

1661776

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM & ARTICLES OF ASSOCIATION

OF

HERMES PENSIONS MANAGEMENT LIMITED



ED9  
COMPANIES HOUSE

0001  
30/05/01

HRM004

THE COMPANIES ACT 1948 TO 1980

---

COMPANY LIMITED BY SHARES

---

MEMORANDUM OF ASSOCIATION

OF

HERMES PENSIONS MANAGEMENT LIMITED\*

---

1. The name of the Company is "HERMES PENSIONS MANAGEMENT LIMITED".\*
2. The registered office of the company will be situated in England.
3. The objects for which the company is established are:†
  - (A)
    - (i) To acquire and hold controlling or other interests in the share or loan capital of any company or companies (and in particular in companies engaged in the business of investment management in all its branches);
    - (ii) To engage employ and hire staff and employees, and to enter into agreements with such staff and employees with a view to allocating their services to any person, firm or company requiring them, and in particular but not limited to the company's holding company, subsidiary companies or any other company associated with the company in business.
  - (B) To carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with the objects specified in Sub-Clause (A) hereof.
  - (C) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is for the time being the Company's Holding or Subsidiary company or otherwise associated with the Company in business or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object; or for any purpose which may be considered likely directly or indirectly to further the objects if the Company or the interests of its members, or for the benefit of any employees of the Company, or of any company which is for the time being the Company's Holding or Subsidiary company and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

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

† The objects of the Company were changed by Special Resolution on 31 March 1995.

- (D) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
- (E) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (F) To borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.
- (G) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurances.
- (H) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly.
- (I) To receive money on deposit or loan upon such terms as the Company may approve, and to guarantee the obligations and contracts of any person.
- (J) To lend money to any company, firm or person and to give all kinds of indemnities and either with or without the Company receiving any consideration or advantage, direct or indirect, for giving any such guarantee, to guarantee either by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital of the Company or by both such methods, the performance of the obligations and the payment of the capital or principal (together with any premium) of and dividends or interest on any debenture stocks, shares or other securities of any company, firm or person and in particular (but without limiting the generality of the foregoing) any company which is for the time being the Company's Holding or Subsidiary Company as defined by Section 154 of the Companies Act, 1948, or otherwise associated with the Company in business and whether or not this Company receives directly or indirectly any consideration or advantage therefrom.
- (K) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.

- (L) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities including securities of any government and in such manner as may from time to time be determined.
- (M) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (N) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (O) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company.
- (P) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company, and to acquire and hold or dispose of shares, stock or securities and guarantee the payment of dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.
- (Q) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on.
- (R) To sell, improve, manage, develop, turn to account, exchange, let on rent, grant royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.

- (S) To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding-up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- (T) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (U) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (V) To do all such things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that the objects of the Company as specified in each of the foregoing paragraphs of this clause (except only if and so far as otherwise expressly provided in any paragraphs) shall be separate and distinct objects of the Company and shall not be in anywise limited by reference to any other paragraph or the name of the Company.

- 4. The liability of the Members is limited
- 5. The share capital of the Company is £30,000,000 divided into 30,000,000 shares of £1 each.\*

\* The share capital of the Company was increased from £100 to £10,000 by ordinary resolution on 10 March 1983, to £100,000 by ordinary resolution on 23 September 1992, to £5,000,000 by ordinary resolution on 27 February 1995, to £12,000,000 by ordinary resolution on 19 September 2000 and to £20,000,000 by ordinary resolution on 23 March 2001, and to £30,000,000 by ordinary resolution on 27 June 2001.

WE, the several persons whose Names, Addresses and Descriptions are subscribed, are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of shares taken by each Subscriber
<p data-bbox="344 772 603 981">ROY C. KEEN Temple Chambers, Temple Avenue, London EC4Y 0HP.  Company Director.</p> <p data-bbox="349 1155 608 1364">NIGEL L. BLOOD, Temple Chambers, Temple Avenue, London EC4Y 0HP.  Company Director.</p>	<p data-bbox="1193 824 1246 853">One</p> <p data-bbox="1198 1205 1251 1234">One</p>

Dated the 1st day of August, 1982.

