

**Articles of Association**  
**of**  
**British Airways Pension Trustee (No. 2) Limited**  
**(as amended by written resolutions of the shareholder**  
**dated 28 August 2003, 27 April 2004 and 19 June 2007)**

**Registered Number: 4560789**



ARTICLES OF ASSOCIATION

of

BRITISH AIRWAYS PENSION TRUSTEE (NO 2) LIMITED

**1. Adoption of Table A**

In these articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of incorporation of the company. The regulations contained in Table A shall, except where they are excluded or modified by these articles, apply to the company and, together with these articles, shall constitute the articles of the company. No other regulations set out in any statute concerning companies, or in any statutory instrument or other subordinate legislation made under any statute, shall apply as the regulations or articles of the company.

**2 Interpretation**

Words and expressions which bear particular meanings in Table A shall bear the same meanings in these articles. In these articles, "address" in relation to electronic communications includes any number or address used for the purposes of such communications. References in these articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form including by way of electronic communications where specifically provided in a particular article or where permitted by the directors in their absolute discretion. Headings are for convenience only and shall not affect construction. If, and for so long as, the company has only one member, these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.

**3 Rights Attached to Shares**

Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide. Regulation 2 of Table A shall not apply.

**4 Unissued Shares**

Subject to the provisions of the Act and to these articles, any unissued shares of the company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may offer, allot, grant options over or otherwise dispose of them to such persons

at such times and for such consideration and upon such terms and conditions as they may determine

## **5. Initial Authority to Issue Relevant Securities**

Subject to any direction to the contrary which may be given by the company in general meeting, the directors are unconditionally authorised to exercise all powers of the company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of incorporation of the company or such other amount as may from time to time be authorised by the company in general meeting. The authority conferred on the directors by this article shall remain in force for a period of five years from the date of incorporation of the company but may be revoked varied or renewed from time to time by the company in general meeting in accordance with the Act

## **6 Exclusion of Rights to Offers on a Pre-emptive Basis**

Section 89(1) of the Act shall not apply to the allotment by the company of any equity security

## **7 Transfer and Transmission of Shares**

7.1 The directors may, in their absolute discretion and without giving any reason for so doing, decline to register any transfer of any share, whether or not it is a fully paid share. Regulation 24 of Table A shall be modified accordingly

7.2 A person who becomes entitled to a share by reason of any event (other than death or bankruptcy) giving rise to its transmission by operation of law shall have the same rights of election and other rights as a person entitled by transmission to a share as a consequence of death or bankruptcy. Regulations 30 and 31 of Table A shall be modified accordingly

## **8 Notice of General Meetings**

Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company, and also to the auditors or, if more than one, each of them. The last sentence of regulation 38 of Table A shall not apply

## **9 Proceedings at General Meetings**

For all purposes of these articles apart from when the company has only one member, a general meeting of the company or of the holders of any class of its shares shall be valid and effective for all purposes if one person being a duly authorised representative of two or more corporations each of which is a member entitled to vote upon the business to be transacted is present. If, and for so long as, the company has only one member, that member or the proxy for that member or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the company or of the holders of any class of shares. Regulation 40 of Table A shall be modified accordingly

## **10 Votes of Members**

At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy for any member (regardless of the number or the holdings of the members for whom he is a proxy) shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder Regulation 54 of Table A shall not apply

## **11 Members May Vote When Money Payable by Them**

Regulation 57 of Table A shall not apply

## **12. Receipt of Proxies**

The appointment of a proxy must

- (i) in the case of an appointment which is not contained in an electronic communication, be received at the office (or at such other place or by such person as may be specified or agreed by the directors) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the directors) any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the directors,
- (ii) in the case of an appointment contained in an electronic communication, where an address has been specified or agreed by the directors for the purpose of receiving electronic communications, be received at such address before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote Any authority pursuant to which an appointment contained in an electronic communication is made or a copy of the authority, certified notarially or in some other manner approved by the directors, must, if required by the directors, be received at the office (or at such other place or by such person as may be specified or agreed by the directors) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or
- (iii) in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid before the time appointed for the taking of the poll,

and an appointment of a proxy which is not received in a manner so permitted shall be invalid

