

The Companies Act 2006

Company Limited by Guarantee and not having a Share Capital

New Articles of Association

of

PLACES FOR PEOPLE GROUP LIMITED

(03777037)

Adopted by a Special Resolution of the Company on 19 July 2018

(and further amended by Special Resolutions dated 28 November 2018 and 4 September 2019)



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THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

NEW ARTICLES OF ASSOCIATION

OF

PLACES FOR PEOPLE GROUP LIMITED (03777037)

Adopted by Special Resolution passed on 19 July 2018

(and further amended by Special Resolutions dated 28 November 2018 and 4 September 2019)

1 INTERPRETATION

In the Articles unless the context otherwise requires:

1.1 The following terms have the following meanings:

the “2008 Act”	means the Housing and Regeneration Act 2008;
the “Act”	means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;
the “Appointor”	has the meaning given in article 38.1;
the “Articles”	means these Articles of Association as originally adopted or as altered from time to time and references to numbered articles are references to the relevant paragraph of the Articles;
“Board”	means the Board of Directors of the Company or, where the context admits, the Directors present at a meeting of the Directors, or of a committee of the Directors, at which a quorum is present;
“Chair”	shall mean the person appointed as Chair and where applicable shall include the deputy Chair;
“Clear days”	in respect of notice for a meeting, shall mean a period calculated excluding both (1) the day on which any notice or communication is deemed to be received under these Articles and (2) the date of the meeting;
“Company”	means the Company intended to be regulated by these Articles;
“Corporate Member”	means any Member which is a body corporate;
“Derivative Transaction”	means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt

	securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these transactions and includes without limitation any contract for differences as defined in the glossary in the Full Handbook as published by the Financial Conduct Authority from time to time;
"Directors"	means the Directors of the Company and "Director" has a corresponding meaning;
"Electronic Means" and "Electronic Form"	each shall have the meaning set out in section 1168 of the Act;
"Executive"	means a senior employee of the Company or of a Group Member;
"Executive Director"	means a Director who is an Executive;
"Group"	means the Company, any Subsidiary of the Company, any body corporate of which the Company is a Subsidiary and any Subsidiary of such body, and "Group Member" means any of the foregoing;
"Member"	means any person, firm or company who is admitted to membership of the Company in accordance with the provisions of these Articles;
"Non-Executive Director"	means a Director who is not an Executive;
"Objects"	means the Objects of the Company set out in Article 4;
"Office"	means the registered Office of the Company;
"Officer"	includes the Chair and Secretary and any Director and any other persons appointed under Articles 48.1 to 48.4;
"Regulator"	means the Regulator of Social Housing acting through its Regulation Committee established pursuant to the 2008 Act or any future body or authority (including any statutory successor) carrying on similar regulatory or supervisory functions, or the Housing Directorate of the Welsh Assembly Government or Communities Scotland;
"Resident"	means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the premises of any Group Member for residential use;
"the 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 an alternate, joint, assistant or deputy

secretary;

“Social Housing” means low cost rental accommodation and low cost home ownership accommodation as defined in sections 68 to 77 of the 2008 Act;

“Subsidiary” means a body corporate which is a Subsidiary (within the meaning of section 1159 of the Act) of the Company;

“the United Kingdom” means Great Britain and Northern Ireland;

“Working Day” means a day (other than a Saturday, a Sunday or a public holiday) on which clearing banks are open for business in the City of London.

- 1.2 Words importing individuals shall, unless the context otherwise requires, include corporations and words importing the singular number shall include the plural, and words importing the masculine gender only shall include the female gender and vice versa.
- 1.3 Reference to any statutory body includes reference to any successor to the functions of that body from time to time.
- 1.4 References to any provision in any statute shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision.
- 1.5 No model articles of association or regulations set out in the Act or in any statutory instrument or order made thereunder shall apply to the Company.

2 NAME

The name of the Company is Places for People Group Limited (hereinafter called “the Company”).

3 REGISTERED OFFICE

The Company's registered Office is to be located in England and Wales.

4 OBJECTS

- 4.1 The Company's Objects shall be to carry on for the benefit of the community any object that can be carried out from time to time by a company registered as a provider of Social Housing with the Regulator (if any) including (without limitation):
 - 4.1.1 providing and managing housing and accommodation;
 - 4.1.2 providing assistance to help house people; and
 - 4.1.3 providing associated facilities, amenities and services.

- 4.2 The Company shall not trade for profit.

5 POWERS

- 5.1 The Company shall have power to do anything lawful which is necessary or desirable to achieve any of the Objects. Without limiting the generality of this, in furtherance of the Objects but not otherwise the Company may exercise the following powers:-

- 5.1.1 subject to Article 6 hereof to employ or engage such staff, consultants, managers, agents, advisers or others and whether on a paid or voluntary basis;
- 5.1.2 to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been employed by, or who are serving or have served the Company, or any associated company, or of the predecessors in business of the Company or of any such associated company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurances; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their wives, widows, children and other relatives and dependants;
- 5.1.3 to insure and arrange insurance cover for and to indemnify its members, servants and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of any liability of its Directors or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the Company;
- 5.1.4 to acquire, take on lease or licence, exchange, deal in, develop, construct, manage, alter, improve, demolish and (subject to such consents as may be required by law) to charge (including by way of floating charge) or otherwise dispose or grant options over or deal with property including without limitation residential properties, recreational facilities, gardens and open spaces and to provide services of all kinds for and assistance to bodies corporate, unincorporated bodies, trusts or individuals engaged in the provision or occupation of any property and associated amenities;
- 5.1.5 to invest any monies of the Company, including monies borrowed, in any investment, such investments to include but not be limited to stock or shares or debentures of any body corporate and to hold, sell or otherwise deal with any investments made subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law;
- 5.1.6 subject to such consents as may be required by law and compliance with all relevant binding guidance issued by the Regulator (if any) to purchase or otherwise acquire, or to encourage or promote or in any way support or aid the establishment and development of, any subsidiary and to subscribe, purchase or acquire in any other way any chose in action (including but without prejudice to the generality of the foregoing any stock, share, security, unit, debenture or debenture stock in each case whether preferred or deferred, secured or unsecured) and to acquire and hold all or any part of the capital (or otherwise become and remain a member) of any body corporate and to act as a holding company;
- 5.1.7 to guarantee, indemnify and secure by mortgaging or charging all or any part of its assets the obligations and liabilities of, and to make available financial assistance or accommodation in any other way to, any Group Member or (to the extent permitted by law and the Regulator, if any) any other body corporate, unincorporated body, trust or individual;
- 5.1.8 subject to such consents as may be required by law to borrow and raise money in any manner as the Company shall think fit and receive money on deposit and to enter into any transaction to hedge its exposure to variations in interest rates or currency exchange rates and to provide security for any such money and transaction;
- 5.1.9 to enter into any contracts or arrangements with any persons or bodies including without prejudice to the above any company or body corporate or any international, national or local or other authority;

