

Company No 09666504

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY  
SHARES

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WRITTEN RESOLUTION

of

OIL AND GAS AUTHORITY LIMITED  
(the "Company")

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Circulation Date

16 September, 2016

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Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose the following Written Resolution as a Special Resolution

SPECIAL RESOLUTION

THAT the regulations contained in the printed document attached to this resolution at Appendix 1 be and they are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing articles of association

**Please read the Notes overleaf before signifying your agreement to the Written Resolution.**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, I, the undersigned, being the sole eligible member of the Company who would have been entitled to vote on the resolution set out above on the Circulation Date stated above hereby irrevocably agree to the resolution



16 Sept-2016

Date of signature

Secretary of State for

Energy and Climate Change

FRIDAY



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30/09/2016

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## Notes

- 1 If you agree to the proposed Written Resolution please sign and date this document overleaf on the dotted line where indicated and return it to the Company using one of the following methods, in each case by no later than the date 28 days after the Circulation Date stated overleaf by hand or by post to the Company's registered office at 21 Bloomsbury Street, London, United Kingdom, WC1B 3HF
- 2 If you do not agree to the Written Resolution you do not need to do anything. You will not be deemed to agree if you fail to reply.
- 3 The Written Resolution will lapse if the agreement of the required majority of eligible members is not received by the Company by the date 28 days after the Circulation Date stated overleaf. If the Company does not receive this signed document from you by this date and time it will not be counted in determining whether the Written Resolution is passed.
- 4 The Written Resolution is passed on the date and time that the Company receives the agreement of the required majority of eligible members. The required majority for a Special Resolution is eligible members representing not less than 75% of the total voting rights of eligible members.
- 5 You may not revoke your agreement to the Written Resolution once you have signed and returned this document to the Company.
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Company No 09666504

Oil and Gas Authority Limited (the "**Company**")

## **ARTICLES OF ASSOCIATION**

(Adopted by special resolution on 16 September 2016)

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## **Part 1**

### **Interpretation and Limitation of Liability**

#### **1 Exclusion of Model Articles and defined terms**

- (1) No articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the articles of the Company

- (2) In the articles, unless the context requires otherwise

"alternate director" has the meaning given in article 30,

"appointor" has the meaning given in article 30,

"articles" means the Company's articles of association,

"bankruptcy" includes individual 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, as from time to time constituted,

"Business Plan" means the formal statement of business goals (including the Company's proposals for achieving them) approved by the Company from time to time,

"chairman" has the meaning given in article 24,

"chairman of the meeting" has the meaning given in article 40,

"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,

"Conflict" has the meaning given in article 16,

"conflicts of interest" include a conflict of interest and duty and a conflict of duties and

"interest" includes both direct and indirect interests,

"contract" in article 15 includes any transaction or arrangement (whether or not constituting a contract),

"director" means a director of the Company, and includes any person occupying the position of director, by whatever name called,

"document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"Energy Act" means the Energy Act 2016 (as amended from time to time),

"fully paid" in relation to a share means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company,

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

"Industry" means participants in the oil and gas industry, including without limitation holders of petroleum licences, operators under petroleum licences, owners of upstream petroleum licences, persons planning and carrying out the commissioning of upstream petroleum infrastructure (as such terms are defined in the Petroleum Act) and owners of relevant offshore installations,

"Infrastructure Act" means the Infrastructure Act 2015 as amended from time to time,

"instrument" means a document in hard copy form,

"MER UK" means maximising the cost-effective recovery of oil and gas from the United Kingdom continental shelf in order to maximise long-term added value to the United Kingdom as a whole,

"MER UK Strategy" means the enduring, coherent tripartite strategy to give effect to MER UK as approved by the shareholder on 28 January 2016 (and amended from time to time),

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the adoption of these articles,

"paid" means paid or credited as paid,

"participate", in relation to a directors' meeting, has the meaning given in article 11,

"Permitted Situation" has the meaning given in article 16,

"Petroleum Act" means the Petroleum Act 1998 (as amended from time to time),

"Principal Objective" means the principal objective of maximising the economic recovery of UK petroleum, as defined in s9A Petroleum Act 1998,

"proxy notice" has the meaning given in article 44,

"shareholder" means the Secretary of State for Energy and Climate Change who is the sole holder of the entire issued share capital of the Company,

"shareholder representative director" has the meaning given in article 24(2),

"shares" means shares in the Company, 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

