

THE COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY GUARANTEE

MEMORANDUM AND ARTICLES  
OF ASSOCIATION OF  
SEDEX INFORMATION EXCHANGE LIMITED

Sedex Information Exchange Ltd

2<sup>ND</sup> Floor

5 Old Bailey

London EC4M 7BA

## MEMORANDUM OF ASSOCIATION

### OF

#### SEDEX INFORMATION EXCHANGE LIMITED

as adopted on 14 March 2018 and amended by a  
special resolution passed on 7<sup>th</sup> December 2020

1. The Company's name is "SEDEX Information Exchange Limited".
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:
  - 3.1 to facilitate the communication of information between, and for the benefit of, Members of the Company from time to time concerning labour practices (as set out in ILO Conventions 29 and 105 & Recommendation 35 (Forced and Bonded Labour), ILO Convention 87 (Freedom of Association), ILO Convention 98 (Right to Organise and Collective Bargaining), ILO Conventions 100 and 111 & Recommendations 90 and 111 (Equal Remuneration for male and female workers for work of equal value; Discrimination in employment and occupation), ILO Convention 138 & Recommendation 146 (Minimum Age), ILO Convention 182 & Recommendation 190 (Worst forms of Child Labour), ILO Convention 81 (Labour Inspection), ILO Convention 122 (Employment Policy), ILO Convention 135 & Recommendation 143 (Workers' Representatives Convention), ILO Convention 155 & Recommendation 164 (Occupational Safety & Health), ILO Convention 159 & Recommendation 168 (Vocation Rehabilitation & Employment of Disabled Persons), ILO Convention 177 & Recommendation 184 (Home Work), ILO Convention 190 & Recommendations (Safety and Health in Agriculture), ILO Convention 154 (Collective Bargaining), ILO Convention 131 (Minimum Wage Fixing), ILO Convention 175 (Part time work) and ILO Convention 183 (Maternity Protection) and other such standards as may be arrived at by competent bodies); and
  - 3.2 to promote improved labour and other corporate social responsibility practices in the supply chains of Members of the Company ("the Objects").
4. The Company has power to do anything within the law that may promote or may help to promote the Objects or any of them. In particular (but without limitation) the Company has the following powers:
  - 4.1 to pay out of the Company's fund the costs incurred in forming the Company;
  - 4.2 to acquire or hire property of any kind and any interests in or rights over property of any kind;
  - 4.3 to acquire the whole or any part of the business or assets of any person, firm or company carrying on any activity in support of the Objects and to give any form of consideration in return for the business or assets;
  - 4.4 to borrow and raise money in any manner; and to secure and guarantee by any means the repayment of any money borrowed, raised or owing, and the performance by the Company of any obligation or liability, by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future);
  - 4.5 to invest and deal with the moneys of the Company not immediately required in any manner and to hold or otherwise deal with any investments made;
  - 4.6 to sell, dispose of, let, mortgage or charge any property of the Company and to grant licences, options, rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company;
  - 4.7 to make grants or loans of money and to give guarantees and indemnities on any terms; and to support and subscribe to any charitable or public organisation, institution, society or body not formed or established for the purposed of profit (whether incorporated or not in Great Britain or elsewhere) whose objects are wholly or in part contain restrictions in its constitution or governing

instrument on the distribution of profits and surpluses that are at least as restrictive as those in this Memorandum of Association;

- 4.8 to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which (in the opinion of the Directors) is likely to assist or benefit the Company; and to subscribe for or otherwise acquire all or any part of the shares or securities of any such company;
- 4.9 to act as agent or broker or trustee for any person, firm or company, and to undertake and perform any form of contract;
- 4.10 to reward any person, firm or company rendering services to the Company by cash payment or by other means;
- 4.11 to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of the employees of the Company or any subsidiary, holding company or fellow subsidiary of the Company and of their spouses, children and other relatives and dependants; and to lend money to any such employees or to trustees on their behalf to enable any such schemes to be established or maintained;
- 4.12 to pay out of the Company's funds premiums on insurance policies to cover the liability of the Directors which, by virtue of any rule of law, 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 relation to the Company provided that any such insurance or indemnity must not extend to any claim arising from criminal neglect or deliberate default on their part;
- 4.13 to amalgamate with or support any other company or undertaking whose objects may (in the opinion of the Directors of the Company) advantageously be combined with the Objects;
- 4.14 to sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, and to accept anything of value in return; and
- 4.15 to do all or any of the things or matters permitted by this Memorandum of Association in any part of the world, and as principal, agent, contractor or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- 5. The income and capital of the Company must be applied solely to the promotion of the Objects. No part of the income or capital may be paid or transferred, directly or indirectly, to the Members of the Company, whether by way of dividend or bonus or in any other way that amounts to a distribution of profit or surplus. This does not prevent the payments of:
  - 5.1 reasonable and proper remuneration of any officers, employee, or Member of the Company in return for any services provided to the Company;
  - 5.2 discounts provided to Members in respect of their purchase of goods or services provided by the Company;
  - 5.3 a reasonable rate of interest on money lent to the Company;
  - 5.4 reasonable rent for property let to the Company;
  - 5.5 expenses of any officer, employee or Member of the Company; or
  - 5.6 premiums on the indemnity insurance referred to in clause 4.12.