- 5.1.10 to co-operate with other bodies and statutory authorities and to exchange information and advice with them and enter into contracts with them;
- 5.1.11 *subject to such consents as may be required by law and compliance with all relevant binding guidance issued by the Regulator (if any) and other regulators, to establish, support, subscribe to, become a member of or merge or amalgamate or co-operate with any other organisation, institution, society or body (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Company and to purchase or otherwise acquire and undertake all such parts of the property, assets, liabilities and engagements of any such organisation, institution, society or body as may lawfully be acquired or undertaken by the Company;*
- 5.1.12 to accept grants, subscriptions, donations and bequests, issue appeals, hold public meetings and otherwise to raise funds and to invite and receive contributions PROVIDED THAT in raising funds the Company shall conform to any relevant statutory regulations;
- 5.1.13 to draw, make, accept, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts in the name of the Company;
- 5.1.14 to make donations, grants and loans and give credit to such persons and organisations and on such terms (with or without security) as the Company shall think fit to further the Objects;
- 5.1.15 to promote encourage or undertake any form of research relevant to the Objects and to publish and disseminate the results of such research;
- 5.1.16 to provide or assist in the provision of exhibitions, meetings, seminars and employment and training facilities;
- 5.1.17 to provide support and accommodation for any other organisation, institution, society or body whose objects are wholly or in part similar to the Objects;
- 5.1.18 to pay out of funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company;
- 5.1.19 to do all or any of the things or matters aforesaid either as principals, agents, contractors or otherwise and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others; and
- 5.1.20 to do all such other things as in the opinion of the Company are or may be incidental or conducive to the attainment of the above Objects or any of them.

AND it is hereby declared that in this clause "company", except where used in reference to this Company, shall include any partnership or other body or persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, words denoting the masculine gender shall include the feminine gender and vice versa, "subsidiary" and "holding company" shall include, respectively, "subsidiary undertaking" and "parent undertaking" in each case as defined in the Act, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, and "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible.

6 APPLICATION OF ASSETS

6.1 The income and property of the Company shall be applied solely towards, except to the extent authorised by this Article 6, its Objects. Nothing shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise in any circumstances to Members of the Company or its Directors.

6.2 Notwithstanding Article 6.1, the Company may pay:

6.2.1 properly authorised expenses to Directors, co-optees and members of committees when actually incurred on the Company's business; and

6.2.2 remuneration, fees, allowances or recompense for loss of earnings to Directors, co-optees and members of a committee (including, without limitation, any of the foregoing who are Executives);

subject to and in accordance with any guidance, determination and specification of the Regulator (if any) from time to time in force.

7 LIMITATION OF LIABILITY

The liability of the Members is limited.

8 GUARANTEE

8.1 Every Member undertakes to contribute an amount not exceeding £1 to the assets of the Company, in the event of it being wound up while he or she is a Member or within one year after he or she has been a Member.

8.2 Such contribution shall be towards:

8.2.1 the debts and liabilities of the Company contracted before he or she ceases to be a Member;

8.2.2 the costs, charges and expenses of winding up; and

8.2.3 the adjustment of the rights of the Members amongst themselves.

9 DISSOLUTION

9.1 Subject to any requirements of the Regulator (if any) or any contractual requirements:

9.1.1 the Members may resolve to give or transfer any property that remains after the Company is wound up or dissolved to another body with objects which are wholly or in part similar to the Objects; and

9.1.2 if no such body exists or no such resolution is passed the property shall be transferred or given to a registered provider of Social Housing or other body with objects which are wholly or in part similar to those of the Company or if no such body exists, to be Housing Associations Charitable Trust.

10 NATURE OF MEMBERSHIP

10.1 A Member is a person or body whose name and address is entered in the register of Members.

10.2 The following cannot become Members:

- 10.2.1 a minor;
- 10.2.2 a person who has been expelled as a Member, unless authorised by special resolution at a general meeting;
- 10.2.3 an employee of the Company or of any other Group Member;
- 10.2.4 a person who is disqualified from acting as a director of a company for any reason;
- 10.2.5 *a body corporate which is in liquidation or the subject of an administration order or a receiver and/or manager appointed over all or any of its assets, or is subject to an agreement with its creditors;*
- 10.2.6 a Resident who is in breach of their tenancy agreement, licence or lease with the Company or a Group Member and they fail to rectify the breach within 90 days of receiving written notice from the Company informing them of the breach;
- 10.2.7 a person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Member and may remain so for more than three months;
- 10.2.8 a person who has been convicted of an indictable offence which is not, or cannot be, spent;
- 10.2.9 a person who has been convicted of any other offence at any time which in the opinion of the Board:

(a) brings the Company or any other Group Member into disrepute; or

(b) is incompatible with the role of Member;

and the Board resolves (by a majority of at least two-thirds) that they should be removed; or

- 10.2.10 a person who is the subject of a composition with their creditors generally in satisfaction of their debts.

10.3 A Member can be the nominee of an unincorporated body. In such cases, the register shall contain the name and address of the Member, and shall designate the Member as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the Member's nominee.

