

**Company Number 2479327**

**A Private Company Limited by Shares**

# **Articles of Association of Electricity Pensions Trustee Limited**

**(Adopted by Special Resolution on 17 January 2022)**

## **Contents**

<b>No</b>	<b>Heading</b>	<b>Pages</b>
1.	Interpretation	1
2.	Members	3
3.	Share Capital	3
4.	Share Certificates	3
5.	Transfer of Shares	4
6.	Purchase of own shares	5
7.	Alteration of Share Capital	5
8.	General Meetings	6
9.	Notice of General Meetings	6
10.	Proceedings at General Meetings	6
11.	Votes of Members	8
12.	Scheme Trustee Council	9
13.	Number of Directors	13
14.	Powers of Directors	13
15.	Appointment and Retirement of Chair of the Board	13
16.	Appointment and Retirement of Directors (other than the Chair)	13
17.	Designated Replacement Directors	14
18.	Appointment of alternates to directors and designated replacement directors	15
19.	Rights and responsibilities of alternates to directors	16
20.	Termination of alternate directorship	16
21.	Disqualification and Removal of Directors	17
22.	Remuneration of Directors	18
23.	Directors' Expenses	18
24.	Authorisation of Conflicts	18
25.	Directors' and Councillors' Appointments and Interests	19

<b>26.</b>	<b>Voting where Director has Interest</b>	<b>20</b>
<b>27.</b>	<b>Notices and Declarations</b>	<b>20</b>
<b>28.</b>	<b>Confidential Information</b>	<b>21</b>
<b>29.</b>	<b>Dealing with Potential Conflicts</b>	<b>21</b>
<b>30.</b>	<b>Benefits from Third Parties</b>	<b>22</b>
<b>31.</b>	<b>Proceedings and Voting of Directors</b>	<b>22</b>
<b>32.</b>	<b>Delegation of Directors' Powers</b>	<b>23</b>
<b>33.</b>	<b>Secretary</b>	<b>24</b>
<b>34.</b>	<b>Minutes</b>	<b>24</b>
<b>35.</b>	<b>The Seal</b>	<b>24</b>
<b>36.</b>	<b>Dividends</b>	<b>24</b>
<b>37.</b>	<b>Accounts</b>	<b>25</b>
<b>38.</b>	<b>Capitalisation of Profits</b>	<b>25</b>
<b>39.</b>	<b>Notices</b>	<b>25</b>

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# Articles of Association of Electricity Pensions Trustee Limited

(Adopted by Special Resolution on 17 January 2022)

## 1. Interpretation

### 1.1 In the articles unless the context otherwise requires:

**"the Act"** means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

**"annual Council meeting"** means a meeting of the Scheme Trustee Council called under Article 12.10;

**"the articles"** means the articles of association of the Company as adopted and amended from time to time;

**"board of directors"** means the board of directors of the Company;

**"calendar year"** means a period of 12 months beginning at the start of 1 January and ending at the end of the next 31 December;

**"chair of the board"** means the chair of the board of directors appointed pursuant to Article 15.1;

**"chair of the meeting"** means, in relation to a general meeting or a meeting of the board of directors or a meeting of the Scheme Trustee Council, the chair of that meeting;

**"clear days"** in relation to a period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect and excluding week-ends and public holidays in England and Wales;

**"Councillor"** means a member of the Scheme Trustee Council appointed pursuant to Article 12.1;

**"deputy chair of the board"** means the deputy chair of the board appointed pursuant to Article 31.7;

**"designated replacement director"** means a designated replacement director appointed pursuant to Article 17.2;

**"special Council meeting"** means a meeting of the Scheme Trustee Council called under Article 12.11;

**"member"** means a member of the Company;

**"office"** means the registered office of the Company;

**"relevant date"** means (in relation to a transfer of shares pursuant to Article 5.3) the effective date of the deed executed by (inter alia) the Principal Employer and the Co-ordinator in accordance with paragraph (3) of Clause 2B of the Scheme, and (in relation to a transfer of shares pursuant to Articles 5.4 to 5.6) the date of occurrence of the relevant event;

**"relevant event"** means the cessation of participation of a Principal Employer in the Scheme pursuant to Clause 42 of the Scheme;

**"the Scheme"** means the Electricity Supply Pension Scheme established by an irrevocable declaration of trust made in a Resolution of the Electricity Council passed on 20 January 1983;

**"seal"** means the common seal of the Company;

**"secretary"** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; and

**"the United Kingdom"** means Great Britain and Northern Ireland.

1.2 Subject to Article 1.1, the following terms and expressions shall have the same meanings as defined in and shall be construed in accordance with the provisions of the Scheme from time to time;

- (a) "Appointed Group Director";
- (b) "Appointed Group Trustee";
- (c) "Co-ordinator";
- (d) "Elected Group Director";
- (e) "Elected Group Trustee";
- (f) "Fund";
- (g) "Group";
- (h) "Group Administrator";
- (i) "Group Director";
- (j) "Group Trustee";
- (k) "Member associated with such Group";
- (l) "Participating Subsidiary";
- (m) "Principal Employer"; and
- (n) "Scheme Trustee Council".

1.3 Subject to Articles 1.1 and 1.2 terms and expressions shall have the same meanings as defined in the Act.

1.4 Except where the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter.

1.5 References to writing shall include references to any method of representing or reproducing words in a legible and non-transitory form. References to a document being executed include references to its being executed under hand or under seal or by any other method.

1.6 Headings are included for convenience only and shall not affect meanings.

## **2. Members**

2.1 Any person who

(a) becomes a Principal Employer; and

(b) applies to be a member and subscribes for cash at par for the like number of shares in the Company as are then held by the other members then holding the smallest number of shares,

shall thereupon become and be registered as a member. All statutory pre-emption rights on allotment of shares shall be excluded Sections 561 and 562 inclusive of the Act shall not apply.

2.2 Any application for membership shall be in writing executed by or on behalf of the person so applying and addressed to the board of directors.

## **3. Share Capital**

3.1 No share shall be issued by the Company on terms other than that it shall rank pari passu with all other shares then in issue and that it shall be fully paid up forthwith upon issue. No share shall be issued which is to be redeemed or is liable to be redeemed.