6. The liability of the Members is limited.
7. If the Company is wound up while a person is a Member or within one year after that person ceases to be a Member, every Member of the Company will contribute such amount as may be required, not exceeding £1, to the assets of the Company, for payment of the Company's debts and liabilities accrued before the Member ceases to be a Member, and of the costs and expenses of winding up and for the adjustment of the rights of the contributors among themselves.
8. If, upon the winding up or dissolution of the Company, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Company but shall be given or transferred to some other institutions having objects similar to the Objects of the Company, which has restrictions in its constitution or governing instrument on the distribution of profits and surpluses that are at least as restrictive as those in this Memorandum of Association, such company to be determined by the Directors of the Company at or before the time of dissolution, or if and so far as effect cannot be given to the aforesaid provisions, then to some charitable body the objects of which are the promotion of charity and anything incidental or conducive thereto (whether or not the body is a Member of the Company).

ARTICLES OF ASSOCIATION  
OF  
SEDEX INFORMATION EXCHANGE LIMITED

as adopted by a special resolution passed on 7<sup>th</sup> December 2020

1. DEFINED TERMS

In these articles, unless the context requires otherwise—

“Articles” means the Company’s articles of association;

“Audit and Risk Committee” means the standing committee established by the Board in accordance with Article 69 below;

“bankruptcy” means, in relation to an individual, bankruptcy as that term is used in the Insolvency Act 1986 (as amended) and any insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“Board” means the board of Directors of the Company for the time being;

“Company” means SEDEX Information Exchange Limited (registered under company number 05015443);

“Company Auditors” means the auditors of the Company from time to time;

“Chairperson” (or “Chair”) means the individual appointed as such to the Board in accordance with Articles 41(b) and 60;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

“Data” means the data relating to compliance with labour and other corporate social responsibility practices at Sites of Employment of Members set out on the online information exchange, where such Members have consented to share the Data with the Company and/or other Members, audit firms or third parties and such data as the Company otherwise uploads onto the system in order to administer its products and services;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“Director” means a director of the Company, and includes any person occupying the position of director, by whatever name called;

“Effective Date” means 7<sup>th</sup> December 2020, being the date on which the Members adopted these Articles by special resolution at an Extraordinary General Meeting held for this purpose;

“Executive Director” has the meaning given to it in Article 41(a);

“Grievance Process” means the grievance policy and process adopted by the Company for handling complaints in relation to Members (and audit firms), as published by the Company from time to time;

“Group” means in relation to a company, that company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a member of the Group;

“Independent Non-Executive Director” means a Director who is neither an Executive Director nor a Member Director and is appointed to the Board pursuant to Article 45;

“insolvent” means, in relation to a corporate entity, that it is insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other applicable insolvency legislation;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“member” has the meaning given in section 112 of the Companies Act 2006;

“Member” means a member of the Company and includes all members designated as 'A (Purchaser)' Members, 'B (Supplier)' Members, or 'AB (Supplier and Purchaser)' Members prior to the adoption of these Articles;

“Member Director” means a Director who is elected as a Member Director and is appointed to the Board in accordance with Article 46;

“Memorandum” means the memorandum of association of the Company;

“month” means a calendar month;

“Nomination Committee” means the standing committee established by the Board in accordance with Article 66 below;

“Non- Executive Director” means a Director who is either a Member Director or an Independent Non-Executive Director;

“Non-Member Director” means a Director other than a Member Director;

“Objects” means the objects of the Company as set out in the Memorandum;

“Office” means the registered office of the Company;

“officer” means a person holding the office of Director or who is a member of any standing committee or Board committee;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“participate”, in relation to a Directors’ meeting, has the meaning given in Articles 58 and 59;

“Remuneration Committee” means the standing committee established by the Board in accordance with Article 71 below;

“Rules” means the rules established by the Board from time to time, to regulate the administration of its policies and procedures or published by the Company from time to time, to regulate the administration of business;

“Sanction” means the right of the Company to expel, suspend or issue a formal written warning to a Member in accordance with the Grievance Process;

“Senior Independent Director” means the person appointed to this role, from the Independent Non-Executive Directors, pursuant to Article 60;

“Sites of Employment” means physical sites where goods are grown, manufactured or assembled or, in the case of services, physical sites where significant labour is provided;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Words importing the singular number only shall include the plural number, and vice versa. Words importing a gender shall include any other gender, and words importing persons shall include corporations.

Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company. In particular, a reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006.

## MEMBERS

2. There is no maximum number of Members of the Company and the Company may from time to time admit new Members.
3. Such persons as the Company shall according to agreed membership criteria admit to membership shall be Members of the Company. The Company may administer different categories of products and services for particular groups of Members (for example suppliers, purchasers and so forth), depending on such Members' activities and requirements, from time to time, according to published Rules, including membership eligibility criteria appropriate for such Members. The Company shall apply such Rules in a fair and transparent manner and they shall have no effect on the rights or obligations of a Member in its capacity as a Member once admitted but shall relate only to the eligibility and admission of a Member (depending on the nature of its business) and the administration of the relevant products and/or services to be provided by the Company on a contractual basis following this.
4. A register of Members of the Company shall be kept at the Office and shall be maintained up to date at all times.
5. An application for admission to membership of the Company shall be made to the Company in writing. Applicants shall have sight of the Rules which sets out the membership criteria and these Articles before making their application.
6. Every Member of the Company shall be held to have agreed to be bound by these Articles and shall be bound to further to the best of their ability the Objects and interests of the Company.
7. A Member may (subject to section 74 of the Insolvency Act 1986) at any time withdraw from the Company by giving at least 30 days' or 1 months' notice in writing to the Company to that effect, provided that no such withdrawal may be made if the number of Members would thereby be reduced to one.
8. The rights of a Member shall not be transferable and shall cease on the withdrawal, death, resignation, insolvency or bankruptcy of a Member, or when such Member ceases to exist.

## MEMBERSHIP SUBSCRIPTIONS

9. Subject to Article 56, the Board may from time to time fix the annual subscriptions to be paid by the Members.
10. The Company shall have the power to levy annual membership subscriptions from its Members, at times and in such manner as the Company decides and in line with the annual subscription fees set by the Board pursuant to Articles 56 and 62.
11. The Company shall invoice the Members for their subscription or renewal fees, in the form of a VAT invoice where applicable. Failure by a Member to pay their subscription or renewal fees, or for timely payment of any products or services they have subscribed to, shall entitle the Company to suspend or terminate their membership immediately upon written notice to such Member.
12. The Board shall have the power to remit or reduce the annual subscription or arrears of the annual subscription of any Member in any case where special circumstances in the opinion of the Board make such remission or reduction desirable.

## CORPORATE MEMBERS

13. Any body corporate or other legal person which is a Member of the Company may by resolution of its directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Members of the Company. Provided that any representative of a Member which is a body corporate or other legal person:
  - (a) is duly authorised by such legal person to act as its representative;
  - (b) is a director or other officer of the legal person they represent; or

(c) has been appointed as a proxy of the Member in accordance with these Articles; they shall be entitled to exercise the same powers on behalf of the legal person which they represent as that person could exercise if it were an individual Member of the Company, and any reference in these Articles to a Member being present in person at any meeting or to any act to be done by any Member at a meeting shall be deemed in the case of a Member which is a legal person to be a reference to such Member being present by its said representative and to an act done by such representative on such Member's behalf.

#### SUSPENSION OF MEMBERSHIP

14. The Company shall have the power to Sanction any Member who shall be found to have acted inconsistently with the Objects or the Rules, as part of the Company administering its Grievance Process, subject to any right of appeal set out in the Grievance Process.
15. Where any Member has ceased to be a Member for any reason the Company may reinstate such person as a Member either unconditionally or upon conditions, which shall be set out in writing.
16. Any person ceasing to be a Member of the Company for any reason shall nevertheless remain liable to pay all annual subscriptions and other sums due by them to the Company at the date of their ceasing to be a Member.

#### GENERAL MEETINGS

17. The Company shall hold a general meeting in every calendar year as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.
18. In these Articles, all general meetings, including annual general meetings, shall be called general meetings.
19. The Board may whenever it thinks fit convene a general meeting and general meetings may also be convened by the Directors or by the Members as provided by sections 303 to 305 of the Companies Act 2006.