- (3) Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in Companies Act 2006 as in force on the date when the articles become binding on the Company

## **2. The Objects of the Company**

The objects of the Company are

- (1) to carry out any functions conferred on the Company by or under any provisions of any legislation or any other regulation or contract binding on the Company, as amended from time to time (including without limitation the Energy Act) and to carry out such other functions or exercise such powers as, from time to time, may be carried out or exercisable by the Company,
- (2) to give effect to the Principal Objective in relation to the offshore oil and gas industry's activities, and
  - (a) to work proactively with Industry and other parts of government to action the MER UK Strategy,
  - (b) to be a strong and effective steward and regulator of the offshore oil and gas Industry,
  - (c) to take appropriate action if Industry acts in a way that is contrary to or inconsistent with MER UK, and
  - (d) to encourage, catalyse, facilitate and support collaboration across Industry to act in a way that will maximise the recovery of offshore oil and gas,
- (3) to be responsible for issuing licences and supervising the activities of licensees, including without limitation for licences for the sub-surface storage of gas and its unloading,
- (4) to adhere to the provisions of the Energy Act and the Infrastructure Act as applicable to the Company and to any framework agreement between the Company and the shareholder from time to time (unless to do so would contravene any legislation applicable to the Company),
- (5) to provide advice and expertise to Industry and to Government, including without limitation in respect of gas storage and carbon capture policy,
- (6) to carry out any other function or exercise any other power as may, in the Company's view, assist or enable it to carry out the functions and powers referred to above or which the Company considers incidental, desirable or expedient

**3. Liability of the shareholder**

The liability of the shareholder is limited to the amount, if any, unpaid on the shares held by it

**Part 2****Directors****Directors' Powers and Responsibilities****4. Directors' general authority**

Subject to the articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

**5. The shareholder's reserve power and effect of altering the articles**

- (1) The shareholder may, by special resolution, direct the directors to take, or refrain from taking, specified action unless to do so would contravene any legislation applicable to the Company
- (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution
- (3) No alteration of the articles invalidates anything which the directors have done before the alteration was made
- (4) The power conferred on the shareholder by this article is separate and shall be interpreted and construed independently from any power of the shareholder to give directions to the Company under the Energy Act
- (5) Notwithstanding the powers of the shareholder referred to in article 5(4), the shareholder intends that the Company shall be operationally independent from the shareholder and does not intend to involve itself in the day-to-day routine business of the Company

**6. Directors may delegate**

- (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles
  - (a) to such person or committee,
  - (b) by such means (including by power of attorney),
  - (c) to such an extent,
  - (d) in relation to such matters or territories, and
  - (e) on such terms and conditionsas they think fit

- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (3) Where a provision in the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee
- (4) The directors may revoke any delegation in whole or part, or alter its terms and conditions

## **7. Committees**

- (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

## **Decision-Making by Directors**

### **8. Directors to take decisions collectively**

- (1) The general rule about decision-making by directors is that any decision of the directors must be a majority decision at a meeting
- (2) If only one director is eligible to vote on any authorisation required under article 16, the general rule does not apply, and the eligible director may take decisions in relation to the relevant matter without regard to any of the provisions of the articles relating to directors' decision-making

### **9 Unanimous decisions**

- (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter. If an alternate director indicates that he shares the common view, his appointor need not also indicate his agreement
- (2) Such a decision may take the form of a resolution in writing, at least one copy of which has been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing. A resolution signed by an alternate director need not also be signed by or agreed to by his appointor
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter and whose vote would have been counted had it been proposed as a resolution at a directors' meeting
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

## **10. Calling a directors' meeting**

- (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice
- (2) 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
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) 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 either before or 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

## **11. Participation in directors' meetings**

- (1) 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
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- (3) 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
- (4) The directors may make whatever arrangements they consider appropriate to enable a person to attend and speak at a directors' meeting

## **12. Quorum for directors' meetings**

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

- (2) Subject always to article 8(2), the quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two
- (3) If the total number of directors for the time being in office is less than the quorum required, the directors must not take any decision other than a decision
  - (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholder to appoint further directors

### **13 Chairing of directors' meetings**

The chairman of the board shall act as chairman at every directors' meeting. If at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

### **14. Casting vote**

- (1) If the numbers of votes at a meeting of directors for and against a proposal are equal (ignoring any votes which are to be discounted in accordance with the articles or the Companies Acts), the chairman or other director chairing the meeting has a casting vote
- (2) Article 14(1) does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