3.2 The Company shall not pay any commission.

3.3 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the Company shall not be bound by or recognise (even when having notice of it) any interest in any share other than a holder's absolute right to the entirety of a share.

## **4. Share Certificates**

4.1 Every member, upon becoming the holder of any shares, shall be entitled without payment to receive two months after allotment or lodgement of a transfer to him of those shares (or within such other period as the terms of issue may provide) one certificate for all the shares held by him or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

4.2 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence and preparing the indemnity as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

## 5. Transfer of Shares

5.1 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

5.2 No interest in any share shall be disposed of or created by any means except in the circumstances prescribed in and subject to the terms of Articles 5.3 to 5.16.

5.3 Where (whether pursuant to an amalgamation or reorganisation of one or more Groups or otherwise) a member becomes a Participating Subsidiary:

(a) in the Group of another Principal Employer, or

(b) in its own Group, upon another Participating Subsidiary in that Group becoming the Principal Employer thereof,

such member ("**the transferor**") shall become bound to sell all the shares held by him ("**the transfer shares**") and such Principal Employer ("**the transferee**") shall be bound to purchase the transfer shares. Such sales and purchases shall be made on the terms prescribed in Articles 5.7 to 5.16.

5.4 Where a relevant event occurs, the member concerned ("**the transferor**") shall become bound to sell all the shares held by him ("**the transfer shares**") on the terms prescribed in articles 5.5 to 5.16.

5.5 As soon as practicable (whether prior to or following the occurrence of the relevant event) the transferor must give notice in writing to the Company ("**the transfer notice**").

5.6 Upon receipt of the transfer notice, the board of directors shall, subject to article 5.5, offer the transfer shares in the following order of priority:

(a) first, to the Company subject always to the provisions of the Act; and

(b) second, to all shareholders other than the transferor ("**the transferees**"),

in each case on the basis set out in article 5.7 to article 5.16.

5.7 The board of directors shall notify the transferor in writing within 60 working days of receipt of the transfer notice of its decision to purchase the transfer shares. In the event there are sums due and owing to the Company by the transferor as at the date of completion of transfer of the transfer shares the Company is entitled to set off such sums due and reduce the cash payment to be made to the transferor accordingly.

5.8 In the event that the Company declines to purchase the shares, the board of directors shall forthwith apportion the transfer shares amongst the transferees so as to give each of the transferees an equal number of shares, save that if the number of transfer shares is not exactly divisible by the number of transferees, the board of directors shall apportion the transfer shares, so that no transferee receives more than one transfer share in excess of any other transferee. For the avoidance of doubt, the shares shall be apportioned between the shareholders as at the date the notice of apportionment is served, or other such date as the directors may specify from time to time.

- 5.9 The board of directors shall notify the transferor and each of the transferees in writing (each, "**the notice of apportionment**"). The notice of apportionment shall include the total number of transfer shares, the identity of the transferor, the identity of each of the transferees and the number of shares apportioned to each of the transferees.
- 5.10 The transferees shall be bound to purchase the transfer shares apportioned to them in the notice of apportionment.
- 5.11 Upon the relevant date (whether in relation to a transfer of shares pursuant to Article 5.3 or 5.4) or (if later) upon receipt of notice as provided in Article 5.9, the transferor shall be bound to transfer to each transferee the number of transfer shares apportioned to him (as determined by Article 5.3 or 5.4 as the case may be) and upon the relevant date or (if later) within seven days after receipt of such notice the transferor shall deliver to each transferee who shall tender the price therefor specified in Article 5.12 a duly executed share transfer in respect of that number of transfer shares as shall have been apportioned to him. If in any case the transferor, after having become bound as aforesaid, makes default in transferring any transfer shares, the directors shall nominate some person to execute an instrument of transfer of the relevant transfer shares in the name and on behalf of the transferor and thereafter, when such instrument has been duly stamped the directors shall cause the name of the relevant transferee to be entered in the register of members of the Company as the holder or holders of the relevant transfer shares and shall hold the purchase money in trust for the transferor. The receipt of the directors for the purchase money shall be a good discharge to the relevant transferee and after his name has been entered in the register of members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.
- 5.12 The price for each transfer share payable in respect of such sale and purchase shall be the nominal value of such transfer share.
- 5.13 The directors shall register any transfer of a share made pursuant to the provisions of Article 5.11 but no other transfer shall be registered.
- 5.14 The registration of transfers of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
- 5.15 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any other entry in the register.
- 5.16 The Company shall be entitled to retain any instrument of transfer which is registered.

## **6. Purchase of own shares**

- 6.1 The Company may purchase its own shares in accordance with the provisions of section 692(1ZA) of the Act.
- 6.2 The Company may finance the purchase of its own shares in any way permitted by the Act, including by way of cash reserves up to the limits provided by the Act.

## **7. Alteration of Share Capital**

- 7.1 The Company may by ordinary resolution:
- (a) consolidate and divide all its share capital into shares of larger amount than its existing shares save that no consolidation and division may be effected which would give rise to any fractional entitlement;



- (b) subject to the provisions of the Act, sub-divide its shares into shares of smaller amount ranking *pari passu* as between themselves; or
- (c) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

7.2 Subject to the provisions of the Act, the Company may by special resolution reduce its share capital and any share premium account in any way.

## **8. General Meetings**

8.1 All general meetings shall be called general meetings.

8.2 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act shall forthwith proceed to convene a general meeting for a date not later than four weeks after receipt of the requisition.

## **9. Notice of General Meetings**

9.1 A general meeting (including a general meeting called for the passing of a special resolution) shall be called by at least fourteen clear days' notice, but a general meeting may be called by shorter notice if so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the nominal value of the shares giving that right.

9.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

9.3 The notice shall be given to all the members, to all the directors and to the auditors.

9.4 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **10. Proceedings at General Meetings**

10.1 Save for the nomination, election or choice of a chair of the meeting, no business shall be transacted at any meeting unless a quorum is present. Any two members, each being present in person or represented by a proxy or duly authorised corporate representative, shall be a quorum.

10.2 A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

- (a) by the chair of the meeting; or
- (b) by any two or more members having the right to vote at the meeting,

and a demand by a person as proxy for or corporate representative of a member shall be the same as a demand by the member.