#### NOTICE OF GENERAL MEETINGS

20. All general meetings (including for the avoidance of doubt annual general meetings) shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it so agreed by a majority in numbers of the Members having a right to attend and vote, being a majority together holding not less than 90 per cent of the total voting rights at that meeting of the Members. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.
21. The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it along with an explanatory note in respect of any such resolution.
22. Subject to the provisions of these Articles, the notice shall be given to all the Members entitled to attend and vote and to the Directors and the Company Auditors.
23. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or proceeding had, at that meeting.



## PROCEEDINGS AT GENERAL MEETINGS

24. No business shall be transacted at any general meeting unless a quorum of Members entitled to attend and vote is present when the meeting proceeds to business. Subject to the other terms of these Articles the quorum shall be:

- (a) ten Members, when the number of Members entitled to attend and vote exceeds twenty; or
- (b) three Members, when the number of Members entitled to attend and vote does not exceed twenty.

A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting. A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting, and in compliance with Article 34.

The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it. In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend, and are present at, a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

25. If a quorum is not present within half an hour from the time appointed for the meeting, the meeting, if convened by the Members as set out in Article 19, shall be dissolved. In any other case, it 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 or place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding that meeting the Members present shall be a quorum.
26. The Chair (if any) of the Board, or failing him or her, the Senior Independent Director (if any), shall preside as chairperson at every general meeting, but if there is no such chairperson, or if neither is present within fifteen minutes after the time appointed for holding the meeting, or if neither is willing to act, the Directors shall elect one of their number to be chair of the meeting.
27. If at any meeting no Director is willing to act as chairperson, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chair of the meeting.
28. The chair of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as set out above, the Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
29. A Director shall, notwithstanding that he or she is not a Member, be entitled to attend and speak at any general meeting.
30. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded either:

- (a) in advance of the general meeting where the resolution is to be put to the vote; or
- (b) at the general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

Subject to the provisions of the Companies Act 2006, a poll may be demanded:

- (a) by the chairperson of the meeting; or
- (b) by at least two Members entitled to attend and vote present in person or by proxy.

Unless a poll has been demanded as set out above, a declaration by the chairperson that a resolution has been carried or carried on a show of hands unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.

The demand for a poll may be withdrawn.

- 31. Except as provided in Article 30, if a poll is duly demanded it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 32. A poll demanded on the election of a chairperson, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken at such time as the chair of the meeting directs, and any business other than that in respect of which the poll has been demanded may continue pending the taking of the poll.
- 33. Subject to the provisions of the Companies Act 2006 a resolution in writing signed by or on behalf of all the Members entitled as at the relevant time to receive notice of and to attend and vote at general meetings (or being legal persons, entitled to do so by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

#### VOTES OF MEMBERS

- 34. Subject to the terms set out below, Members shall each have one vote on any resolution put to the Members. Notwithstanding the above, in relation to the election of Member Directors, in accordance with Article 46, the Nomination Committee may recommend and the Board shall make such Rules as it sees fit for the procedure of such elections (subject to Article 42).
- 35. No Member other than a duly registered Member, who has paid every subscription and other sum (if any) due and payable to the Company in respect of their Membership, shall be entitled to vote on any question either personally or by proxy, or as a proxy for another Member, at any general meeting. Notwithstanding the above, this Article shall not operate to disapply the voting rights of a duly registered Member provided that:
  - (a) such Member has paid every subscription and other sum due and payable to the Company in respect of their Membership other than their annual subscription fees;
  - (b) such annual subscription fees are less than one year overdue; and
  - (c) such Member has not been given a written notice by a Director informing them that their voting rights have been suspended pending payment of the overdue subscription fees.
- 36. On a poll and on a show of hands votes may be given personally or by proxy.
- 37. The instrument appointing a proxy shall be in any usual or common form (including for the avoidance of doubt electronic form) or in any form approved by the Board. A proxy need not be a Member of the Company. Proxies may only validly be appointed by a notice in writing which:
  - (a) states the name and address of the Member appointing the proxy;

- (b) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by the appointor or their duly authorised attorney in writing, or, if the appointor is a corporation, by an officer of the corporation or its duly authorised attorney; and
  - (d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
38. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, shall be deposited at the Office, or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than:
- (a) forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll;
- and in default the instrument appointing the proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
39. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no notice in writing of such death, insanity or revocation is received at the Office, or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, before the commencement of the meeting or adjourned meeting at which the proxy is used. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
40. The instrument appointing a proxy shall be deemed to confer authority to demand, or join in demanding, a poll.