### **15. Transactions or arrangements with the Company**

- (1) A director may, notwithstanding his office
  - (a) be a party to, or otherwise interested in, any contract with the Company or in which the Company is otherwise interested,
  - (b) be a director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any group company or in any body corporate promoted by the company or any group company or in which the company or any group company is interested, and
  - (c) act by himself or his firm in a professional capacity for the Company (otherwise than as auditor),

provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with and to the extent required by the Companies Acts

- (2) For the purposes of this article

- (a) a director shall be deemed to have disclosed the nature and extent of such an interest, and
  - (b) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any contract in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such contract of the nature and extent so specified
- (3) Where a director is a director or other officer of, or employed by, a group company, he
- (a) may in exercising his independent judgement take into account the success of other group companies as well as the success of the company, and
  - (b) shall in the exercise of his duties, where that other group company is a parent company, have a duty of confidentiality to the parent company in relation to confidential information of the parent company, but he shall not be restricted by any duty of confidentiality to the company from providing information to any parent company

#### **16 Conflicts of interest requiring board authorisation**

- (1) The directors may, subject to the quorum and voting requirements set out in the articles, authorise any matter which would otherwise involve a director breaching his duty under the Companies Acts to avoid conflicts of interest ("**Conflict**")
- (2) Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and decided upon by the directors under the provisions of the articles save that the relevant director shall not count towards the quorum nor vote on any resolution giving such authority and save further that if there are insufficient directors eligible to vote and therefore to form a quorum, article 8(2) will apply
- (3) Where the directors give authority in relation to a Conflict
  - (a) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded), and
  - (b) the directors may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation or variation in accordance with the terms of such authority
- (4) Where the directors give authority in relation to a Conflict or where any of the situations referred to in article 15(1) ("**Permitted Situation**") applies
  - (a) the directors may (whether at the relevant time or subsequently) (i) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the directors or otherwise) related to the Conflict or Permitted Situation, and (ii)

impose upon the relevant director such other terms for the purpose of dealing with the Conflict as they may determine,

- (b) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the board in relation to the Conflict or Permitted Situation, and
  - (c) the directors may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence
- (5) A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company or the shareholder for any remuneration, profit or other benefit realised by reason of his having any type of interest in a Conflict authorised under this article or in any Permitted Situation and no contract shall be liable to be avoided on the grounds of a director having any such interest

#### **17. Directors may vote when interested**

- (1) Subject where applicable to disclosure in accordance with the Companies Acts or the articles and subject to any terms imposed by the directors in relation to any Conflict or, Permitted Situation or general conflict of interest policy of the Company (the conflict of interest policy to take precedence in such circumstances), a director shall be entitled to vote in respect of any matter in which he is interested directly or indirectly and if he shall do so his vote shall be counted and, whether or not he does, his presence at the meeting shall be taken into account in ascertaining whether a quorum is present
- (2) Subject to paragraph (3), 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 chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- (3) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

#### **18 Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors



**19. Directors' discretion to make further rules**

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

**Matters requiring the shareholder's consent**

**20. Approval of the appointment or removal of directors and their terms of employment or engagement and remuneration**

Notwithstanding any provision in these articles to the contrary, each of the following shall be deemed to be a variation of the rights attaching to the shares and accordingly shall occur and be effective only with the prior written consent of the board

- (a) save in respect of any variations or amendments required by HM Treasury from time to time, the approval of or agreement to or any material variation or amendment to (i) the remuneration (including, without limitation, salary, bonuses, benefits in kind and pension rights) paid or granted by any member of the group to or for the benefit of any director of the Company in respect of his/her office as a director of the Company or (ii) the terms and conditions on which such remuneration is to be paid or granted, and
- (b) the approval of or agreement to or any material variation or amendment to the terms and conditions of employment or engagement by any member of the group of any director of the Company in respect of his/her office as a director of the Company