10.4 A corporate body can be a Member.

10.5 No persons may be joint Members other than nominees of an unincorporated body.

11 ADMISSION OF MEMBERS

11.1 The Board shall set and review its policies and objectives for admitting new Members.

11.2 An applicant to become a Member shall apply in writing to the Office setting out their reasons for applying and their qualifications in accordance with the Company's policies.

11.3 Every application shall be considered by the Board taking account of the policies referred to in Article 11.1. The Board has the power at its discretion to accept or reject the application. If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of Members. A copy of the Articles shall be issued to the applicant if requested.

12 OBLIGATIONS OF MEMBERS

All Members agree to be bound by the obligations on them set out in these Articles. When acting as Members they must act in the interests of the Company and, for the benefit of the community, as guardians of the Objects of the Company.

13 ENDING OF MEMBERSHIP

- 13.1 Any Member may resign from the Company by giving one month's notice in writing duly signed to the Secretary provided that after such retirement the number of Members is three or more. Such Member will cease to be a Member from the date of the expiration of such notice.
- 13.2 Any Member (being also a Director, or a member of a committee of the Board or a member of a governing body of a Subsidiary or a member of a committee of such governing body) who no longer holds any such post or position as a Director or as such member will cease to be a Member.
- 13.3 A Member shall also cease to be a Member if:
- 13.3.1 they die;
 - 13.3.2 they are expelled under Article 13.2 or 13.4;
 - 13.3.3 they do not participate in, nor deliver written apologies in advance to, a general meeting of the Company in any consecutive period of 12 months;
 - 13.3.4 in the case of a Member who has been nominated by an unincorporated body in accordance with Article 10.3, the Company receives notice that that nomination is terminated and the Board resolves that that Member's membership should be terminated;
 - 13.3.5 they become ineligible to be a Member under Article 10.2;
 - 13.3.6 they fail to respond to a notice despatched to them asking whether they wish to remain a Member by the Company within one month of the date of despatch of the notice (where the notice states that a response to the Company is required);
 - 13.3.7 in the case of a body corporate it ceases to be a body corporate;
 - 13.3.8 they are a Resident and they are in breach of their tenancy agreement, licence or lease with the Company or a Group Member and they fail to rectify the breach within 90 days of receiving written notice from the Company informing them of the breach or are subject to any of the following types of court order: Criminal Behaviour Order; Injunction pursuant to Section 1 of the Anti-Social Behaviour, Crime and Policing Act 2014, demoted tenancy or closure order or any other judicial order (however named) having equivalent effect;
 - 13.3.9 they are a Resident and the Company has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the Company provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a Member upon failing to meet the terms of the order;
 - 13.3.10 in the case of a Member who was a Resident at the time of their appointment as a Member, they cease to be a Resident;
 - 13.3.11 they are appointed under an appointment agreement and/or for a term of office and that appointment agreement and/or term terminates for any reason.
- 13.4 A Member may be expelled by a special resolution at a general meeting called by the Board.

- 13.5 The Board must give the relevant Member at least one month's notice in writing of the general meeting. The notice to the Members must set out the reasons for the proposed expulsion and must request the relevant Member to attend the meeting to respond to the reasons set out in the notice.
- 13.6 At the general meeting called for this purpose the Members shall consider the evidence presented by the Board and by the relevant Member (if any). The meeting may take place even if the relevant Member does not attend.
- 13.7 If a special resolution to expel a Member is passed in accordance with Article 13.4, the Member shall immediately cease to be a Member.

GENERAL MEETINGS AND MEMBERS' RESOLUTIONS

14 ANNUAL GENERAL MEETING

- 14.1 The Company shall hold an annual general meeting each year in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it.
- 14.2 The annual general meeting must be held within ten months of the year end and everyone entitled to attend must be given adequate notice.

15 FUNCTIONS OF THE ANNUAL GENERAL MEETING

- 15.1 The functions of the annual general meeting shall be:

15.1.1 to receive:

- (a) the revenue accounts and balance sheets of the last accounting period;
- (b) the auditor's report on those accounts and balance sheets; and
- (c) the Board's report on the affairs of the Company;

15.1.2 to appoint the auditor; and

15.1.3 to transact any other business of the Company included in the notice convening the meeting.

General Meetings

- 15.2 The Directors may call general meetings and, on written requisition signed by Members holding not less than a tenth of voting rights at a meeting (stating the business for which the meeting is to be convened) must promptly proceed to convene a general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a general meeting, or if within 28 days after delivery of a requisition to the Secretary a meeting required under this article is not convened, any Director or any Member may call a general meeting.

16 NOTICE OF GENERAL MEETINGS

- 16.1 All general meetings (including annual general meetings) shall be called by at least 14 Clear days' notice.
- 16.2 General meetings may be called by shorter notice than that stated in Article 16.1 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 per cent of the total voting rights at the meeting of all Members.

- 16.3 The notice of a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. The notice shall be given to all the Members and to the Directors and auditors.
- 16.4 Any Member entitled to attend a general meeting shall be entitled to appoint another person (whether a Member or not) as his proxy to attend instead of him and any proxy so appointed shall have the same rights as the Member to speak at the meeting.
- 16.5 The accidental omission to give notice of meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

17 QUORUM OF GENERAL MEETINGS

- 17.1 No business shall be transacted at any meeting unless a quorum is present. A quorum is present if at least two Members are present in person or by proxy.
- 17.2 If a quorum is not present within half an hour from the time appointed for a general meeting:
- 17.2.1 if the meeting has been held as a result of a Members' requisition, it shall be dissolved; and
- 17.2.2 in any other case the general meeting shall stand adjourned to the same day in the next week at the same time at the Office or to such other day and at such other time and place as the Directors may determine.

The same shall apply if during a meeting a quorum ceases to be present.

- 17.3 If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 17 the Members present shall constitute a quorum throughout the duration of the meeting.

