any such resolution shall be as valid and effectual as if passed at a meeting of the board of directors duly convened and held;
  - (b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
  - (c) any person attending a meeting of the board, or in telephonic communication with such a meeting, who is acting as an alternate director for one or more directors shall be counted as one for each of the directors for whom he is so acting and, if he is a director, shall also be counted as a director, but not less than three persons as set out in Clause 16 whether present at the meeting or in telephonic communication with each other, can be a quorum.
- 18 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors.

- 19 A resolution in writing signed by all the directors or all the members of a committee of directors entitled to receive notice to a meeting of directors or of a committee of directors as the case may be, shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:
- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
  - (b) if it consists of several instruments in the like form each either:
    - (i) executed by or on behalf of one or more of such directors or committee members; or
    - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary.

#### **VALIDITY OF ACTS OF DIRECTORS AND COMMITTEE**

- 20 The Directors may delegate any of their powers to any committee consisting of one or more directors and may also appoint to any such committee persons who are not directors. They may also delegate to any managing director or any director or directors holding executive office such of their powers as they consider desirable to be exercised by him or them. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
- 21 All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director, or person acting as aforesaid, or that they or any of them were disqualified 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.

#### **BORROWING POWERS OF DIRECTORS**

- 22 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital or any part thereof and to issue debentures debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company provided that the Directors may only exercise such powers of the Company with the consent of the Trustees of BT Pension Scheme.

## **DIRECTORS' GRATUITIES AND PENSIONS**

- 23 - In Clause 87 of Table A, the following words should be added at the end, namely "Any such payments herein referred to shall be subject to the prior written consent of the Trustees of BT Pension Scheme."

## **THE SEAL**

- 24 The Seal shall only be used by the authority of the Directors or a committee of the directors authorised by the Directors. Every instrument to which the seal is affixed shall be signed by one Director and the Secretary or by two Directors or by any two persons appointed by the Directors for that purpose from time to time or by any one such person and a Director or the Secretary.

## **INDEMNITY**

- 25 Subject to the provisions of the Act, every director, other officer of the company or person acting as an alternate director shall be entitled to be indemnified by the company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of his duties to the company or otherwise in relation thereto.