**21. Shareholder consent matters**

- (1) Notwithstanding any provisions in the articles to the contrary, each of the following shall be deemed to be a variation of the rights attaching to the shares and accordingly shall occur and be effective only with the prior written consent of the shareholder
  - (a) undertaking any action where the power to undertake that action is not specifically granted to the Company by any applicable law or framework agreement between the Company and the shareholder from time to time, or which is contrary to the Principal Objective,
  - (b) undertaking any action which will give rise to any obligations or liabilities (including without limitation contingent liabilities) on the Company which are not within the normal course of business of the Company or which are not expected to be affordable in terms of expected levy income (present or future),
  - (c) undertaking any action which, notwithstanding the ability of the Company to raise levies, will or is likely to give rise to an additional funding requirement from the shareholder (including without limitation loans for capital expenditure) or any other additional financial support being required from, or obligations being assumed by, the shareholder (including without limitation in the form of an indemnity),

- (d) undertaking any action which is contrary to policy set by the shareholder from time to time,
- (e) undertaking any action which may jeopardise the Company's ability to deliver value for money for the Exchequer,
- (f) permitting the Company to provide financial assistance to any third party which would or may result in the Company incurring costs greater than the levies, fees and other income (after allowing for any agreed grant provided by the shareholder) expected to be received by the Company in that financial year,
- (g) making any material deviation from the Business Plan,
- (h) making any change to the name of the Company,
- (i) permitting the Company to borrow any money or make any loan to any party other to than officers or employees of the Company pursuant to the terms of their service or employment,
- (j) permitting the Company to make any investments other than via deposits in interest bearing accounts provided through the Government Banking Service,
- (k) permitting the Company to make any gift to any third party,
- (l) permitting the Company to engage in any commercial activities,
- (m) making any change to the MER UK Strategy, and
- (n) making any decision to impose financial sanctions on a third party in excess of £1,000,000

## **22 Approval procedure**

- (1) Whenever the Company wishes to obtain the shareholder's consent to any matter set out in article 21
  - (a) the Company shall give written notice to the shareholder, such notice to
    - (i) clearly state that it is important and requires immediate attention,
    - (ii) clearly identify itself as a notice served pursuant to this article 21(1)(a) and that failure to respond within ten business days will result in the shareholder being deemed to have given his consent to the matter in question, and
    - (iii) contain any further information as an annex to enable the shareholder to consider the matter being proposed

- (b) On or before the date which falls ten business days after the date of receipt of such notice (the "**Initial Expiry Date**") the shareholder shall give written notice to the Company secretary stating
    - (i) its consent to the matter contained in the notice, or
    - (ii) its refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal), or
    - (iii) that it requires a further ten business days in which to consider the matter, commencing on the business day following the Initial Expiry Date
- (2) If on or before the Initial Expiry Date the shareholder gives written notice to the Company pursuant to article 21(1)(b)(iii) the shareholder shall, on or before the date which falls ten business days after the Initial Expiry Date, give a further written notice to the secretary stating
  - (a) its consent to the matter contained in the notice, or
  - (b) its refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal)
- (3) The shareholder may, at any time, request from the Company such further information as it reasonably requires in order to assist it to consider the matter being proposed and the Company shall deliver such information to the shareholder as soon as reasonably practicable thereafter
- (4) If the Company does not receive any notice from the shareholder pursuant to article 21(1)(b) on or before the Initial Expiry Date or pursuant to article 21(2) within the further period referred to therein, the Company shall be entitled to undertake the matter contained in the notice issued by it pursuant to article 21(1)(a) and the consent of the shareholder shall be deemed irrevocably given to such matter
- (5) In favour of any third party dealing with any member of the group a certificate by any director or the secretary to the effect that the shareholder shall have been deemed to have given its consent to any matter as a result of the operation of article 21(4) above shall be conclusive and binding as to that fact

### **Appointment of Directors**

#### **23. Number of directors**

Unless otherwise determined by ordinary resolution, the directors (disregarding alternate directors) shall be not less than two nor more than 12 in number

**24. Appointment of the chairman, senior independent director and shareholder representative directors**

(1) The shareholder shall appoint

(a) one director to act as chairman of the board (or any committee thereof) ("**chairman**"), and

(b) one other non-executive director in accordance with article 24 (2),

and may at any time remove any director appointed by it pursuant to this article from that office, in each case by notice in writing to the Company

(2) The shareholder shall appoint one person to the board (or any committee thereof) as its representative (a "**shareholder representative director**") The shareholder may at any time remove any director appointed by it pursuant to this article from that office, in each case by notice in writing to the Company

**25. Power of the board to appoint directors**

Subject to the provisions of article 24, the board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles

**26. Power of removal by special resolution**

In addition to any power of removal conferred by the Companies Acts, any director may before the expiration of his period of office be removed by special resolution and another person who is willing to act to be a director in his place may (subject to these articles) be appointed by ordinary resolution