- 10.3 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chair of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 10.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall not be entitled to a casting vote in addition to any other vote he may have.
- 10.5 If the quorum for a general meeting is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such subsequent time and place as the chair of the meeting 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 meeting shall be dissolved.
- 10.6 Notice shall be given in accordance with Article 9.3 of any meeting adjourned from the original meeting through want of a quorum.
- 10.7 The chair of the board or, in his absence, the deputy chair of the board or, in his absence, some other director nominated by the directors shall preside as chair of the meeting, but if neither the chair of the board nor deputy chair of the board nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chair of the meeting and, if there is only one director present and willing to act, he shall be chair of the meeting.
- 10.8 If no director present is willing to act as chair of the meeting, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chair of the meeting.
- 10.9 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 10.10 The chair of the meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but (unless all the members present otherwise agree) for not less than s« clear days, and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 10.11 When a meeting is adjourned for six clear days or more, at least three clear days' notice shall be given as aforesaid specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 10.12 Unless a poll is duly demanded and not withdrawn, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.
- 10.13 A poll shall be taken as the chair of the meeting directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 10.14 A poll demanded on the election of a chair of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time or place as the chair of the meeting directs not being more than seven clear days after the poll is demanded.

- 10.15 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded or any business dependent upon the determination of such question.
- 10.16 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 10.17 At least three clear days' notice shall be given specifying the time and place at which any poll which is not taken forthwith is to be taken.
- 10.18 A resolution in writing may be circulated in accordance with the requirements of the Act to each member who, at the date on which it is first circulated to any member, would have been entitled to vote upon it if it had been proposed at a general meeting at which such member was present. Any resolution so circulated shall be passed when the required majority of such members have signified their consent to it in accordance with the requirements of the Act (and for this purpose "required majority" means the majority required to pass it as a special resolution or ordinary resolution, as the case may be, at a general meeting). Any such resolution shall lapse if it is not passed within 6 months of the date on which it is first circulated to any member.

## **11. Votes of Members**

- 11.1 On a show of hands every member who is present in person or by proxy or which (being a corporation or corporation sole) is present by a duly authorised corporate representative shall have one vote.
- 11.2 On a poll every member who is present in person or by proxy or which (being a corporation or corporation sole) is present by a duly authorised corporate representative shall have one vote.
- 11.3 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chair of the meeting whose decision shall be final and conclusive.
- 11.4 An instrument appointing a proxy or corporate representative shall be in writing, executed by or on behalf of the appointor and shall be in any form which is usual or which the directors may approve and shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy or corporate representative thinks fit. The instrument 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.
- 11.5 Any corporation or corporation sole which is a member of the Company may (in the case of a body corporate 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. A person so authorised shall be entitled to exercise the same powers on behalf of the grantor of the authority as the grantor could exercise if it were an individual member of the Company and the grantor shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it.
- 11.6 The instrument appointing a proxy or corporate representative and any authority under which it is executed or a copy of such authority in a form approved by the directors may:
- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of appointment of a proxy or corporate representative sent out by the Company in relation to the meeting

before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll, be deposited as aforesaid after the poll has been demanded and before the time appointed for the taking of the poll or delivered at the meeting at which the poll was demanded to the chair of the meeting or to the secretary or to any director,

and an instrument of appointment of a proxy or corporate representative which is not deposited or delivered in a manner so permitted shall be invalid.

- 11.7 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation or corporation sole shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice of such termination was received by the Company at the office or at such other place at which the instrument of proxy or appointment was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
- 11.8 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

## **12. Scheme Trustee Council**

- 12.1 There shall be a Council of the Company which shall act as Scheme Trustee Council of the Scheme and its members shall be known as Councillors. The Councillors shall (save for any temporary reduction in their number) consist of the chair of the board and individuals, being not less than one Councillor and not more than two Councillors from each set of Group Trustees for each Group of the Scheme (save for the EPSL Group which shall not appoint a Councillor) appointed as follows:
  - (a) The Elected Group Trustees of each Group (other than the EPSL Group) shall be entitled to appoint one Councillor by a majority decision of those Elected Group Trustees for the relevant Group, and
  - (b) The Principal Employer of each Group (other than the EPSL Group) shall be entitled to appoint one Councillor.
- 12.2 An appointee under Article 12.1(a) or Article 12.1(b) above must be a Group Trustee (or Group Director) of the relevant Group, or with the consent of the Group Trustees, an employee or former employee or a director or former director of the Principal Employer or one of its Participating Employers or of the holding company of the Principal Employer or of a subsidiary of such holding company, who need not be a member of the Scheme. An appointee must not be a person who is prohibited or suspended from being a trustee of the Scheme or is disqualified from being a trustee (or director of a trustee) of any scheme pursuant to the Pensions Act.
- 12.3 One person may hold simultaneous appointments under Article 12.1(a) and Article 12.1(b) whether by the Elected Group Trustees and the Principal Employer of a particular Group, or in respect of more than one Group. In any such case the Councillor concerned:
  - (a) shall count as one for the purposes of quorum, irrespective of the number of appointments he holds; and
  - (b) shall have voting rights at meetings of the Scheme Trustee Council as follows:

- (i) if he holds at least one appointment by Elected Group Trustees under Article 12.1(a) he shall have one vote for all such appointments (irrespective of the number he holds) on any decision to make any appointment of directors under Article 16.2(a);
- (ii) if he holds at least one appointment by a Principal Employer under Article 12.1(b) he shall have one vote for all such appointments (irrespective of the number he holds) on any decision to make any appointment of directors under Article 16.2(b); and
- (iii) one vote for all appointments whether by Elected Group Trustees or by a Principal Employer (irrespective of the number of such appointments he holds) on any other decision.

12.4 Each Councillor (other than the chair of the board) shall serve for a period lasting from the start of the annual Council meeting next after the date of his appointment up to, but not including, the annual Council meeting held in the following calendar year. Any Councillor can be appointed successively without limitation for any number of terms.