#### THE BOARD

41. Subject to Article 100, the Board shall consist of not more than twelve persons which shall include:
- (a) up to two executive Directors, who shall be the chief executive and chief financial officer of the Company from time to time (or, where the chief financial officer cannot join a Board meeting for any reason, another senior member of the executive, selected by the chief executive) (each an "Executive Director");
  - (b) up to five Independent Non-Executive Directors (including the Chair); and
  - (c) up to five Member Directors;
- provided, however, that a majority of the Board shall be Non-Member Directors.
42. The Company may from time to time by ordinary resolution increase or reduce the number of Directors provided for by Article 41 provided that: (a) the total number of Directors shall not be reduced below a minimum of five or increased above a maximum of twelve; and (b) a majority of the Board shall be Non-Member Directors.
43. Notwithstanding Article 45 (in respect of Non-Member Directors) or Article 46 (in respect of Member Directors), as applicable, prior to being appointed as a Director each prospective Director must:
- (a) enter into a service contract with the Company; and
  - (b) agree to abide by the code of conduct adopted by the Board from time to time; and

in addition, no Member Director may stand for election, or be appointed, to the Board unless they have evidenced to the satisfaction of the Nomination Committee that

they are an employee or authorised representative of a Member and in the latter case the requirements of Article 13 have been met.

44. Subject to Article 43, all Non-Executive Directors shall be appointed for a term of up to three (3) years, renewable once. All director appointments shall be subject to an annual effectiveness review, which may be provided by a reputable, independent third party as provided in rules published by the Nomination Committee, the outcome of which may result in termination of the appointment in accordance with Article 55.

#### ELECTION AND RETIREMENT OF DIRECTORS

45. Subject to Article 43, the Independent Non-Executive Directors of the Company shall be recommended by the Nomination Committee and shall be appointed by the Board following an open selection and recruitment process.
46. Subject to Article 43, and where Member Director vacancies arise, at every annual general meeting Member Directors shall be proposed for election to the Board to reflect the composition of the Board as set out in Article 41. The Nomination Committee shall recommend and the Board shall publish election Rules, including the number of Member Director vacancies, and minimum eligibility criteria, not less than one month prior to the annual general meeting at which elections are to be held. The Rules will set out the procedure for administering Member Director elections. Any changes to the Member Director election Rules shall require Board approval by a quorate meeting of the Board at which all Directors attending and voting vote in favour of such changes.
47. Any Non-Executive Director who has held office for a period of 3 years since the later of:
- (a) in the case of Independent Non-Executive Directors, the date on which they were first appointed to the Board as a Director; or
  - (b) in the case of Member Directors, the date on which they were most recently elected as a Member Director at an annual general meeting of the Company;
- shall retire from office at the next annual general meeting but may be re-elected once only, in accordance with Article 45 or Article 46 as applicable
48. Subject to Article 43, where required to fill a casual vacancy, the Nomination Committee shall recommend and the Board shall have power to appoint a person it considers suitable to be a Member Director. A Director so appointed shall hold office until the next annual general meeting, and shall then be eligible for re-election.
49. Notwithstanding Article 48, the total number of Directors, and the number of each type of Director, shall not at any time exceed the maximum numbers provided for under Article 41.

#### POWERS OF THE BOARD

50. Subject to the Articles, to the provisions of statutes for the time being in force and affecting the Company, and to such regulations, consistent with the above, as may be prescribed by the Company in general meeting, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
51. The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company.

52. The Board may from time to time provide for the management or conduct of the affairs of the Company in such manner as it thinks fit, and for this purpose may appoint or employ any person, firm or company, whether as employee, agent or otherwise, with such powers and upon such terms as may be thought fit.
53. The Directors for the time being may act notwithstanding any vacancy in their body, provided that in case the Directors shall at any time be or be reduced to a number less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as the Board for the purposes of filling up vacancies in their body, or of summoning a general meeting, but not for any other purpose.
54. The Directors shall establish Rules for any purpose required from time to time for the effective operation of the Company or the furtherance of the Objects and which, subject to Article 46, shall include Rules relating to the Member Director elections process, or processing of the Data, provided that if there is a conflict between the terms of these Articles or the Memorandum and any Rules established under this Article, the terms of the Memorandum and/or the Articles will prevail.