**27. Termination of director's appointment**

A person ceases to be a director as soon as

(a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,

(b) a bankruptcy order is made against that person,

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts,

(d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

- (e) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms, or
- (f) that person has for more than three consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that that person should cease to be director

## **28. Directors' remuneration**

- (1) Directors may undertake any services for the Company that the directors decide
- (2) Subject to the provisions of article 20, unless otherwise specified by HM Treasury, each of the directors shall be paid a fee at such rate as may from time to time be determined by the board
- (3) Subject to the articles, a director's remuneration may take any form
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day
- (5) Directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company, any group Company or any other body corporate in which the Company is interested, and the receipt of such benefit shall not disqualify any person from being a director of the Company
- (6) The directors may provide benefits, whether by the payment of a pension, allowance or gratuities, or any death, sickness or disability benefits or by insurance or otherwise, for any director or former director who holds or has held any office or employment with the Company, predecessor in business of the Company or with any undertaking which is or has been a group Company and for any member of his family (including a spouse or former spouse) or any person who is or was dependent on him, and may (before as well as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

## **29 Directors' expenses**

- (1) The Company may pay any reasonable expenses in accordance with the Company's policy, which the directors properly incur in connection with their attendance at
  - (a) meetings of directors or committees of directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders of any class of shares or 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

- (2) Subject to the Companies Acts, the directors shall have power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him properly to perform his duties as an officer of the Company or to avoid him incurring any such expenditure

### **Alternate Directors**

#### **30. Appointment and removal of alternate directors**

- (1) Any director (other than an alternate director) (the "**appointor**") may appoint as an alternate director any other director, or any other person approved by resolution of the directors, to
- (a) exercise that director's powers, and
  - (b) carry out that director's responsibilities
- in relation to the taking of decisions by the directors in the absence of the alternate director's appointor (such person known as an "**alternate director**")
- (2) Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors
- (3) The notice must
- (a) identify the proposed alternate director, and
  - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice

#### **31 Rights and responsibilities of alternate directors**

- (1) An alternate director has the same rights, in relation to any directors' meeting and all meetings of committees of directors of which his appointor is a member or directors' written resolutions, as the alternate director's appointor
- (2) Except as the articles specify otherwise, alternate directors
- (a) are deemed for all purposes to be directors,
  - (b) are liable for their own acts and omissions,
  - (c) are subject to the same restrictions as their appointor, and
  - (d) are not deemed to be agents of or for their appointor
- (3) Subject to the articles, a person who is an alternate director but not also a director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b) may sign or otherwise indicate his agreement to a written resolution (but only if it is not signed or to be signed or otherwise agreed by that person's appointor)

No alternate director may be counted as more than one director for such purposes

- (4) Subject to the articles, a director who is also an alternate director has an additional vote on behalf of each appointor who
  - (a) is not participating in a directors' meeting, and
  - (b) would have been entitled to vote if he was participating in it
- (5) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate director's appointor's remuneration as the appointor may direct by notice in writing made to the Company

### **32 Termination of alternate directorship**

- (1) An alternate director's appointment as an alternate director terminates
  - (a) when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
  - (b) on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director,
  - (c) on the death of the alternate director's appointor, or
  - (d) when the alternate director's appointor's appointment as a director terminates

## **Part 3**

### **Shares and Distributions**

#### **Shares**

### **33 Issue of shares**

- (1) No unissued share, and no right to subscribe for or convert any security into a share, shall be allotted or issued without the prior consent in writing of the shareholder
- (2) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue

- (3) This does not apply to shares taken on the formation of the Company by the subscriber to the Company's memorandum

**34. Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

**35. Share certificates**

- (1) The Company must issue to the shareholder, free of charge, with one or more certificates in respect of the shares which the shareholder holds
- (2) Every certificate must specify
  - (a) in respect of how many shares it is issued,
  - (b) the nominal value of those shares,
  - (c) that the shares are fully paid, and
  - (d) any distinguishing numbers assigned to them
- (3) Certificates must
  - (a) have affixed to them the Company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts

**36. Replacement share certificates**

- (1) If a certificate issued in respect of the shareholder's shares is
  - (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,

the shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- (2) The shareholder exercising the right to be issued with such a replacement certificate
  - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and



- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

### **37. Share transfers**

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- (3) The Company may retain any instrument of transfer which is registered
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

### **38 Asset lock**

- (1) The Company shall have no power or authority to, and the Company shall not at any time
  - (a) pay any dividend to the shareholder,
  - (b) carry out any distribution of cash, property or other assets which is, or amounts to, a reduction of capital, or
  - (c) purchase its shares,unless, in each case, to refrain from doing so would be a breach of applicable law
- (2) The Company shall not make any transfers or payments (whether in cash or in specie) out of its assets or otherwise distribute its assets to creditors or the shareholder, unless the directors consider such a transfer or payment necessary, ancillary or conducive to the carrying out or furtherance of the Company's objects

## **Part 4**

### **Decision-Making by the shareholder**

#### **Organisation of General Meetings**

### **39. Quorum for general meetings**

- (1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

- (2) The shareholder present in person or by proxy at a general meeting shall be a quorum for all purposes

**40. Chairing general meetings**

- (1) The chairman shall chair general meetings if present and willing to do so
- (2) If the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start

- (a) the directors present, or
- (b) (if no directors are present) the meeting

must appoint the shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

- (3) The person chairing a meeting in accordance with this article is referred to as the **"chairman of the meeting"**

**41. Attendance and speaking by directors and non-shareholder**

- (1) Directors may attend and speak at general meetings
- (2) The chairman of the meeting may permit other persons who are not
  - (a) the shareholder of the Company, or
  - (b) otherwise entitled to exercise the rights of the shareholder in relation to general meetings,

to attend and speak at a general meeting

**42. Adjournment**

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if
  - (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

- (4) When adjourning a general meeting, the chairman of the meeting must
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
  - (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

#### **Voting at General Meetings**

#### **43. Voting: general**

A resolution put to the vote of a general meeting must be decided on a show of hands

#### **44. Content of proxy notices**

- (1) The shareholder may validly appoint a proxy by a notice in writing (a "**proxy notice**") which
  - (a) states the shareholder's name and address,
  - (b) identifies the person appointed to be the shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate
- (2) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (4) Unless a proxy notice indicates otherwise, it must be treated as

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

#### **45 Delivery of proxy notices**

- (1) A person who is entitled to attend, speak or vote 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
- (2) An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- (4) The directors may require the production of any evidence which they consider necessary to determine the validity of any proxy notice

#### **46 Amendments to resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
  - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if
  - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

**Part 5****Administrative Arrangements****47. Means of communication to be used**

- (1) Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being
- (3) A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

**48. When notice or other communication deemed to have been received**

- (1) Any notice, document or information sent or supplied by the Company to the shareholder
  - (a) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice, document or information was posted unless it was sent by second class post, or there is only one class of post, or it was sent by air mail to an address outside the United Kingdom, in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent,
  - (b) by being left at the shareholder's registered address, or such other postal address as notified by the shareholder to the Company for the purpose of receiving Company communications, shall be deemed to have been received on the day it was left,
  - (c) by electronic means, shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information in electronic form was addressed to the electronic address provided by the shareholder for the purpose of receiving communications from the Company shall be conclusive evidence that the notice, document or information was sent, and
  - (d) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website

**49. Company seals**

- (1) Any common seal may only be used by the authority of the directors
- (2) The directors may decide by what means and in what form any common seal is to be used
- (3) Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (4) For the purposes of this article, an authorised person is
  - (a) any director of the Company,
  - (b) the Company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

**50. Right to inspect accounts and other records**

The shareholder or his chosen representative or representatives are entitled to inspect any of the Company's accounting or other records or documents provided that they are permitted by law or authorised by the directors or an ordinary resolution of the Company

**51. Provision for employees on cessation of business**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

**Directors' Indemnity and Insurance****52. Indemnity**

- (1) Subject to paragraph (4), a relevant director 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, and

(c) any other liability incurred by that director as an officer of the Company or an associated Company

- (2) The Company may fund a relevant director's expenditure for the purposes permitted under the Companies Acts and may do anything to enable a relevant director to avoid incurring such expenditure as provided in the Companies Acts
- (3) No relevant director shall be accountable to the Company or the shareholder 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
- (4) 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

### **53. Insurance**

The directors may, subject to the prior written consent of the shareholder, 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

### **54 Definitions**

- (1) In articles 52 and 53
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate,
- (b) a "relevant director" means any director or former director of the Company or an associated Company, and
- (c) 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