12.5 A Councillor (other than the chair of the board in respect of whom the position shall be governed by Articles 15.3 and 21.3) shall cease to be a Councillor if:

- (a) he resigns his office by notice both to the secretary and to the Group Administrator of the Group in respect of which he is appointed, or is removed from office pursuant to Article 12.6; or
- (b) on the expiry of his term of office (unless he is re-appointed) or if he ceases to hold that office pursuant to Article 12.8; or
- (c) he becomes ineligible by law to be the trustee of an occupational pension scheme (and any Councillor who becomes so disqualified shall forthwith give notice thereof to the secretary); or
- (d) he becomes ineligible by law to be the director of a company; or
- (e) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (f) he is, or may be, suffering from mental disorder and either:-
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bones or other person to exercise powers with respect to his property or affairs.

12.6 The Elected Group Trustees or Principal Employer, as appropriate, in respect of each Group shall be entitled at any time to remove from office the Councillor appointed by them pursuant to Article 12.1(a) or (b) (as the case may be) and following such removal or any vacation of office of Councillor pursuant to Article 12.5 to appoint another individual who is eligible to be appointed pursuant to Article 12.1(a) or 12.1(b) as appropriate for the remainder of the removed Councillor's period of office.

- 12.7 Any appointment or removal of any Councillor as aforesaid shall be made by notice in writing addressed to the secretary and shall take effect on delivery thereof at the office or at such later date as may be specified therein.
- 12.8 Any Councillor nominated as aforesaid shall cease automatically to hold office if the Principal Employer in respect of the Group by whose Group Trustees he was nominated ceases to be a member.
- 12.9 The functions of the Scheme Trustee Council shall include the following matters:-
- (a) to appoint the directors pursuant to Article 16.1;
  - (b) to appoint the designated replacement directors pursuant to Article 17.1;
  - (c) to make determinations pursuant to Clause 17B(7) of the Scheme;
  - (d) to receive the directors' reports on activities in the preceding year and to be consulted annually by the directors on the directors' plans for the years ahead, and
  - (e) such other functions as they may have pursuant to the articles or the Scheme from time to time.
- 12.10 The annual Council meeting shall be convened by the board of directors at a date which is:-
- (a) in the calendar year after the previous annual Council meeting; and
  - (b) not less than eleven, nor more than eighteen, months after the date of the previous annual Council meeting.

The annual Council meeting shall be called by at least fourteen clear days' notice to Group Administrators and, if known at the date of such notice, those persons appointed to be Councillors who will take up office at that meeting (unless a majority of those persons agree to accept shorter notice). The notice shall specify the time and place of the meeting and, if any business falling within the functions referred to in Article 12.9(c) or (e) is to be transacted, the general nature of such business. The accidental omission to give notice of an annual Council meeting or the non-receipt of notice by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

- 12.11 A special Council meeting:
- (a) shall be convened by the secretary to make determinations pursuant to Clause 17B(7) of the Scheme on receipt of a request by the Group Trustees or Principal Employer of any Group under that Clause; and
  - (b) may be convened by the board of directors at such other time as they think fit either for the transaction of any business falling within the functions referred to in Article 12.9(e) or otherwise.

A special Council meeting shall be called on such notice as the secretary or board of directors, as the case may be, shall think fit to the Councillors who will be in office as at the date of the meeting. The notice shall specify the time and place of the meeting and the general nature of such business to be transacted. The accidental omission to give notice of a special Council meeting or the non-receipt of notice by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

- 12.12 Without prejudice to any arrangement between a Councillor and any other person, the Company shall not pay the Councillors (other than the chair of the board) any remuneration or benefit by way of pension, gratuity or otherwise in respect of holding such office (but nothing in this article shall prejudice the entitlement of any Councillor to any pension or other benefit from the Scheme).
- 12.13 Without prejudice to any arrangement between a Councillor and any other person, the Company shall not pay or reimburse the Councillors (other than the chair of the board) any travelling, hotel or other expenses incurred by them in connection with their attendance at meetings of the Scheme Trustee Council or of the directors or committees of directors or general meetings or otherwise howsoever in connection with the discharge of their duties.
- 12.14 The quorum for the transaction of the business of the Scheme Trustee Council shall be half of the Councillors who are appointed by Elected Group Trustees and half of the Councillors who are appointed by the Principal Employers.
- 12.15 Resolutions of the Scheme Trustee Council shall be passed by a simple majority of the votes cast.
- 12.16 Without prejudice to Article 12.18, each Councillor shall be entitled to exercise one vote (or as provided in Article 12.3(b), in the case of a person who holds simultaneous appointments pursuant to Article 12.3).
- 12.17 The chair of the board shall also be a Councillor, and the chair of the board (or in his absence, the deputy chair of the board) shall act as chair of a meeting of the Scheme Trustee Council. In the absence of the chair of the board or the deputy chair of the board, the Councillors shall elect one of their number to act as chair of the meeting. The chair of the meeting shall be entitled to a casting vote in addition to any other votes he may have.
- 12.18 The chair of the board shall vacate the office of Councillor if he shall vacate the office of chair of the board.
- 12.19 Any Councillor may participate in a meeting of the Councillors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in such manner shall be deemed to constitute presence in person at such meeting. 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 is located. Subject to the provisions of the articles, the Scheme Trustee Council may otherwise regulate its proceedings as it thinks fit.
- 12.20 The continuing Councillors may act notwithstanding any vacancies in their number, but not if the number of members is less than the number fixed as the quorum.
- 12.21 All acts done by a meeting of the Scheme Trustee Council shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any member or that any member was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member and had been entitled to vote.
- 12.22 If a question arises at a meeting of the Scheme Trustee Council as to voting entitlements the question may, before the conclusion of the meeting, be referred to the chair of the meeting and his ruling in relation to any member other than himself shall be final and conclusive.

### **13. Number of Directors**

Save for any temporary reduction in their number, there shall be nine directors namely the eight directors chosen under Article 16.1 and the chair chosen under Article 15.1.

### **14. Powers of Directors**

14.1 Subject to the provisions of the Act, the articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company, including but not limited to the exercise and performance of the trusts, powers and discretions from time to time vested in the Company under the Scheme No alteration of the articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alternation had not been made or that direction had not been given.

14.2 The powers given by Article 14.1 shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all the powers exercisable by the directors (and, for the avoidance of doubt, no regard shall be had as to whether a director is an Appointed Group Trustee, an Appointed Group Director an Elected Group Trustee, an Elected Group Director or not a Group Trustee).