#### DISQUALIFICATION OF DIRECTORS

55. The office of a Director shall be vacated:
- (a) if a receiving order is made against them or they make any arrangement or composition with their creditors;
  - (b) a registered medical practitioner who is treating the Director gives a written opinion to the Company stating that the Director has become incapable by reason of mental disorder, illness or injury of managing and administering their own affairs and may remain so for more than three months;
  - (c) if by notice in writing to the Company the Director resigns their office;
  - (d) the Director is absent (whether or not any alternate Director appointed by the Director attends), without the permission of the Board, from three Board meetings and the Board resolves that they be removed for this reason;
  - (e) the Director is requested to resign by all of the other Directors by notice in writing addressed to him or her at his or her address as shown in the register of Directors (without prejudice to any claim for damages which the Director may have for breach of any contract between him or her and the Company);
  - (f) if they are found by the Board at a Board meeting held for this purpose (at which, notwithstanding any other Article, they shall not be entitled to vote but may attend) to be in breach of the Board code of conduct (as per Article 43(b) above) by an enquiry following such procedure as forms part of such code of conduct, including a right for the Director to be heard and to make representations to the Board in writing, and the Board concludes that they should be removed as a Director in view of such breach;
  - (g) if, pursuant to Article 44, their annual effectiveness review concludes that they should be removed and this decision is ratified by a resolution of the Board at a Board meeting held for this purpose (at which, notwithstanding any other Article, they shall not be entitled to attend or vote);
  - (h) if they cease to hold office by reason of any order made under the Companies Directors Disqualification Act 1986;
  - (i) if they are removed from office by a resolution duly passed pursuant to section 168 Companies Act 2006 or cease to be a Director by virtue of any provision of the Companies Act 2006 or are prohibited from being a director by law;

- (j) if, in the case of an Executive Director, they cease to be the chief executive officer or chief financial officer of the Company, as applicable; or
- (k) if a Member Director ceases to be an employee or an authorised representative of a Member.

#### PROCEEDINGS OF THE BOARD

56. The Board may meet together for the transaction of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business, subject to the below. The quorum necessary for the transaction of business of the Directors shall not be less than four, of whom at least two shall be Member Directors, at least one shall be an Independent Non-Executive Director and at least one shall be an Executive Director, and where an Independent Non-Executive Director shall undertake the role of chairperson. Subject to Article 46, questions arising at a meeting of the Board shall be decided by a majority of votes, the outcome of which shall be binding on all Directors. In case of an equality of votes the Chairperson shall have a second or casting vote. Subject to the above requirements, all Directors may form part of the quorum necessary for a meeting of the Board and, subject to the Companies Act 2006, vote on any matter proposed as a resolution by the Board.
57. Two Directors may, at any time, summon a meeting of the Board by notice served upon the other Directors. Notice of any Directors' meeting must indicate:
  - (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
58. Notice of a Directors' meeting must be given to each Director and must be in writing. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it. Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when—
  - (a) the meeting has been called and takes place in accordance with the Articles; and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
59. In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other. If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
60. The Board shall from time to time elect one Independent Non-Executive Director as Chair of the Board, who shall be entitled to preside at all meetings of the Board at which they are present, and one Independent Non-Executive Director as Senior Independent Director, and may determine for what period they are to hold office. If no such Chair has been elected, or if at any meeting the Chairperson is not present and willing to preside within five minutes after the time appointed for holding the meeting, the Senior Independent Director shall preside, and if that is not possible, the Directors present shall choose one of their number to be chairperson of that meeting.
61. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretion by or under the regulations of the Company for the time being

vested in the Board generally. If the total number of Directors for the time being is less than the quorum required, the Directors may not take any decision other than a decision to appoint further Directors, or to call a general meeting so as to enable the Members to appoint further Directors in each case, in accordance with these Articles.

62. The Board may delegate any of their powers, other than the power to determine membership fees, to committees consisting of such Member or Members of the Board and such other persons as they think fit and provided that all such actions and proceedings shall be fully and promptly reported back to the Board in writing, and any committee so formed shall, in the exercise of the powers so delegated, conform to any terms of reference imposed on it and published by the Board. The meetings and proceedings of any such committee shall be governed by the provisions of these terms of reference and Rules regulating proceedings of the Board, so far as applicable.
63. All acts bona fide done by any meeting of the Board or of any committee of the Board, or by any person acting as a member of the Board, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as set out in this paragraph, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Director.
64. The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of the Company and of the Board including the names of the Directors present at such meetings, and all business transacted at such meetings as recorded in the minutes of such meetings shall be sufficient evidence without any further proof of the facts stated in such minutes, provided that they are signed (or stated to be approved) by the Chair of such meeting, or by the Chair of the next succeeding meeting.
65. A resolution in writing signed by all the Directors for the time being or of any committee of the Board who are entitled to receive notice of a meeting of the Board, or of such committee, shall be as valid and effective as if it had been passed at a meeting of the Board, or of such committee, duly convened and constituted.