Witness to the above signatures,

J. JEREMY A. COWDRY,  
Temple Chambers,  
Temple Avenue,  
London EC4Y 0HP.

Company Director.

1661776

THE COMPANIES ACTS, 1948 to 1981

---

COMPANY LIMITED BY SHARES

---

ORDINARY RESOLUTION

of

POSTEL INVESTMENT MANAGEMENT LIMITED

---

At an Extraordinary General Meeting of the above mentioned Company held on the 10th day of March 1983 the Resolution set out below was proposed and passed as an Ordinary Resolution.

ORDINARY RESOLUTION

"THAT the capital of the Company be increased to £10,000 by the creation of 9,900 shares of One Pound each"

*[Signature]*  
.....  
CHAIRMAN

No. 1611776

THE COMPANIES ACTS 1948 to 1981

---

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

POSTEL INVESTMENT MANAGEMENT LIMITED

---

At an Extraordinary General Meeting of the above mentioned Company held on the 25<sup>th</sup> day of March 1983 the Resolution set out below was proposed and passed as a Special Resolution.

SPECIAL RESOLUTION

"THAT new Articles of Association be adopted by the Company in lieu of the existing Articles of Association in the form which has been initialled by the Chairman for the purpose of identification, with effect from 1st April 1983"

.....*M. Cassidy*.....

CHAIRMAN



No.1661776

THE COMPANIES ACTS 1948 to 1981

---

COMPANY LIMITED BY SHARES

---

ORDINARY RESOLUTION

OF

POSTEL INVESTMENT MANAGEMENT LIMITED

---

At an Extraordinary General Meeting of the above  
Mentioned Company held on the 31st day of March 1983  
the Resolution set out below was proposed and passed  
as an Ordinary Resolution.

ORDINARY RESOLUTION

"THAT the minimum number of Directors for the purposes  
of Article 74 of the Articles of Association of the  
Company which come into effect on 1st April 1983 shall  
be eight instead of nine".

.....

No 1661776

THE COMPANIES ACTS 1948 TO 1981

---

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

POSTEL INVESTMENT MANAGEMENT LIMITED

---

At an Extraordinary General Meeting of the above mentioned Company held on the 10th day of August 1983 the Resolution set out below was proposed and passed as a Special Resolution.

SPECIAL RESOLUTION

"THAT the Articles of Association of the Company be and are hereby amended by the addition, at the end of Article 87 of the following:

"In the event of the Chairman appointed under Article 83 hereof being absent from any meeting of Directors or in the event that there is no Chairman appointed under Article 83 for the time being, the Directors present at any such meeting may choose one of their members to be Chairman of the meeting. The Chairman so elected shall have no second or casting vote."

"AND by the addition at the end of Article 94 of the following:

"In the event of the Chairman appointed under Article 83 hereof being absent from any meeting of the Committee or in the event that there is no Chairman appointed under Article 83 for the time being, the Directors present at any such meeting may choose one of their members to be Chairman of the meeting."



CHAIRMAN

No 1661776

THE COMPANIES ACT 1985

---

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

POSTEL INVESTMENT MANAGEMENT LIMITED

---

At an Extraordinary General Meeting of the above mentioned Company held on the 6th day of September 1988 the Resolution set out below was proposed and passed as a Special Resolution.

SPECIAL RESOLUTION

"THAT Articles 94 and 95 of the Articles of Association of the Company be deleted, and that the succeeding Articles be renumbered accordingly."

*D. N. Gunder*

CHAIRMAN

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION  
OF  
POSTEL INVESTMENT MANAGEMENT LIMITED

At an Extraordinary General Meeting of the above mentioned Company held on the 7th day of January 1991, the Resolution set out below was proposed and passed as a Special Resolution.

