

COMPANIES ACTS 1985 TO 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of

COSTAIN PENSION SCHEME TRUSTEE LIMITED

Adopted by special resolution on 12 September 2016

No 5137385

COMPANIES HOUSE

WEDNESDAY



RM *R5GGVJSH* 28/09/2016 #31

PRELIMINARY

- 1 The following Articles and (subject as hereinafter provided) the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Amendment Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 ("**Table A**") constitute the Articles of Association of the Company
- 2 Regulations 24, 29 to 31, 64, 65, 73 to 82, 84, 87, 89, 91 and 94 to 98 of Table A do not apply to the Company

DEFINITIONS

- 3 Regulation 1 of Table A applies to the Company with the addition of the following new definitions which apply to these Articles

"**Active Member**" means a person who has been admitted to membership of the Scheme and has not subsequently left service or opted-out of active membership,

"**Costain**" means Costain Group PLC (registered number 1393773) having its registered office at Costain House, Nicholsons Walk, Maidenhead, Berkshire SL6 1LN,

"**Director**" means a director of the Company,

"**Eligible Member**" means an Active Member, a Pensioner Member or a member of the Scheme who is entitled to a preserved pension from the Scheme and who is in the employment of either Costain Engineering & Construction Limited or Costain Engineering & Construction (Overseas) Limited,

"**Member**" means an Active Member, a Pensioner Member or a member of the Scheme who is entitled to a preserved pension from the Scheme,

"**Member-Nominated Director**" means a person appointed in accordance with Article 13 from amongst the Eligible Members,

"**Pensioner Director**" means a person appointed in accordance with Articles 12 or 13 from amongst persons drawing a pension from the Scheme,

"Pensioner Member" means a person drawing a pension from the Scheme,

"Principal Company" means such company as is, for the time being, the Principal Company of the Scheme,

"Rules" means the definitive documentation of the Scheme, as amended from time to time,

"the Scheme" means the occupational pension scheme for the time being known as The Costain Pension Scheme of which the Company acts as sole trustee, and

"the Selection Panel" means a committee consisting of a representative of the Principal Company, two Directors and one independent external adviser appointed by the Company, or such other committee from time to time constituted by the Directors as the "Selection Panel" Some members of the Selection Panel, with the exception of the independent external adviser, shall be Members of the Scheme

4 Save as provided in Article 3, words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these Articles References to pronouns relating to men shall also apply to women and vice versa The headings in these Articles do not affect their interpretation

5 References in Table A and in these Articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form

SHARE CAPITAL

6 The share capital of the Company is £1000 divided into 1000 ordinary shares of £1 each

TRANSFER OF SHARES

7 The Directors may, in their absolute discretion and without giving any reason, refuse to register any transfer of any share

LIEN

8 The Company shall have a first and paramount lien on every share, whether fully paid or not, registered in the name of any person, whether as sole or joint holder, indebted to the Company for all moneys due to the Company, whether in respect of that share or not The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article The Company's lien, if any, on a share shall extend to any amount payable in respect of it The registration of a transfer of a share shall operate as a waiver of any lien of the Company thereon

FIRST DIRECTORS

9 Following the adoption of these Articles by the Company, the first Directors (including Member-Nominated Directors and Pensioner Directors) will be those individuals appointed as agreed between the Company and Costain,

notwithstanding any provisions regarding the appointment of Directors in these Articles to the contrary

NUMBER OF DIRECTORS

- 10 The number of Directors shall not be less than four of whom at least one shall be a Pensioner Director and at least one-half shall be Member-Nominated Directors. A Pensioner Director may also be a Member-Nominated Director
- 11 Subject to Articles 12 and 13, if there are fewer than four Directors or the number of Member-Nominated Directors is less than that set out in Article 10 arrangements shall be made for the appointment of additional Directors in accordance with these Articles as quickly as is reasonably practicable

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 12 The Directors shall have the power to appoint, with the written consent of the Principal Company (such consent not to be unreasonably withheld), a Director or Directors (other than a Member-Nominated Director) as and when a vacancy arises
- 13 A Member-Nominated Director shall be appointed by the Selection Panel. The candidate shall be an Eligible Member nominated for appointment by five Members. In the event that the Selection Panel when seeking to appoint a Member-Nominated Director decides, in its absolute discretion, that there is no suitable candidate, the vacancy shall remain unfilled and nominations sought again at such intervals as the Directors consider reasonable (not exceeding three years) until the vacancy is filled
- 14 The appointment of a Member-Nominated Director shall be evidenced by written notice by the Chairman of the board of Directors delivered to the secretary of the Company at its registered office
- 15 On being appointed as a Director, that Director is required to become a member of the Company and must deliver to the secretary of the Company at its registered office an instrument of transfer of his share executed by or on behalf of the Director as transferor
- 16 Any Director may be re-appointed to office in accordance with Articles 12 to 14 on ceasing to hold office as a Director where this is required by pensions legislation, subject to continuing to satisfy the appropriate eligibility requirements and subject to the provisions of Articles 12 and 13 and the terms of pensions legislation in force at the time of such re-appointment
- 17 The Directors are not subject to retirement by rotation and any reference in Table A to retirement by rotation shall be disregarded