18 CHAIR OF GENERAL MEETINGS

- 18.1 The Chair, if any, of the Board or in his or her absence the deputy Chair shall preside as Chair of each general meeting.
- 18.2 If neither the Chair nor any deputy Chair is present and willing to act within fifteen minutes after the time appointed for holding the meeting, the Members present shall elect one of their number to be chair of the meeting.
- 18.3 The person so chosen to be chair of the meeting must be a Director if one is present and willing to act.

19 DIRECTORS AT GENERAL MEETINGS

A Director shall, whether or not he or she is a Member, be entitled to attend and speak at any general meeting or at any meeting of a class or type of Member.

20 ADJOURNMENT OF GENERAL MEETINGS

- 20.1 The Chair may, with the consent of a meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.
- 20.2 No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. An adjourned meeting is a continuation of the original meeting. The date of a resolution is the date on which it was passed (as opposed to the date of the original meeting).

- 20.3 It shall not be necessary to give any notice of any adjourned meeting.

VOTES OF MEMBERS

21 DEMAND FOR A BALLOT

- 21.1 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 ballot is duly demanded. Subject to the provisions of the Act, a ballot may be demanded by:

21.1.1 the Chair; or

21.1.2 any three Members;

and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

22 VOTES OF MEMBERS

- 22.1 Subject to Article 22.3 on a show of hands or a ballot every Member present in person or by proxy or by a representative shall have one vote.
- 22.2 In the case of joint Members 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.
- 22.3 In the case of an equality of votes, whether on a show of hands or on a ballot, the Chair of the meeting shall be entitled to a casting vote.
- 22.4 Unless a ballot is duly demanded (either before or immediately after the vote) a declaration by the Chair that a resolution has been carried (or not carried) unanimously, or 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 recorded in favour of or against the resolution.
- 22.5 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.

23 WITHDRAWAL OF DEMAND FOR A BALLOT

The demand for a ballot may be withdrawn before the ballot is taken. The withdrawal of a demand for a ballot shall not invalidate the result of a show of hands declared before the demand for a ballot was made.

24 CONDUCT OF A BALLOT

- 24.1 A ballot demanded on the election of a Chair or on a question of adjournment must be taken immediately. A ballot demanded on any other question shall be taken in such manner as the Chair of the meeting directs, either at the meeting or separately.
- 24.2 The demand for a ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the ballot was demanded. If a ballot 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.

25 WRITTEN RESOLUTIONS

- 25.1 Subject to the Act a resolution in writing or confirmed by letter or by Electronic Means by or on behalf of the requisite majority of the Members, for the time being, entitled to vote on the relevant resolution shall be as valid and effective as a resolution passed at a properly called and constituted meeting of Members provided that a copy of the proposed resolution has been delivered in accordance with these Articles to all Members and the requisite majority of Members referred to in Article 25.2 has delivered their agreement in accordance with these Articles. Such resolution when signed or approved may comprise more than one document in the same form, each signed or approved by one or more Members.
- 25.2 For the purposes of Article 25.1 the requisite majorities are:
- 25.2.1 in the case of an ordinary resolution, a simple majority of Members who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting; or
- 25.2.2 in the case of a special resolution, at least three-quarters of the Members who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting.

26 APPOINTMENT OF PROXY

- 26.1 An instrument appointing a proxy shall be in writing, signed by or on behalf of the Appointor. It may be in any form which is usual or which the Directors may approve.
- 26.2 The instrument appointing a proxy and any authority under which it is signed, or a copy of that authority certified notarially or in some other way approved by the Directors, must be deposited at the Office or any other place (within the United Kingdom) specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote. Any instrument of proxy which is not deposited or delivered as described above shall be invalid. Any question as to the validity of a proxy shall be determined by the Chair of the meeting whose decision shall be final. A proxy need not be a Member.

27 VALIDITY OF VOTES

- 27.1 A vote given or ballot demanded by proxy or by the duly authorised representative of a corporation shall be valid even if the authority of the person voting or demanding a ballot has been terminated unless notice of the termination was received by the Company at the Office (or at any other place at which an instrument of proxy was duly deposited) before the start of the meeting or adjourned meeting at which the vote was given or the ballot demanded or (in the case of a ballot taken after the day of the meeting or adjourned meeting) before the time appointed for taking the ballot.
- 27.2 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.

28 CORPORATE REPRESENTATIVES

A corporation which is a Member may nominate a person to act as its representative in the manner provided in Section 323 of the Act. Such representative shall have the right on behalf of the corporation to attend meetings of the Company and vote at them, and generally exercise all rights of membership on behalf of the corporation to the extent to which the corporation would if a person be entitled to do. A corporation may from time to time revoke the nomination of its representative,

and nominate another representative in his or her place. All such nominations and revocations must be in writing and will only take effect when received at the registered Office of the Company.

29 DIRECTORS: GENERAL

- 29.1 The Board shall consist of at least five Directors but shall not be subject to any maximum number.
- 29.2 Except for co-optees and Executives, only Members can be Directors.
- 29.3 Whenever the numbers of Directors and co-optees is less than permitted by these Articles, the Board may appoint a further Director in addition to the Board's power to co-opt subject to Article 32. The Board may so appoint the Company's chief executive and other Executives. Any such Executives will be entitled to take part in all deliberations and votes of the Board save as provided in these Articles.
- 29.4 The Board may appoint co-optees to serve on the Board on such terms as the Board resolves and may remove such co-optees. A co-optee may act in all respects as a Director, and may take part in the deliberations and vote on any matter subject to Article 35.6. For the purposes of the 2008 Act a co-optee is an Officer.
- 29.5 No employee may be appointed or co-opted to the Board if, following their appointment or co-option, employees would be in a majority of Directors and co-optees.
- 29.6 Not more than five co-optees can be appointed to the Board or to any committee at any one time.
- 29.7 No person may be or remain a Director, committee member or co-optee:
 - 29.7.1 unless he or she has attained the age of 18 years; or
 - 29.7.2 if, had he or she already been a Director, he or she would have been disqualified from acting under Article 30.1.