SPECIAL RESOLUTION

THAT the Articles of Association of the Company be amended as set out below

Article 74 Delete the entire Article and substitute the following  
"Unless otherwise determined by Ordinary Resolution, the number of directors (other than Alternate Directors) shall not be subject to any maximum but shall be not less than six.

Article 83(A) In sub paragraph (i) replace the word "four" in the second line with the words "the following number of" and delete the words "two of whom shall be designated "A" Directors and two of whom shall be designated "B" Directors". Add at the end:-

"(a) from 1st April 1992 (or such earlier date as may be specified by written notice to the Company from POSSS), two

(b) until such date, three"

In sub paragraph (ii) replace the word "four" in the second line with the words "the following number of" and delete the words "two of whom shall be designated "C" Directors and two of whom shall be designated "D" Directors". Add at the end:-

"(a) from 1st April 1992 (or such earlier date as may be specified by written notice to the Company from BTSSS), two

(b) until such date, three"

- Article 86(A) Delete the second sentence and replace with "such appointment shall take effect upon being approved by the Directors".
- Article 88 Delete the words "four comprising one of each of the "A", "B", "C" and "D" Directors" and substitute "three at least one of whom shall be a Director appointed by POSSS and one a Director appointed by BTSSS under Article 83(A) above."

*D.N. Guzman*

CHAIRMAN

Company No. 1661776

THE COMPANIES ACT 1985

---

COMPANY LIMITED BY SHARES

---

ORDINARY RESOLUTION

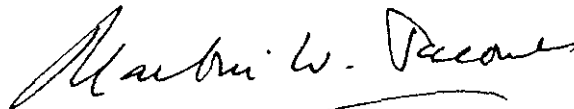
of

POSTEL INVESTMENT MANAGEMENT LIMITED

At an Extraordinary General Meeting of the above mentioned Company held on the 23 day of September 1992 the Resolution set out below was proposed and passed as an Ordinary Resolution.

ORDINARY RESOLUTION

"THAT the capital of the Company be increased to £100,000 by the creation of 90,000 shares of £1 each, to rank pari passu with the existing shares of the Company".



23.9.92

.....  
CHAIRMAN

Company No: 1661776

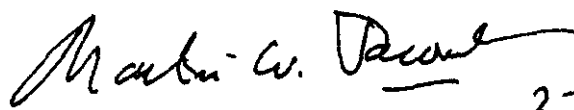
THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
ORDINARY RESOLUTION OF  
POSTEL INVESTMENT MANAGEMENT LIMITED

At an Extraordinary General Meeting of the above mentioned Company held on 27th day of February 1995, the resolution set out below was proposed and passed as Ordinary Resolution.

Ordinary Resolution

"That the capital of the Company be increased from £100,000 to £5,000,000 by the creation of 4,900,000 new shares of £1 each, to rank pari-passu in all respects with the existing shares of the Company.

That, subject to BT Pension Scheme acquiring all of the share capital of the Company, the directors are hereby generally and unconditionally authorised to exercise any power of the Company to allot the said shares up to an amount equal to the nominal amount of authorised but unissued share capital at the date of passing of this resolution provided that said authority hereby given shall expire five years after the passing of this resolution unless previously renewed or varied."

  
27 Feb 1995

CHAIRMAN

Company No: 1661776

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION OF  
POSTEL INVESTMENT MANAGEMENT LIMITED

At an Extraordinary General Meeting of the above mentioned Company held on 27th day of February 1995, the resolution set out below was proposed and passed as Special Resolution.

Special Resolution

"That, subject to BT Pension Scheme acquiring all of the share capital of the Company, the name of the Company be changed to Hermes Pensions Management Limited on 31 March 1995 or such later date as the acquisition of the said share capital takes place."

*Martin W. Tice* 27. Feb 1995

CHAIRMAN



Company No 1611776

**THE COMPANIES ACT**


**COMPANY LIMITED BY SHARES**

**SPECIAL RESOLUTION OF HERMES PENSIONS MANAGEMENT LIMITED**

The resolution set out below was passed as a written resolution of the Company on 31 March 1995.