#### STANDING COMMITTEES OF THE BOARD

##### Nomination Committee

66. The Board shall establish a Nomination Committee to make non-binding recommendations for the appointment of Board Directors. The Nomination Committee shall comprise:
  - (a) two Member Directors;
  - (b) three Independent Non-Executive Directors, including the Chair of the Board and the Senior Independent Non-Executive Director, and the Senior Independent Non-Executive Director shall chair the Nomination Committee or, in their absence, the Chair of the Board shall act as chair (and shall have a casting vote if necessary to break deadlock); and
  - (c) the Chief Executive Officer may be invited to attend and speak but not to vote at meetings of the Nomination Committee.
67. The term of office of the Directors on the Nomination Committee shall be three years, renewable once, or until they cease to be a Director, whichever is sooner.
68. The Board shall make written terms of reference for the Nomination Committee (including the procedure for making non-binding recommendations and Member Director elections Rules, pursuant to Article 46) which shall be consistent with the provisions of these Articles.

#### Audit and Risk Committee

69. The Board shall establish an Audit and Risk Committee which shall have oversight of the financial reporting process, selection of the independent auditor, and receipt of audit results both internal and external, for the Company. The Audit and Risk Committee shall comprise:
- (a) two Member Directors;
  - (b) three Independent Non-Executive Directors; and
  - (c) the Chief Executive Officer may be invited to attend and speak but not to vote at meetings of the Audit and Risk Committee.
70. The Board shall make written terms of reference for the Audit and Risk Committee, which shall be consistent with the provisions of these Articles. The Board shall appoint the chair of the Audit and Risk Committee.

#### Remuneration Committee

71. The Board shall establish a Remuneration Committee which shall have oversight of the remuneration policy for the members of the Board of Directors and the executive. The Remuneration Committee shall comprise:
- (a) two Member Directors;
  - (b) three Independent Non-Executive Directors; and
  - (c) the Chief Executive Officer may be invited to attend and speak but not to vote at meetings of the Remuneration Committee.
72. The Board shall make written terms of reference for the Remuneration Committee, which shall be consistent with the provisions of these Articles. The Board shall appoint the chair of the Remuneration Committee.

#### ACCOUNTS

73. The Board shall cause accounting records to be kept in accordance with section 386 of the Companies Act 2006.
74. The accounting records shall be kept at the Office, or, subject to section 388 of the Companies Act 2006, at such other place as the Board may think fit and shall always be open to the inspection of the Directors.

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by statute or authorised by the Board or by the Company in general meeting.

#### NOTICES

75. Any notice to be given pursuant to these Articles shall be in writing.
76. The Company can deliver a notice or any other documents, including a share certificate, to any Member:
- (a) by delivering it by hand to the address recorded for a Member on the register of Members;
  - (b) by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for a Member on the register of Members;



- (c) by electronic mail (except a share certificate) to an address notified by a shareholder in writing; or
  - (d) by a website (except a share certificate), the address of which shall be notified to a Member in writing, by provision of an electronic link or by way of a similar online medium.
77. If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the Member.
78. If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered:
- (a) 24 hours after it was posted, if first class post was used; or
  - (b) 72 hours after it was posted or given to delivery agents, if first class post was not used;
- provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:
- (a) properly addressed; and
  - (b) put into the post system or given to delivery agents with postage or delivery paid.
79. If a notice or document (other than a share certificate) is sent by electronic mail, it is treated as being delivered at the time it was sent.
80. If a notice or document (other than a share certificate) is sent by a website, electronic link or similar online medium, it is treated as being delivered when the material was first made available on such media, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on such media.
81. If a notice is given by advertisement, it is treated as being delivered at midday on the day when the last advertisement appears in the newspapers.
82. Any Member described in the register of Members by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notice may be served upon them by post, shall be entitled to have notices served upon them at such address, but, save as aforesaid and as provided by the Companies Acts, only those Members who are described in the register of Members by an address within the United Kingdom shall be entitled to receive notices from the Company by post.