Regulation 62 of Table A shall not apply

**12A. Directors**

Where, at any time, the company is a trustee of any pension scheme in accordance with Section 242 of the Pensions Act 2004, the directors of the company will be appointed as either Employers' Representatives ("**Employers' Representative**") or Members' Representatives ("**Members' Representatives**") Regulation 64 of Table A shall be modified accordingly

**13 Alternate Directors**

Any director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be an alternate director and may remove from office an alternate director so appointed by him Regulation 65 of Table A shall not apply

**14 Power to Provide for Employees**

The directors may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary

**15 Power to Receive Uncalled Moneys**

The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and remaining unpaid on any shares held by him

**16 Delegation of Directors' Powers**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such person or persons (whether directors or not) as they think fit Regulation 72 of Table A shall be modified accordingly and references in Table A to a committee of directors or to a director as a member of such a committee shall include a committee established under this article or such person or persons

**17 Appointment and Removal of Directors by Majority Shareholders**

Any member holding, or any members holding in aggregate, a majority in nominal value of such of the issued share capital of the company at the relevant time as carries the right of attending and voting at general meetings of the company may by memorandum in writing signed by or on behalf of him or them and delivered to the office or tendered at a meeting of the directors or at a general meeting of the company at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how he was appointed, except that, for as long as Section 242 of the Pensions Act 2004 applies to the company, any member or members may exercise this power so as to remove a Members' Representative only with the consent of the other directors) In this article references to in writing include the use of electronic communications

**18. Appointment of Directors by Board**

Subject to the terms of any arrangements in place in accordance with Section 242 of the Pensions Act 2004 in relation to the company as the trustee of a pension scheme and without prejudice to the powers conferred by any other article, any person may be appointed a director by the directors, either to fill a vacancy or as an additional director

**19. Number of Directors**

The number of directors of the company will at any time, be at least 2 and not more than 6  
Regulation 64 of Table A shall modified accordingly

**20. No Age Limit or Share Qualification**

No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age No shareholding qualification for directors shall be required

**21. Exclusion of Rotation Requirements and Other Provisions**

Regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply

**22. Disqualification and Removal of Directors**

The office of a director shall be vacated not only upon the happening of any of the events mentioned in regulation 81 of Table A but also if he is removed from office pursuant to these articles Regulation 81 of Table A shall be modified accordingly

**23. Additional circumstances in which a director may be removed from office**

In addition to the circumstances mentioned in Regulation 81 of Table A

- (i) the office of a director shall be vacated immediately before he is disqualified from being a trustee of any trust scheme pursuant to Section 29 of the Pensions Act 1995, and
- (ii) where, at any time, Section 242 of the Pensions Act 2004 applies to the company in relation to any pension scheme of which the company is a trustee, a director may be removed from office,
  - (a) if he is an Employers' Representative, by the principal employer of the scheme of which the company is a trustee, and
  - (b) if he is a Members' Representative, with the agreement of all the other directors of the company

**23A Notice to be given to Director removed under Regulation 81(e) of Table A**

In the event that a director is to be removed from office under Regulation 81(e) of Table A, such director must be given at least 7 days' notice of the meeting at which he will be removed from office. Regulation 81(e) of Table A shall be modified accordingly.

**24 Directors' Gratuities and Pensions**

The directors may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or with a predecessor in business of the company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company. Regulation 87 of Table A shall not apply.