Special Resolution

"That the regulations set forth in the printed document and for the purposes of identification signed by the Chairman, be adopted as the Memorandum and Articles of Association of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association, with effect from 31 March 1995."



CHAIRMAN

31 March 1995

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

COMPANY NO: 1661776

**THE COMPANIES ACTS 1985**

**PRIVATE COMPANY LIMITED BY SHARES**

**ELECTIVE RESOLUTIONS OF HERMES PENSIONS MANAGEMENT LIMITED**

The elective resolutions set out below were passed as written resolutions of the Company, on 25 April 1996.

**Elective Resolution 1**

That pursuant to S 366A of the Companies Act 1985, the Company hereby elects to dispense with the holding of annual general meetings in 1996 and subsequent years (until the election is revoked).

**Elective Resolution 2**

That pursuant to S 252 of the Companies Act 1985, the Company hereby elects to dispense with the laying of accounts and reports before the Company in general meeting.

**Elective Resolution 3**

That pursuant to S 386 of the Companies Act 1985, the Company hereby elects to dispense with the obligation to appoint auditors annually.



.....  
CHAIRMAN

COMPANY NO: 1661776

THE COMPANIES ACTS 1985

PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION OF HERMES PENSIONS MANAGEMENT LTD

The special resolution set out below was passed as a written resolution of the Company on 25 April 1996.

**Special Resolution**

That the last sentence of Article 12(c) of the Company's Articles of Association be deleted and replaced by the following:

"Any director so appointed shall be a permanent director and not subject to re-election, or retirement by rotation."



.....  
CHAIRMAN

COMPANY NO: 1661776

**THE COMPANIES ACT 1985**

**PRIVATE COMPANY LIMITED BY SHARES**

**ORDINARY RESOLUTION OF HERMES PENSIONS MANAGEMENT LIMITED**

The Ordinary Resolution set out below was passed as a written resolution of the Company on 19 September 2000.

**Ordinary Resolution**

That the share capital of the Company be increased from £5,000,000 to £12,000,000 by the creation of 7,000,000 new shares of £1 each, to rank pari passu with the existing shares of the Company.

A handwritten signature in black ink, appearing to read 'D. G. Smith', is written over the signature line.

Company Secretary

COMPANY NO: 1661776

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ORDINARY RESOLUTION OF HERMES PENSIONS MANAGEMENT LIMITED

The Ordinary Resolution set out below was passed as a written resolution of the Company on 23 March 2001.

**Ordinary Resolution**

That the share capital of the Company be increased from £12,000,000 to £20,000,000 by the creation of 8,000,000 new shares of £1 each, to rank pari passu with the existing shares of the Company.



Company Secretary

COMPANY NO: 1661776

**THE COMPANIES ACT 1985**

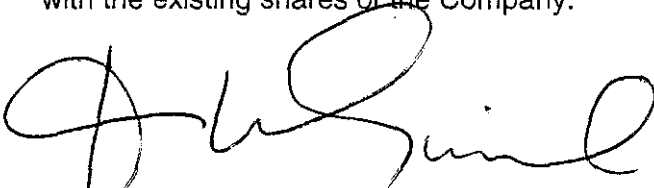
**PRIVATE COMPANY LIMITED BY SHARES**

**ORDINARY RESOLUTION OF HERMES PENSIONS MANAGEMENT LIMITED**

The Ordinary Resolution set out below was passed as a written resolution of the Company on 27 June 2001.

**Ordinary Resolution**

That the share capital of the Company be increased from £20,000,000 to £30,000,000 by the creation of 10,000,000 new shares of £1 each, to rank pari passu with the existing shares of the Company.

A handwritten signature in black ink, appearing to read 'J. G. Smith', is written over the text 'Company Secretary'.

Company Secretary

**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 be a permanent director and not subject to re-election or retirement by rotation.

- (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.