30 TERMINATION OF DIRECTORSHIP

- 30.1 A Director shall cease to be a Director, committee member or co-optee if he or she:
 - 30.1.1 ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director or is removed from office under these Articles or becomes ineligible under these Articles to be a Director of the relevant category;
 - 30.1.2 dies or becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
 - 30.1.3 is a person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director, co-optee or committee member and may remain so for more than three months;
 - 30.1.4 has for three consecutive Board or committee meetings been absent without permission of the Directors from meetings of Directors or that committee held during that period and the Directors resolve that he or she shall be removed from the Board;
 - 30.1.5 has within the last five years been convicted of an indictable offence which is not or cannot be spent;
 - 30.1.6 they have been convicted of any other offence at any time which in the opinion of the Board:

- (a) brings the Company into disrepute;
- (b) is incompatible with the role of Director, committee member or co-optee;

and the Board resolves that they should be removed.

30.1.7 other than in respect of employees, any performance contract or similar agreement entered into with the Company or any other Group Member is terminated and none remains in force;

30.1.8 they are an employee with the Company or any Group Member and their contract of employment with any Group Member(s) is terminated and none remains in force;

30.1.9 they are a Resident and they are in breach of their tenancy agreement, licence or lease with the Company or a Group Member and they fail to rectify the breach within 90 days of receiving written notice from the Company informing them of the breach or are subject to any of the following types of court order: Criminal Behaviour Order; Injunction pursuant to Section 1 of the Anti-Social Behaviour, Crime and Policing Act 2014, demoted tenancy or closure order or any other judicial order (however named) having equivalent effect;

30.1.10 they are a Resident and the Company has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the Company provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a Director, co-optee or committee member upon failing to meet the terms of the order; or

30.1.11 in the case of a Director, co-optee or committee member who at the time of appointment to the Board or as a co-optee or committee member was a Resident, they cease to be a Resident;

and any Director or co-optee who at any time ceases to qualify under this Article shall immediately cease to be a Director or co-optee.

30.2 A Director ("outgoing Director") may be removed from the Board:

30.2.1 by an ordinary resolution at a general meeting held in accordance with Sections 168 and 169 of the Act; or

30.2.2 by a resolution passed by two-thirds of the Directors, excluding the Director the subject of the proposed removal and excluding co-optees and employees, provided the following conditions are satisfied:

- at least fourteen Clear days' notice of the proposed resolution has been given to all the Directors; and
- the notice sets out in writing the reasons for the removal; and

the Board is satisfied that the reasons justify the removal.

30.3 Any Board meeting which relates to negative conduct shall be conducted in accordance with the standing orders or other procedures of the Company or, if there are none which are specific to negative conduct, on such basis as the Board may decide.

31 FUNCTIONS OF THE BOARD

The Company shall have a Board which shall direct the affairs of the Company in accordance with its Objects and these Articles and ensure that its functions are properly performed. These functions will be agreed by the Board and set out separately in a code of governance or otherwise in writing.

32 APPOINTMENT OF DIRECTORS

- 32.1 No Executive Director may be appointed or co-opted to the Board if, following their appointment or co-option, Executive Directors would be in a majority of Board Members and co-optees.
- 32.2 Each Non-Executive Director who is appointed or re-appointed to the Board on or after the date on which these Articles become effective will be appointed to the Board for a term which may not exceed four years, subject to the other provisions of these Articles.
- 32.3 A person who is a Non-Executive Director on the date when these Articles become effective will cease to hold office on the date on which he or she would be required to retire if these Articles had been in force on the date on which he or she was most recently appointed or elected as a Non-Executive Director, or on such earlier date as may be specified in the terms on which he or she was appointed or elected.
- 32.4 A Non-Executive Director who, on the date he or she ceases to hold office, has continuously held that office for a consecutive period of not less than six years may only be re-appointed for a term which, subject to Article 32.5, may not exceed 12 months.
- 32.5 A Non-Executive Director may not be appointed for a period which, when aggregated with his or her earlier continuous service as a Non-Executive Director, would exceed ten years.
- 32.6 A Non-Executive Director shall in any event cease to hold office on the completion of fifteen years' continuous service as a Non-Executive Director and will not thereafter be eligible for appointment as a Non-Executive Director.
- 32.7 Any Non-Executive Director (other than one to whom Article 32.5 or 32.6 applies) whose term of office as a Non-Executive Director expires shall be eligible for re-appointment by the Board subject to the other Articles and subject to the terms of any contract for his or her services as a Director and, in the case of a Non-Executive Director to whom Article 32.4 applies, unless the Board determines that he or she shall not be eligible for such re-appointment.
- 32.8 For the avoidance of doubt, the term of office of Executive Directors will be governed by the terms of their contracts of service.
- 32.9 The Board will adopt a procedure for the recruitment and appointment of Directors. In making appointments to the Board, the Board shall operate in accordance with that procedure.

33 POWERS OF DIRECTORS

- 33.1 Subject to the provisions of the Act and the Articles, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.
- 33.2 No alteration of the Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made.
- 33.3 The powers given by Article 33.1 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 powers exercisable by the Directors.
- 33.4 The Board may delegate the exercise of any of its powers and/or discretions under written terms of reference to committees or to Officers or employees of the Company on such terms as the Board determines. Such delegation may include any of the powers and discretions of the Board. Delegates and committees shall report their acts and proceedings promptly to the Board and conform to any regulations and instructions made by the Board. The Board may reserve to itself certain significant matters that cannot be delegated to committees or employees made by the Board.

- 33.5 The membership of any committee shall be determined by the Board. The Board will appoint the chair of any committee or determine the procedure for the committee to appoint its own chair and shall specify the quorum of each committee. Meetings of committees shall be governed by the provisions in these Articles for regulating Board meetings, so far as they apply and so far as they do not conflict with any regulations made by the Directors. For the purpose of the 2008 Act any member of a committee shall be an Officer. The chair of a committee may not be an Executive Director. Every committee must include at least one Board member or co-optee to the Board. All acts and proceedings of any committee shall be reported to the Board.
- 33.6 No committee can incur expenditure on behalf of the Company unless at least one Director or co-optee of the Board on the committee has voted in favour of the resolution and the Board has previously approved a budget for the relevant expenditure.
- 33.7 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his or her powers.