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 18 A Director (other than a Member-Nominated Director) shall continue in office as a Director until he resigns, or is removed from office as a Director by his co-Directors with the written consent of the Principal Company (such consent not be unreasonably withheld) or, if earlier, as required by pensions legislation
- 19 A Member-Nominated Director shall continue in office until he resigns, leaves the employment of either Costain Engineering & Construction Limited or

Costain Engineering & Construction (Overseas) Limited or is removed from office as a Director by the unanimous vote of all his co-Directors or, if earlier, as required by pensions legislation

20 In addition to the provisions of Articles 18 and 19, the office of a Director shall be immediately vacated if -

- (a) he ceases to be a Director by virtue of any provision of the Act or pensions legislation from time to time in force or he becomes prohibited by law from being a director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (c) he becomes, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as a Director, or
- (d) he is disqualified from acting as a trustee for any reason or is removed from office as a trustee by the Occupational Regulatory Pensions Authority or the Pensions Regulator, or
- (e) he is for more than six consecutive months absent without permission of the Directors from meetings of the Directors held during that period (such permission to be shown by the acceptance of apologies for absence or otherwise) and the co-Directors unanimously agree that his office shall be vacated

REMUNERATION

21 A Director shall not be entitled to any remuneration in respect of his services, except as permitted under the Rules

PROCEEDINGS OF DIRECTORS

22 Subject to Articles 27 to 35 -

- (a) a Director who pursuant to Sections 177, 182 or 184 of the Companies Act 2006 has declared to the Directors the nature and extent of his interest (whether direct or indirect) in a contract or proposed contract or arrangement with the Company shall be entitled to vote in respect of that contract or proposed contract, and if he does so, his vote shall be counted and he shall be taken into account in ascertaining whether or not a quorum is present at the meeting of the Directors at which the vote is taken, and
- (b) a Director who has an interest in the Scheme or in Costain or any company in the Costain group shall not be required to disclose that interest to the other Directors and shall be entitled to vote in respect of matters affecting that interest. If the Director does so vote, his vote shall be counted and he shall be taken into account in ascertaining whether or not a quorum is present at the meeting of the Directors at which the vote is taken. Regulations 85 and 86 in Table A shall be read subject to this Article 22

23 Unless otherwise decided by the Directors, the quorum necessary for the transaction of the business of the Directors at a meeting of the Directors shall

be a majority of the Directors from time to time holding office. Where the quorum requirements set out in this Article cannot be met because one or more directors are ineligible to be counted in the quorum present as a result of Article 28, then the quorum for the transaction of the business relating to the resolution on which one or more Directors is not entitled to vote shall be any two Directors who are eligible to be counted in the quorum present under Article 28.

- 24 All or any of the Directors may participate in a meeting of the Directors 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. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting then is.

CHAIRMAN OF THE TRUSTEE BOARD

- 25 The Chairman of the board of Directors shall be appointed and may be removed by the Directors. The Directors may also appoint and remove a Deputy Chairman of the board of Directors, who will preside in the absence of the Chairman. Any such appointment or removal shall be evidenced by written notice delivered to the secretary of the Company. Unless he is unwilling to do so, the Director so appointed as Chairman, or in his absence the Deputy Chairman, shall preside at every meeting of Directors. If there is no Director holding either office, or if both Directors holding these offices are unwilling to preside or are not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

INSURANCE

- 26 The Directors may exercise all of the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was a trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company

DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

- 27 The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a Director infringing his duty under section 175 of the Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest
- 28 Authorisation of a matter under Article 27 is effective only if -
- (a) the matter has been proposed to the Directors by it being submitted in writing for consideration at a meeting of the Directors or for the authorisation of the Directors by resolution in writing and in accordance with the Directors' normal procedures or in such other manner as the Directors may approve,
 - (b) any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director, and
 - (c) the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted
- 29 Any authorisation of a matter under Article 27 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
- 30 The Directors may authorise a matter pursuant to Article 27 on such terms and for such duration, or impose such limits or conditions on it, as they may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation
- 31 Any terms imposed by the Directors under Article 30 may include (without limitation) -
- (a) whether the Director may vote (or be counted in the quorum) at a meeting of the Directors or any committee or sub-committee of the Directors in relation to any resolution relating to the relevant matter,

- (b) whether the Director is to be given any documents or other information in relation to the relevant matter,
 - (c) whether the Director is to be excluded from discussions in relation to the relevant matter at a meeting of the Directors or any committee or sub-committee of the Directors or otherwise, and
 - (d) whether the Director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a Director of the Company) to the Company or to use or apply it in performing his duties as a Director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter
- 32 A Director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 if he acts in accordance with such terms, limits and conditions (if any) as the Directors may impose in respect of its authorisation of the Director's conflict of interest or possible conflict of interest under Article 30
- 33 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under Article 27 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit
- 34 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties
- 35 With the exception of those matters described above in Article 27, the Directors shall have the power retrospectively to ratify any administrative action or omission or exercise of a discretion on their behalf provided that the administrative action or omission or exercise of a discretion is one which could have properly been delegated under the trust deed and rules from time to time of The Costain Pension Scheme or The Costain Life Assurance Scheme