### **15. Appointment and Retirement of Chair of the Board**

15.1 There shall be established from time to time a nominations committee of the directors of the Company to nominate a candidate selected in accordance with such eligibility criteria as the directors may from time to time approve, for appointment on such terms (including as to remuneration) as the directors may approve, by resolution of at least two thirds of the directors, as the chair of the board (but the first chair of the board shall be appointed as described in Article 15.2). The chair of the board may be an individual or a body corporate.

15.2 The first chair of the board shall be appointed by resolution of the members for a term of no more than 36 months (but without limit on re-appointment as described in the remainder of this article). Thereafter, the chair of the board shall be appointed by a majority of at least two thirds of the directors for a term which shall not exceed 36 months (except where Article 15.2A applies) but without limit on re-appointment.

15.2A. Where an annual Council meeting is held in the final 3 months of the term for which the chair of the board is appointed, the directors may agree to extend that term by up to 3 months.

15.3 In addition to the circumstances specified in Article 21.3, the office of chair of the board shall be vacated on the expiry of the term of office of the chair of the board (unless he is re-appointed).

### **16. Appointment and Retirement of Directors (other than the Chair)**

16.1 The Scheme Trustee Council shall choose the directors at an annual Council meeting. The Scheme Trustee Council (including any Councillors who are candidates to be chosen as directors) shall choose all directors other than the chair in accordance with the requirements of Article 16.2 and the procedure referred to in Article 16.3. Only Councillors may be chosen to be directors. The number of the directors other than the chair shall consist of the following:-

- (a) Four directors who are Councillors appointed under Article 12.1(a); and
- (b) Four directors who are Councillors appointed under Article 12.1(b).



- 16.2 Annual Council meetings only need to choose directors to re-appoint or replace any director whose term of office has expired or who is removed in accordance with these articles. The Councillors shall choose the directors other than the chair as follows:-
- (a) The Councillors who are appointed under Article 12.1(a) shall choose the four directors who are Councillors appointed under Article 12.1(a); and
  - (b) The Councillors who are appointed under Article 12.1(b) shall choose the four directors who are Councillors appointed under Article 12.1(b).
- 16.3 The Scheme Trustee Council shall choose the directors other than the chair in accordance with the following procedure:-
- (a) in relation to the directors other than the chair to be chosen at the first annual Council meeting after the establishment of the Scheme Trustee Council, in accordance with a procedure approved by resolution of the members of the Company;
  - (b) in relation to directors other than the chair chosen at any subsequent annual Council meeting in accordance with a procedure approved from time to time by the Scheme Trustee Council (or, if no such procedure has been approved by the Scheme Trustee Council, in accordance with the procedure referred to in Article 16.3(a)); and
  - (c) Any procedure referred to in Article 16.3(a) or Article 16.3(b) may deal with the following matters:
    - (i) a process for nomination of candidates, including (without limitation) any time limits for nominations to be submitted, any forms to be completed for the nomination to be valid and any information or personal statements to be supplied by candidates to the Councillors; and
    - (ii) A process for choosing the directors other than the chair, including (without limitation) whether, and the terms upon which, candidates are entitled to address the meeting at which the directors are to be chosen and whether candidates are to be chosen by ballot or by open vote.
- 16.4 Each of the directors chosen under Article 16.3 shall be appointed for a term up to but not including the third annual Council meeting following the one at which he is appointed (with that meeting being the first), but without limit on re-appointment, and otherwise on such terms (other than as to remuneration) as the Scheme Trustee Council may approve.
- 16.5 In addition to the circumstances specified in Article 21.2 (and without prejudice to Article 15.3 in the case of the chair), the office of director shall be vacated on the expiry of the director's term (unless he is re-appointed) or if the director ceases to be a Councillor.
- 16.6 Any appointment or removal of a director other than the chair as aforesaid shall be made by notice in writing addressed to the secretary and shall take effect on delivery thereof at the office or at such later date as may be specified therein. Such appointments or resignations shall be confirmed at the next meeting of the directors.
- 16.7 The directors (including the chair) shall not be required to retire by rotation.

## **17. Designated Replacement Directors**

- 17.1 In addition to choosing the directors other than the chair under Article 16.2 above, the Scheme Trustee Council shall at the annual Council meeting nominate in accordance with the

requirements of Article 17.2 and the procedure referred to in Article 17.3 four designated replacement directors and Article 17.4 shall apply to those designated replacement directors. Only Councillors may be nominated to be designated replacement directors. Two designated replacement directors must be Councillors appointed under Article 12.1(a) and two designated replacement directors must be Councillors who are appointed under Article 12.1(b).

- 17.2 The Councillors who are appointed under Article 12.1(a) shall nominate two designated replacement directors who are Councillors appointed under Article 12.1(a). The Councillors who are appointed under Article 12.1(b) shall nominate two designated replacement directors who are Councillors appointed under Article 12.1(a)12.1(b).
- 17.3 Unless the Councillors decide otherwise, the Councillors shall nominate the designated replacement directors in accordance with the procedure referred to Article 16.3 (but any references in that article or the procedure referred to in it to a "**director**" or "**directors**" shall be construed as being to a "**designated replacement director**" or "**designated replacement directors**").
- 17.4 In the event that a director of the Company, other than the chair, ceases to hold office in accordance with Article 21.2 below, he shall be immediately replaced as director by a designated replacement director as selected by the directors for the remainder of the relevant period of office specified in Article 16.4 for the director so ceasing to be in office. A designated replacement director who becomes a director under this article shall be treated as having been appointed under Article 16.2(a) if designated a replacement by the Councillors appointed under Article 12.1(a) and under Article 16.2(b) if designated a replacement by the Councillors appointed under Article 12.1(b).
- 17.5 Unless the directors decide otherwise, the designated replacement directors may attend each meeting of the directors as observers and shall be treated as if they were directors in the availability of information and the distribution of materials relating to each meeting of the directors. The designated replacement directors shall not count towards a quorum and shall not be entitled to vote at any such meeting.
- 17.6 A designated replacement director shall hold office as a designated replacement director from the annual Council meeting at which he is nominated up to, but not including, the next annual Council meeting but without limitation on re-nomination and shall cease to be a designated replacement director on appointment as a director under Article 17.4 or if he ceases to be a Councillor or on the resignation of the designated replacement director in writing to the secretary or if he would otherwise be disqualified from acting as a director of the Company or his being disqualified to act as a Trustee of an occupational pension scheme under statute.