34 DIRECTORS' REMUNERATION AND EXPENSES

- 34.1 No Director, co-optee, member of a committee or Officer shall have any financial interest:

34.1.1 personally;

34.1.2 as a member of a firm;

34.1.3 as a director or other Officer of a business trading for profit;

34.1.4 in any other way whatsoever except that there shall be deemed no financial interest in relation to shares except in the circumstances referred to in Article 35.7(d);

34.1.5 in any contract or other transaction with the Company or with any Group Member;

if such interest would be in breach of, or inconsistent with these Articles or any determination, specification, guidance, standards or codes of guidance, conduct or practice of the Regulator (if any) or adopted by the Board.

35 DIRECTORS' APPOINTMENTS AND INTERESTS

- 35.1 Subject to the provisions of the Act and provided that he or she has disclosed to the Directors the nature and extent of any material interest of his or hers, a Director, co-optee or member of a committee notwithstanding his or her office:

35.1.1 may have such personal interest in any transaction or arrangements as is permitted or not prohibited by Article 34.1;

35.1.2 may be a Director, co-optee or member of a committee or other Officer of, or employed by any Group Member or any other body corporate promoted by the Company or in which the Company has a constitutional interest or to which the Company has nominated or otherwise arranged the interest of the Director, co-optee or member of a committee PROVIDED THAT such Director, co-optee or member of a committee receives no remuneration or other benefit from that organisation which the Director, co-optee or member of a committee could not have received from the Company if paid in respect of service to the Company; and

35.1.3 may be a Director, co-optee or member of a committee or other Officer of, or employed by, or a consultant to, a local authority or other public body or a charity or voluntary

organisation (being an organisation not trading for profit) which is a party to any transaction or arrangement with the Company.

35.2 For the purposes of these Articles:

35.2.1 a general notice to the Directors that a Director, co-optee or member of a committee is to be regarded as having an interest (as specified in the notice) in any transaction or arrangement in which a specified person or class of persons is interested shall be treated as a disclosure that the Director, co-optee or member of a committee has that interest in any such transaction; and

35.2.2 an interest of which a Director, co-optee or member of a committee has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.

35.3 Subject to Article 35.4, if a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director, co-optee or member of a committee to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair of the meeting whose ruling in relation to any Director, co-optee or member of a committee (other than the chair of the committee) is to be final and conclusive.

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

35.5 No Director, co-optee or member of a committee or Officer shall have any financial interest personally; or as a member of a firm; or as a Director or other Officer of a business trading for profit; or in any other way whatsoever in any contract or other transaction with the Company, unless it is expressly permitted by any of these Articles or under the 2008 Act or any determination by the Regulator (if any). A Director shall be treated as having a financial interest (as above) in any transaction in which a close relative has such an interest. For the avoidance of doubt, nothing in this Article 34.5 prevents the making of any payment permitted by Article 6.

35.6 Any Director, or co-optee or member of a committee having an interest in any arrangement between the Company and someone else shall disclose their interest, before the matter is discussed by the Board or any committee. Any such disclosure must comply with the Act and with any code of conduct and/or governance adopted by the Board from time to time. Unless it is expressly permitted by these Articles, they shall not remain present unless requested to do so by the Board or committee, and they shall not have any vote on the matter in question. Any decision of the Board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

35.7 Every Director, co-optee and member of a committee shall ensure that the Secretary at all times has a list of all other bodies in which they have an interest as:

- (a) a Director or Officer or senior employee;
- (b) a member of a firm;
- (c) an official or elected member of any statutory body;
- (d) the owner or controller of more than two per cent of the shares of a company the shares in which are publicly quoted or more than ten per cent of the shares of any other company;

- (e) the occupier of any property owned or managed by the Company; or
 - (f) any other significant or material interest which in each case would or could affect any arrangement with the Company or any Group Member.
- 35.8 If requested by a majority of the Board or members of a committee at a meeting convened specially for the purpose, a Director, co-optee or member of a committee failing to disclose an interest as required by these Articles shall vacate their office either permanently or for a period of time as specified by the Board.
- 35.9 For the purposes of these Articles:
- 35.9.1 a Director, co-optee or member of a committee who is a Resident shall not be treated as having an interest in any decision affecting all or a group of Residents; and
 - 35.9.2 a Director, co-optee or member of a committee shall not have an interest as a member of the governing body (or of a committee of such body), or Officer, of any other Group Member.
- 35.10 The grant of a tenancy by the Company at the direction of another body to a Director, co-optee or member of a committee is not the grant of a benefit for the purpose of these Articles.
- 35.11 The Board may, upon such terms as it thinks fit, authorise any matter which would or might, if not so authorised, create, perpetuate or involve a situation where a Director's, co-optee's or committee member's duties to a third party may conflict with that Director's, co-optee's or committee member's duties to the Company.
- 35.12 The Board may revoke or vary such authorisation at any time, but this will not affect anything done by the relevant Director, co-optee or committee member prior to such revocation or variation which was in accordance with the terms of the prior authorisation.
- 35.13 Any authorisation given under Article 35.11 shall only be effective if any quorum requirements for the meeting are met without counting the Director, co-optee or committee member in question and (unless the Board decides otherwise) the Director, co-optee or committee member in question does not vote on or participate in discussion of the relevant matter.
- 35.14 A Director, co-optee or committee member may, notwithstanding their office, or that such situation or interest may conflict with the interest of or their duties to the Company, be a Director, or other Officer of, or employed by or a Resident of, or otherwise interested in any other Group Member or other person approved by the Board (together permitted third party).
- 35.15 A Director, co-optee or committee member may make full disclosure of any information relating to the Company or any other Group Member to the Company or any other Group Member (or any other person acting on behalf of any other Group Member, including their advisers) or any other person acting on behalf of a permitted third party. Further, the Director, co-optee or committee member may make full disclosure of any information relating to a permitted third party to the Company or, to any person acting on the Company's behalf (including their advisers).
- 35.16 If a Director obtains information which is confidential to a third party, or in respect of which they owe a duty of confidentiality to a third party, or where the disclosure of any confidential information would amount to a breach of a law or regulation, the Director is entitled not to disclose it to the Company or use it in relation to the Company's affairs.
- 35.17 Subject to any applicable law or regulation, the Board may authorise full or partial disclosure of any or all information relating to the Company or any other Group Member to a third party who is not a Group Member on such terms, and in such circumstances, as it thinks fit.