**24A Quorum**

Regulation 89 of Table A shall apply, unless the Members' Representatives Condition has been satisfied. The "Members' Representatives Condition" is when Section 242 of the Pensions Act 2004 applies to the company in relation to any scheme of which the company is a trustee and at least one Members' Representative has been appointed. Where the Members' Representative Condition has been satisfied and

- (a) there are 3 Employers' Representatives and 3 Members' Representatives appointed, the quorum shall be 2 Employers' Representatives and 2 Members' Representatives,
- (b) there are less than 3 Employers' Representatives and 3 Members' Representatives appointed, the quorum shall be 1 Employers' Representative and 1 Members' Representative.

**24B Chairman**

Where, at any time, Section 242 of the Pensions Act 2004 applies to the company in relation to any scheme of which the company is a trustee, the chairman shall be nominated by the principal employer of such scheme from any of the directors. Such principal employer may also nominate either one or two of the remaining directors as deputy chairman or deputy chairmen. Such principal employer will fix the terms of office for the chairman and any deputy chairmen. Regulation 91 of Table A shall be modified accordingly.

## **25 Notice of Board Meetings**

Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is absent from the United Kingdom at the relevant time. A director may waive notice of any meeting either prospectively or retrospectively. In this article references to in writing include the use of electronic communications subject to such terms and conditions as the directors may decide. Regulation 88 of Table A shall be modified accordingly.

## **26 Participation in Board Meetings by Telephone**

All or any of the members of the board may participate in a meeting of the board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

## **27. Resolution in Writing**

A resolution in writing signed by all the directors who are at the relevant time entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) shall be as valid and effectual as a resolution passed at a meeting of the board properly called and constituted. The resolution may be contained in one document or in several documents in like form each signed by one or more of the directors concerned. A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. In this article references to in writing include the use of electronic communications subject to such terms and conditions as the directors may decide. Regulation 93 of Table A shall not apply.

## **28 Directors May Vote When Interested**

### **28 1 Director to declare interests**

Any director who has to his knowledge whether directly or indirectly, an interest which is material and which conflicts or may conflict with his duty to the company or the interests of the company shall declare the nature of the interest to the board.

### **28 2 Director may be party to arrangements in which he is interested subject to declaration of interest**

Subject to declaration under **28 1** above and notwithstanding his office, a director

- (i) may be a party, whether as a trustee or otherwise, to, or otherwise be interested in, any contract, arrangement or other dealing with the company or in which the company is otherwise interested, and



- (ii) may be a director or other officer of, or employed by, a party to any contract, arrangement or other dealing with the company or in which the company is otherwise interested (whether directly or indirectly)

### **28 3 Director with an interest may continue in office, count in quorum and vote**

Subject to a declaration under **28 1** above, a director shall not be disqualified from office by reason of any interest. He shall be entitled to vote in respect of any contract, arrangement or other dealing in which he is interested. If he shall do so, his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.

### **28 4 No duty to account for profits arising from interest**

Subject to declaration under **28.1** above, a director shall not, by reason of his office, be accountable to the company for any benefit which he derives from any office or employment or from any contract, arrangement or other dealing in which he is interested.

### **28.5 Meaning of "interest"**

- (i) In this article 28 "interest" includes any duty which a director owes to a person other than the company.
- (ii) An interest of which a director has no actual knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

### **28 6 Disapplication of Regulations 94 and 95 of Table A**

Regulations 94 and 95 of Table A shall not apply.

## **29 Official 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 persons, if any, as the directors may from time to time determine.

## **30 Notices**

Any notice or other document may be served on or sent or delivered to any member by the company either personally, or by sending it by post addressed to the member at his registered address, or by leaving it at that address addressed to the member, or, where appropriate, by using electronic communications to an address notified by the member concerned to the company for that purpose, or by publication on a web site in accordance with the Act, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share service, sending or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or sending or delivery to all the joint holders. Regulation 112 of Table A shall not apply.

**31 Time of Service**

Any notice or other document, if sent by the company by post, shall be deemed to have been served or delivered twenty four hours after posting 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 left by the company at a registered address otherwise than by post, or sent by electronic communications shall be deemed to have been served or delivered when it was so left or sent. Regulation 115 of Table A shall not apply.