## **18. Appointment of alternates to directors and designated replacement directors**

- 18.1 Subject to the requirements below, any director may appoint as an alternate the designated replacement director that has been nominated by the directors, pursuant to Article 17.1 and 17.2. A designated replacement director who becomes a director under this Article shall be treated as having been appointed under Article 16.2(a) if designated a replacement by the Councillors appointed under Article 12.1(a) and under Article 16.2(b) if designated a replacement by the Councillors appointed under Article 12.1(b).
- 18.2 A person may only act as an alternate director to one director or designated replacement director at any one time.
- 18.3 The appointing director or designated replacement director may only appoint an alternate where the appointing director or designated replacement director is, or is expecting to be, absent from his or her duties for a period of more than three months for reason of:

- (a) maternity leave;
- (b) paternity leave;
- (c) adoption leave;
- (d) shared parental leave;
- (e) bereavement leave; or
- (f) sickness or injury absence.

18.4 Any appointment of an alternate must be effected by notice in writing to the Company signed by the appointing director or in any other manner approved by the directors. The notice must:

- (a) identify the proposed alternate;
- (b) contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director or designated replacement director giving the notice; and
- (c) state for which reason the alternate is being appointed in accordance with Article 18.3 above.

## **19. Rights and responsibilities of alternates to directors**

19.1 Any person who replaces a director under Article 18.1 will be authorised to:

- (a) exercise the appointing director's powers; and
- (b) carry out that appointing director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the appointing director.

19.2 Except as the articles specify otherwise, any alternate director appointed to replace a director:

- (a) is a director and is deemed for all purposes to be a director;
- (b) is liable for his or her own acts and omissions, provided that he is liable only to the extent that directors are liable for such acts and omissions;
- (c) is subject to the same restrictions as his or her appointing director; and
- (d) is not deemed to be an agent of or for his or her appointing director.

and, in particular (without limitation), each alternate appointed to replace a director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his or her appointing director is a member.

19.3 Any alternate director who replaces a director will be counted as participating for the purposes of determining whether a quorum is present at any meeting at which he or she is present.

19.4 A person who is appointed as an alternate to a director will be subject to the rules contained in Article 22 (Remuneration of Directors) and Article 23 (Directors' Expenses).

## **20. Termination of alternate directorship**

- 20.1 An alternate director's appointment as an alternate terminates:
- (a) when the alternate's fixed term of appointment expires;
  - (b) when the appointing director or designated replacement director revokes the appointment by notice to the company in writing specifying when it is to terminate;
  - (c) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the appointing director or designated replacement director, would result in the termination of the appointing director or designated replacement director's appointment as a director or designated replacement director;
  - (d) on the death of the appointing director or designated replacement director; or
  - (e) when the appointing director or designated replacement director's appointment as a director or designated replacement director terminates.
- 20.2 Except where Article 20.1(d) applies, upon termination, the alternate director will reassume his or her position as a designated replacement director.

## **21. Disqualification and Removal of Directors**

- 21.1 The term of office of the directors (subject to Articles 21.2 and 21.3 below) shall be, in the case of the chair, as in Article 15.2, and in the case of a director other than the chair as in Article 16.4 but in each case without limit on reappointment.
- 21.2 The office of director of the Company other than the chair of the board shall be vacated in each of the following circumstances:-
- (a) on the resignation of the director in writing to all other directors; or
  - (b) on the passing of an unanimous resolution of the other directors, including the chair of the board, to remove that director; or
  - (c) upon the director being disqualified to act as a Trustee of an occupational pension scheme under statute (and any director who becomes so disqualified shall forthwith give notice thereof to the secretary); or
  - (d) if he ceases to be a Councillor; or
  - (e) if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from becoming a director; or
  - (f) if he becomes bankrupt or makes any arrangement or composition with his creditors generally.
- 21.3 The office of the chair of the board shall be vacated in each of the following circumstances:-
- (a) on the resignation of the chair of the board in writing giving advance notice of at least 42 days, or such shorter period as the other directors may agree; or
  - (b) on the passing of a resolution to remove the chair of the board from office, signed by at least two thirds of the directors; or

- (c) upon the chair of the board being disqualified to act as a Trustee of an occupational pension or the Scheme under statute (and if he becomes so disqualified, the chair of the board shall forthwith give notice thereof to the secretary); or
- (d) if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from becoming a director; or
- (e) if he becomes bankrupt or makes any arrangement or composition with his creditors generally.

## **22. Remuneration of Directors**

Without prejudice to any arrangement between a director or replacement director and any other person, the Company shall not pay the directors (other than the chair of the board) or the designated replacement directors, if any, any remuneration or benefit by way of pension, gratuity or otherwise in respect of holding such office (but nothing in this article shall prejudice the entitlement of any director or designated director to any pension or other benefit from the Scheme).

## **23. Directors' Expenses**

Without prejudice to any arrangement between a director or replacement director and any other person, the Company shall not pay or reimburse the directors (other than the chair of the board) or the designated replacement directors, if any, any travelling, hotel or other expenses incurred by them in connection with their attendance at meetings of the directors or committees of directors or general meetings or otherwise howsoever in connection with the discharge of their duties.

## **24. Authorisation of Conflicts**

- 24.1 For the purposes of Section 175 of the Act, the board (in relation to directors) or the Scheme Trustee Council (in relation to Councillors) may authorise any matter proposed to it in accordance with these articles which would, if not so authorized, involve a breach of duty by a director or Councillor under that Section, including without limitation, any matter which relates to a situation in which a director or Councillor has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company.
- 24.2 Any such authorisation will be effective only if:
  - (a) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director or Councillor in question or any other interested director or Councillor; and
  - (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
- 24.3 The board (in relation to directors) or the Scheme Trustee Council (in relation to Councillors) may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted.
- 24.4 The board (in relation to directors) or the Scheme Trustee Council (in relation to Councillors) may vary or terminate any such authorisation at any time.