- 35.18 In this Article 35, a "conflict" means a conflict of interest and duty and a conflict of duties, and "interest" includes both direct and indirect interests.

PROCEEDINGS OF DIRECTORS

36 BOARD MEETINGS

- 36.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. The Board shall meet at least four times every calendar year. At least three days' written notice (delivered by hand, or sent by post or Electronic Means) of the date and place of every Board meeting shall be given by the Secretary to all Directors and co-optees. The Board may meet on shorter notice where not less than seventy-five per cent of the Directors so agree.
- 36.2 Meetings of the Board may be called by the Secretary, or by the Chair, or by two Directors who give written notice (which may be by post, by hand or by Electronic Means) to the Secretary specifying the business to be carried out. The Secretary shall send a written notice (which may be by Electronic Means) to all Directors and co-optees (at the last address for such communication given to the Secretary) as soon as possible after receipt of such a request. The Secretary shall call a meeting on at least three but not more than fourteen days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair or two Directors, whichever is the case, shall call such a meeting. Any such notice or communication sent by post shall be deemed to have arrived two days after being sent, and any sent by Electronic Means shall be deemed to have been served one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication. The accidental failure to give notice to a Director or the failure of the Director to receive such notice shall not invalidate the proceedings of the Board.
- 36.3 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair of the meeting shall have a second or casting vote.

37 BOARD QUORUM

- 37.1 Three Directors of whom not less than half are Non-Executive Directors shall form a quorum. The Board may determine a higher number or impose additional requirements.
- 37.2 If a quorum is not present within half an hour from the time appointed for a Board meeting then the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time as the Chair of the meeting may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 37.1 the Directors present shall constitute a quorum.
- 37.3 If any Board meeting becomes inquorate the meeting shall be adjourned until a later date, time and place approved by the Chair of that meeting. An adjourned Board meeting is a continuation of the original Board meeting and can only deal with matters adjourned from the original Board meeting.
- 37.4 If the number and make-up of Directors falls below the number and make-up necessary for a quorum, the remaining Directors may continue to act as the Board for a maximum period of six months and Article 37.1 will be suspended for that time. At the end of that time the only power that the Board may exercise shall be to call a general meeting of the Company to bring the number of Directors up to that required by these Articles.

38 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 38.1 Any Director (other than an alternate director) (**Appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- 38.1.1 exercise that Director's powers; and

38.1.2 carry out that Director's responsibilities;

in relation to the taking of decisions by the Directors, in the absence of the Appointor.

38.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

38.3 The notice must:

38.3.1 identify the proposed alternate; and

38.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Director giving the notice.

39 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

39.1 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the Appointor.

39.2 Except as the Articles specify otherwise, alternate directors are:

39.2.1 deemed for all purposes to be Directors;

39.2.2 liable for their own acts and omissions;

39.2.3 subject to the same restrictions as their Appointors; and

39.2.4 not deemed to be agents of or for their Appointors;

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a Member.

39.3 A person who is an alternate director but not a Director:

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

39.3.2 may participate in a unanimous decision of the Directors; and

39.3.3 shall not be counted as more than one Director for the purposes of Article 39.3.

39.4 A Director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors.

39.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

40 TERMINATION OF ALTERNATE DIRECTORSHIP

40.1 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- 40.1.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 40.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
- 40.1.3 on the death of the alternate's Appointor; or
- 40.1.4 when the alternate director's Appointor ceases to be a Director for whatever reason.

41 CHAIR

- 41.1 The Directors may appoint one of their number to be the Chair of the Board of Directors. Unless he or she is unwilling to do so, the Director so appointed shall preside at every Board meeting of Directors at which he or she is present. The Directors may also appoint a deputy Chair who shall, in the absence of the Chair, chair Board meetings. Neither the Chair nor the deputy Chair may be an Executive Director.
- 41.2 The Chair and deputy Chair on election shall hold office until his or her office as a Director terminates (or until the Chair or deputy Chair resigns or is removed as Chair or deputy Chair or ceases to be a Director as the case may be). The first item of business for any Board meeting when there is no Chair, or deputy Chair, or when neither the Chair nor the deputy Chair is present, shall be to elect the Chair.
- 41.3 The Chair or deputy Chair of the Company may be removed at a Board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the Board present at the meeting.
- 41.4 If there is no Director holding that office, or if the Director holding it is unwilling to preside or is 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.

42 THE CHAIR'S RESPONSIBILITIES

The Board shall maintain a statement of the responsibilities of the Chair.

43 VALIDITY OF BOARD ACTIONS

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 calling of the meeting; or 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. A certificate by an Officer that a power has been properly exercised shall be conclusive as between the Company and any third party acting in good faith.

44 WRITTEN RESOLUTIONS

A resolution in writing which has been sent, by Electronic Means or otherwise, to all of the Directors or members of a committee who are entitled to receive notice of a meeting of Directors or of that committee and signed by at least three quarters of them shall be as valid and effective 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. A written Board or committee resolution may consist of several documents in the like form each signed by one or more Directors or committee members.

45 MEETINGS BY TELEPHONE ETC

A Director shall be treated as present in person at a meeting of the Directors (or of a committee of the Directors) if he or she is in communication with the meeting by conference telephone or other communication equipment. Such Director shall be counted in the quorum of the meeting and shall be entitled to vote at it. A meeting to which this regulation applies shall be deemed to take place where the majority of those participating is assembled or, if there is no majority, at the place where the Chair of the meeting is present.