#### THE MEMORANDUM

83. In accordance with clause 5 of the Memorandum, the income and capital of the Company must be applied solely to the promotion of the Objects. No part of the income or capital may be paid or transferred, directly or indirectly, to the Members of the Company, whether by way of a distribution of profit or surplus. This does not prevent the payments of:
- (a) reasonable and proper remuneration of any officers, employee, or Member of the Company in return for any services provided to the Company;
  - (b) discounts provided to Members in respect of their purchase of goods or services provided by the Company;
  - (c) a reasonable rate of interest on money lent to the Company;
  - (d) reasonable rent for property let to the Company;
  - (e) expenses of any officer, employee or Member of the Company; or
  - (f) premiums on the indemnity insurance referred to in clause 4.12 of the Memorandum.
84. Clause 8 of the Memorandum relating to the winding up and dissolution of the Company forms part of these Articles and has effect as such.

## **DIRECTORS' REMUNERATION**

85. Subject to Article 87, and to their legal duties in relation to conflicts of interests, Directors may undertake any services for the Company that the Directors decide.
86. Non-Executive Directors are entitled to such remuneration as the Board determines from time to time (acting through the Remuneration Committee):
- (a) for their services to the Company as Directors, and
  - (b) for any other service which they undertake for the Company and which has been sanctioned by a resolution of the Board.
87. Subject to these Articles, a Non-Executive Director's remuneration may:
- (a) take any form,
  - (b) in the case of Member Directors, be paid to the Director personally or the Member which employs them (at the discretion of the latter); and
  - (c) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

## **DIRECTORS' EXPENSES**

88. Subject to any Directors' expenses policies adopted by the Board from time to time and notified to each Director the Company shall pay any reasonable and properly documented business expenses which the Directors incur in the course of performing their duties, including those expenses in connection with their attendance at:
- (a) meetings of Directors or committees of Directors;
  - (b) general meetings of the Company; or
  - (c) separate meetings of the holders of debentures of the Company;
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## **CONFLICTS OF INTEREST**

89. If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
90. Notwithstanding the provisions of Article 89, a Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes in the following circumstances:
- (a) the relevant conflict of interest has been fully disclosed to and duly authorised by:
    - (i) an independent quorum of the Board in accordance with sections 175(5) and 175(6) of the Companies Act 2006 (and for this purpose the Members elect that those sections shall apply to the Company); or
    - (ii) the Company by way of an ordinary resolution passed at a general meeting or by way of a written resolution;
  - (b) the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process;
  - (c) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (d) the Director's conflict of interest arises from a permitted cause.

91. For the purposes of Article 90, the following are permitted causes:
- (a) the relevant Director being a director or officer of any subsidiary;
  - (b) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
  - (c) subscription, or an agreement to subscribe, for securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
  - (d) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.
92. For the purposes of Articles 89 to 94, references to proposed decisions and decision-making processes include any Board meeting or part of a Board meeting.
93. Subject to Article 94, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director 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 whose ruling in relation to any Director other than the Chairperson is to be final and conclusive.
94. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## INDEMNITY AND INSURANCE

### 95. INDEMNITY

- 95.1 Subject to Article 95.2 below, a relevant Director of the Company or a director of an associated company may be indemnified out of the Company's assets against:
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); or
  - (c) any other liability incurred by that director as an officer of the Company or an associated company.
- 95.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 95.3 In this Article:
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - (b) a "relevant director" means any director or former director of the Company (including statutory directors of the Company) or of an associated company.

96. INSURANCE

96.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.

96.2 In this Article:

- (a) a “relevant director” means any director or former director of the Company (including statutory directors of the Company) or of an associated company,
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

TRANSITIONAL PROVISIONS

97. Notwithstanding any other provisions of these Articles, the following transitional provisions shall apply from the Effective Date.

98. The Directors as at the Effective Date shall constitute the Board and, subject always to Article 55, shall continue to hold office as Directors for the following periods:

- (a) in the case of Executive Directors, for such term as they remain the chief executive officer or chief financial officer of the Company, as applicable;
- (b) in the case of Independent Non-Executive Directors, for the remainder of the respective terms for which they were appointed; and
- (c) in the case of Member Directors, their term of office shall automatically come to an end at the Company’s next annual general meeting, at which point they may be re-elected if a vacancy is available;

provided, however, that the maximum terms of office set out at Article 47 shall apply.

99. Accordingly, during the period from the Effective Date until the next annual general meeting following the Effective Date, the Board may comprise up to fourteen (14) Directors being those Directors holding office as at the Effective Date.

102. On the Effective Date, the members of the Nomination Committee immediately prior to that date shall be deemed to have resigned and the Board shall promptly appoint the new members of the Nomination Committee pursuant to and in accordance with Article 66.

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