- 24.5 For the purposes of these articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

**25. Directors' and Councillors' Appointments and Interests**

- 25.1 Chapter 2 of Part 10 of the Act shall be deemed to apply to the Councillors as if they were directors. Subject to the provisions of the Act, and provided that he has disclosed to the directors or Councillors as appropriate the nature and extent of any material interest of his (unless the circumstances referred to in Section 177(5) or Section 177(6) of the Act apply in which case no such disclosure is required), a director or Councillor notwithstanding his office -

- (a) may be party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise (directly or indirectly) interested;
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate which is a Principal Employer or which participates in the Scheme or which is in the same group as a Principal Employer;
- (d) may be an officer of, or employed by any trade union or similar organisation which is recognised by a Principal Employer or a body corporate which participates in the Scheme;
- (e) may be a trustee of any Group or a delegate agent or employee of or a party to any transaction or arrangement with, or otherwise interested in any trustee of any Group or may be a director or other officer of or employed by any body corporate which is a trustee of any Group;
- (f) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in Electricity Pensions Limited (company no 2416242) or any body corporate which is promoted by that company or in which that company is otherwise interested;
- (g) may be (or may be an associate of a person who is):
  - (i) a member of;
  - (ii) a beneficiary under; or
  - (iii) otherwise entitled to benefits or to be considered for benefits under the Scheme.

- 25.2 Where a director or Councillor has made such disclosure as is referred to in Article 25.1, a director shall not, by reason of his office, be regarded as infringing the general duties specified in Sections 171 to 177 of Chapter 2 of Part 10 of the Act in relation to the interests so disclosed or in relation to those interests which are not required to be disclosed by virtue of Section 177(5) or Section 177(6) of the Act.

- 25.3 A director or Councillor shall not, by reason of his office, be accountable to the Company for any benefit which he derives from:

- (a) any such office, employment, transaction, arrangement, interest in any body corporate or the Scheme or any other interest or matter referred to in Article 25.1; or
- (b) any interest or matter, whether or not referred to in Article 25.1 the acceptance, entry into or existence of which has been approved by the board pursuant to Article 24.1 (subject. in any such case, to any limits or conditions to which such approval was subject),

nor shall the receipt of any remuneration or other benefit constitute a breach of his duty under Section 176 of the Act and no transaction or arrangement to which the foregoing provisions of this article apply shall be liable to be avoided on the ground of any such interest of or benefit to the director or Councillor.

## **26. Voting where Director has Interest**

A director or Councillor who to his knowledge is, in any way, whether directly or indirectly interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement (within the meaning of Section 177 and Section 182 of the Act) with the Company shall declare the nature of his interest at a meeting of the directors or Scheme Trustee Council as appropriate in accordance with the applicable one of those Sections where required by those Sections. Subject where applicable to such disclosure, where required, a director or Councillor shall be entitled to vote in respect of any such contract, transaction or arrangement or proposed contract, transaction or arrangement in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present and where he is so entitled, the existence of such an interest shall not be taken as prejudicing compliance by that director or Councillor with his duty to exercise independent judgment pursuant to Section 173 of the Act.

## **27. Notices and Declarations**

For the purposes of Article 25.1:-

- (a) a general notice given to the directors or Councillors as appropriate that a director or Councillor is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director or Councillor has any interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a director or Councillor has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his;
- (c) a director or Councillor need not declare an interest in order to take advantage of Article 25.1 if:
  - (i) it cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (ii) if, or to the extent that, the other directors or Councillors are already aware of it (and for this purpose the other directors or Councillors are treated as aware of anything of which they ought reasonably to be aware); or
  - (iii) if, or to the extent that, it concerns terms of the director's service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for the purpose under the Company's constitution, and

- (d) any disclosure required by Article 25.1 may be made at a meeting of the directors or Councillors as appropriate, by notice in writing or by general notice or otherwise in accordance with Section 177 of the Act.

## **28. Confidential Information**

28.1 A director or Councillor shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company or Councillor and in respect of which he owes a duty of confidentiality to another person (unless failure to disclose that confidential information would result in the Company committing an unlawful act or failure to act or would require the dishonesty of the director or Councillor or the Company). However, to the extent that his relationship with that other person gives rise to an interest of his which conflicts, or possibly may conflict, with the interests of the Company, this article applies only if the existence of that relationship has been disclosed to the board or Scheme Trustee Council and either falls within any of (a) to (g) of Article 25.1 or has been approved by the board or Scheme Trustee Council pursuant to Article 24.1 and provided the director or Councillor deals with the conflict or potential conflict in a manner permitted under Article 29.1 which has been agreed by the board or Scheme Trustee Council.

28.2 Where Article 28.1 applies:-

- (a) the director or Councillor will be under no obligation to disclose any such information to the board or to any director or to the Scheme Trustee Council or any Councillor or other officer or employee of the Company; and
- (b) any failure on his part to use or apply any such information in performing his duties as a director of the Company will not constitute a breach by him of his duties under Sections 172 or 174 of the Act.

28.3 Article 28.1 is without prejudice to any equitable principle or rule of law which may excuse the director or Councillor from disclosing information, in circumstances where disclosure would otherwise be required under this article.

## **29. Dealing with Potential Conflicts**

29.1 Where the existence of a director's or Councillor's relationship with another person has been disclosed to the board or Scheme Trustee Council and either falls within any of (a) to (g) of Article 25.1 or has been approved by the board or Scheme Trustee Council pursuant to Article 24.1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director or Councillor shall not be in breach of the general duties he owes to the Company by virtue of Sections 171 to 177 of the Act because he:-

- (a) absents himself from meetings of the board or Scheme Trustee Council at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or
- (b) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.



- 29.2 The provisions of Articles 28.1 to 29.1 are without prejudice to any equitable principle or rule of law which may excuse the director or Councillor from:-
- (a) disclosing information, in circumstances where disclosure would otherwise be required under these articles, or
  - (b) attending meetings or discussions or receiving documents and information as referred to in Article 29.1(b), in circumstances where such attendance or receiving such documents and information would otherwise be required under these articles.

### **30. Benefits from Third Parties**

A director or Councillor may be indemnified in relation to his role as director of the Company or Councillor by a Principal Employer or any body corporate which participates in the Scheme.