46 BORROWING ETC

46.1 The total borrowings of the Company at any time shall not exceed £4,000,000,000 (four billion pounds sterling) or such a larger sum as the Company determines from time to time in general meeting. For the purpose of this Article 46.1, at any relevant time, any amount of the Company's borrowings in any currency other than pounds sterling (as may be permitted or not prohibited by the Regulator (if any) from time to time) shall be converted to sterling using the exchange rate or rates applicable under the related Derivative Transaction or transactions by which the Company has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowings, or in the absence of such a rate or rates (in whole or in part) using the official spot exchange rate or rates recognised by the Bank of England for the conversion of that currency or currency unit into sterling at or about 11:00 on the relevant day.

46.2 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the Board, is reasonable having regard to the terms of the loan. The Board may delegate the determination of the said interest rate within specified limits to an Officer, Board member or a committee.

46.3

46.3.1 In respect of any proposed borrowing, for the purposes of Article 46.1, in relation to the amount remaining undischarged of any deferred interest or index-linked monies or amounts on any deep discounted security previously borrowed by the Company the amount of such pre-existing borrowing shall be deemed to be the amount required to repay such pre-existing borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing.

46.3.2 For the purposes of Article 46.1 in respect of any proposed borrowing intended to be on deferred interest or index-linked terms or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the Company at the time of the proposed borrowing.

46.3.3 No person dealing in good faith shall be concerned to know whether Article 46.1 or 46.2 or this Article 46.3 have been complied with.

46.4 The Company shall have the power to enter into and perform a Derivative Transaction or a series of Derivative Transactions on such terms as the Board determines.

47 SECRETARY

Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit. Any Secretary so appointed may be removed by them. The Secretary may be a Director or an employee or an independent contractor. The Directors may appoint one or more alternate, joint, assistant or deputy secretaries to act in the absence of the Secretary. Any such alternate, joint, assistant or deputy secretary shall (in such absence) have all powers vested in the Secretary by these Articles and the law. The Secretary's duties will be clearly set out in writing and agreed by the Board.

48 OTHER OFFICERS

- 48.1 For the purposes of the 2008 Act any member of the Board or of a committee including any co-optee shall be an Officer.
- 48.2 The Company may have a chief executive (which term includes managing director) appointed by the Board. The chief executive shall be appointed with a written and signed contract of employment, which shall include a clear statement of the duties of the chief executive.
- 48.3 The Board may designate as an Officer to act on behalf of the Company such other Executive, internal auditor or employee of the Company on such terms (including pay) as it sees fit.
- 48.4 The Board may designate Directors to the named offices of deputy Chair, treasurer or any other offices on such terms as it sees fit.

49 MINUTES

- 49.1 The Directors shall cause minutes to be made in books kept for the purpose of:
- 49.2 all appointments of Officers made by the Directors; and
- 49.3 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.

50 THE SEAL

- 50.1 The Secretary shall keep the Seal. It shall not be used except under the Board's authority. It must be affixed by one Director signing and the Secretary countersigning or in such other way as the Board resolves. The Company shall also have for use for sealing securities issued by the Company and the sealing of documents creating or evidencing securities, an official seal which is a facsimile of the Company's common seal with the addition on its face of the word "securities" and any document to which the official seal is affixed need not be signed by any person. The Board may determine, whether in respect of an individual document or generally, that a document or documents may be executed without the affixation of the Seal in such manner as may be permitted by law from time to time.
- 50.2 The Board may in the alternative authorise the execution of deeds in any other way permitted by law.

51 ACCOUNTS ETC

The Directors shall cause accounting records, registers and Minutes to be kept and accounts and annual returns prepared in accordance with the requirements of the Act.

52 NOTICES

- 52.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing.
- 52.2 The Company may serve any notice or other document on a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address or by sending it by Electronic Means to an address notified by the Member, or by any other means which have been authorised in writing by the Member concerned.
- 52.3 A Member present, either in person or by proxy, 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.

52.4 Notice shall be deemed to have been received by a Member:

52.4.1 if posted by first class post at least two Working Days after being posted;

52.4.2 if sent by Electronic Means one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication and the transmission is to the Electronic Means address or number last notified by that person to the Secretary; or

52.4.3 if delivered by hand, on delivery to the person's address last notified by that person to the Secretary.

52.5 Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the same was served. Any such notice or other document, if sent by first-class post, shall be deemed to have been served or delivered on the day after the day when the same was put in the post. 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 such notice or other document if sent by facsimile shall be deemed to have been served when received provided that it is legible.

52.6 In the Articles "writing" shall be deemed to include photocopy, Electronic Means or Electronic Form and other methods of reproducing or communicating writing in visible form.

53 CHANGES TO THE ARTICLES OF ASSOCIATION

Without prejudice to the requirements of the Act, the Articles of Association may be amended by a special resolution of the Company at a general meeting or by way of written resolution.

54 INDEMNITY

54.1 Subject to the Act and except for the consequences of their own dishonesty or gross negligence no Officer or employee shall be liable for any losses suffered by the Company. Subject to the provisions of the Act every Director, Officer, auditor, Secretary or employee shall be indemnified by the Company for any amount reasonably incurred in the discharge of their duty.

54.2 Subject to the provisions of the Act, the Company may purchase and maintain for every Director, auditor, Secretary or other Officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he or she may be guilty in relation to the Company.

54.3 Subject to Article 54.4 (but without prejudice to any indemnity to which a relevant Officer is otherwise entitled):

54.3.1 a relevant Officer may be indemnified out of the Company's assets to whatever extent the Directors may determine against:

- (a) any liability incurred by that Officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any Group Member;
- (b) any liability incurred by that Officer in connection with the activities of the Company, or any Group Member, in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
- (c) any other liability incurred by that Officer as an Officer of the Company or of any Group Member; and

54.3.2 the Company may, to whatever extent the Directors may determine, provide funds to meet expenditure incurred or to be incurred by a relevant Officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by them in relation to the Company or any Group Member, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant Officer to avoid incurring such expenditure.

54.4 Article 54.3 does not authorise any indemnity that would be prohibited or rendered void by any provision of the Act or by any other provision of law.