### **31. Proceedings and Voting of Directors**

- 31.1 With effect from the appointment of the first board to be appointed by the Scheme Trustee Council, five directors shall be a quorum.
- 31.2 Resolutions of the directors shall be passed by a simple majority of the votes cast.
- 31.3 Without prejudice to Article 31.4, each director shall be entitled to exercise one vote.
- 31.4 The chair of the meeting shall be entitled to a casting vote in addition to any other votes he may have.
- 31.5 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. Any three directors may, and the secretary at the request of any three directors shall, call a meeting of the directors.
- 31.6 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but if the number of directors is less than the number fixed as the quorum the continuing directors or director may act only for the purpose of calling a general meeting.
- 31.7 In addition to the chair of the board appointed pursuant to Article 15.2, the directors may appoint another of the directors to be the deputy chair of the board and may at any time remove the deputy chair of the board from that office. Unless he is unwilling to do so, the said chair of the board or, in his absence, the said deputy chair of the board shall preside at every meeting of the directors at which he is present but if there is no director holding such office or offices, or if the director or directors holding such office or offices is or are unwilling to preside or is or are not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chair of the meeting.
- 31.8 All acts done by a meeting of directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 31.9 Any director may participate in a meeting of the directors or a committee of directors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in such manner shall be deemed to constitute presence in person at such meeting.

- 31.10 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, such place as they may decide that the meeting is to be treated as taking place wherever any of them is.
- 31.11 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors (if that number is sufficient to constitute a quorum of such meeting) shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.
- 31.12 The directors may, from time to time, adopt a "Rapid Approvals Process" setting out in writing such a process as they see fit for taking decisions as if made in a validly held and quorate meeting by way of electronic circulation of papers or other forms of communications as they may determine, providing for any business to be determined by a simple majority of directors confirming agreement on the decision taken without necessarily waiting for all directors to express their views, and such process may require adherence to any limits or conditions set out therein.
- 31.13 If a question arises at a meeting of directors or of a committee of directors as to voting entitlements the question may, before the conclusion of the meeting, be referred to the chair of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

## **32. Delegation of Directors' Powers**

- 32.1 The directors may delegate any of their powers (excluding the power to sub-delegate such powers) to any committee consisting of at least two directors, together with any number of other persons (whether or not Councillors or designated replacement directors). The directors may also delegate to the chair of the board or deputy chair of the board such of their powers as they consider desirable to be exercised by him (excluding the power to sub-delegate).
- 32.2 Without prejudice to Article 32.1 the directors may, by power of attorney or otherwise, entrust and delegate to any person (whether or not a director) as they think fit the exercise of any of the trusts, powers, duties and authorities vested in the Company under or pursuant to the Scheme on such terms as they think fit (including authority for such person to sub-delegate), provided that such entrustment and delegation shall be subject to and in accordance with the terms of the Scheme from time to time.
- 32.3 The directors may, from time to time, adopt a schedule of delegations delegating any of their powers (excluding the power to sub-delegate such powers) to named persons and/or office holders from time to time of offices with the Company and/or with its agents. Such schedule may contain such terms as directors see fit as to the limits on such powers, the reporting on their exercise and the combination of authorised persons required to exercise such powers.
- 32.4 Any delegation under Article 32.1 or 32.2 or schedule adopted by Article 32.3 shall be authorised by resolution of the directors and 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 by resolution but not otherwise.
- 32.5 Subject to any such conditions, the proceedings of a committee shall be determined by the directors and shall otherwise be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

- 32.6 References in the articles to a committee of directors or to a director as a member of such a committee shall include a committee established under the articles or to such a person or persons (whether or not directors) respectively.

### **33. Secretary**

Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term and upon such conditions as they may think fit and any secretary so appointed may be removed by them.

### **34. Minutes**

- 34.1 The directors shall cause minutes to be made:-

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company and of the directors and of committees of directors including the names of the directors present at each such meeting.

- 34.2 The Councillors shall cause minutes to be made:-

- (a) of all appointments of officers made by the Scheme Trustee Council; and
- (b) of all proceedings at meetings of the Scheme Trustee Council including the names of the Councillors present at each such meeting.

### **35. The Seal**

The Company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such person or persons as the directors may from time to time determine.

### **36. Dividends**

- 36.1 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

- 36.2 Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.

- 36.3 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

- 36.4 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and shall be sent at his

or their own risk and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

36.5 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

36.6 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

### **37. Accounts**

No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

### **38. Capitalisation of Profits**

The directors may with the authority of an ordinary resolution of the Company:-

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct in those proportions, or partly in one way and partly in the other, but the share premium account and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions; and
- (d) authorise any person to enter on behalf of all the members concerned into any agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

### **39. Notices**

39.1 Any notice to be given to or by any person pursuant to the articles shall be in writing.

39.2 The Company may give notice to a member or director or designated replacement director or Councillor either personally or by sending it by post in a prepaid envelope addressed to the member or director at his registered address or by leaving it at that address or by sending it by facsimile transmission to a number duly notified to the Company or by electronic means to an

address duly notified to the Company. In the case of joint holders of a share, all notices shall be given to the Joint holder whose name stands first in the register of members in respect of the Joint holding and notice so given shall be sufficient notice to all the Joint holders. A member or director or designated replacement director or Councillor whose registered address or address for the time being is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member or director shall be entitled to receive any notice from the Company.

- 39.3 Any other document may be served on or delivered to any member or director or designated replacement director or Councillor by the Company either personally or by sending it by post in a prepaid envelope addressed to the member at his or its registered address, or by leaving it at that address addressed to the member or director or designated replacement director or Councillor or by electronic means to an address duly notified to the Company.
- 39.4 Any notice to be given to the secretary or to the Company shall be addressed to the secretary or the Company respectively and may (in the case of the secretary) be given personally or (in either case) by sending it by post in a prepaid envelope to the office or by leaving it at the office or by sending it by facsimile transmission to a number duly notified by the Company or by electronic means to an address duly notified to the Company.
- 39.5 Any notice or other document sent by post shall be deemed to have been served or delivered on the day following that on which it was put in the post and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document sent by facsimile transmission shall be deemed to have been served or delivered on the day it was so sent. Any notice or other document sent by electronic means shall be deemed to have been served or delivered on the day it was so sent. Any notice or other document sent otherwise than by post or facsimile transmission or electronic means shall be deemed to have been served or delivered on the day it was so delivered.
- 39.6 A member present, either in person or by proxy or corporate representative, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 39.7 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
- 39.8 If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose, value any assets and determine how the division shall be carried out as between members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.