



THE COMPANIES ACTS 1985 to 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING
A SHARE CAPITAL

ARTICLES OF ASSOCIATION
BANK OF SCOTLAND FOUNDATION

(As adopted by Special Resolution passed on 9 September 2021)

Date of Incorporation: 2 April 2002

Registered Number: SC229825.

Scottish Charity Number: SCO32942

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Ref: DND/BAN234/1

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INTERPRETATION

1 In these Articles, unless the context requires otherwise:-

“the Act” means the Companies Acts as defined in section 2 of the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

“**Article**” means one of the numbered provisions of the articles of association of the Foundation;

“**Articles**” means two or more of the numbered provisions of the articles of association of the Foundation or, as the context requires, the entire provisions of the articles of association of the Foundation from time to time in force;

“**Chair**” means the chair (if any) of the Board as from time to time nominated by the Trustees to hold such office;

“**Charitable Purpose**” means a charitable purpose specified in section 7 of the Charities Act, which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;

“**Charity**” means a body entered on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts;

“**Charities Act**” means the Charities and Trustee Investment (Scotland) Act 2005, including any statutory modification or re-enactment thereof for the time being in force;

“**Clear Days**” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given but including the day for which it is given or on which it is to take effect;

“**Communication**” means the same as given to that term in section 15 of the Electronic Communications Act 2000;

“**Electronic Address**” shall mean any number or address used for the purpose of an Electronic Communication;

“Electronic Communication” shall have the meaning given to that term in section 15 of the Electronic Communications Act 2000;

“Eligible Trustee” means a Trustee who would be entitled to vote on the matter at a meeting of Trustees (but excluding any Trustee whose vote is not to be counted in respect of the particular matter);

“Financial Expert” means a person who is reasonably believed by the Trustees to be qualified to give advice on investments by reason of his ability in and practical experience of financial and other matters relating to investments;

“Foundation” means the company regulated by these Articles namely Bank of Scotland Foundation;

“LBG” means Lloyds Banking Group plc, a company incorporated under the Companies Acts (No. SC95000);

“LBG Group” means LBG, any holding company of LBG, any Subsidiary of LBG and any other Subsidiary of any holding company of LBG;

“Members” shall mean the members of the Foundation for the time being, and **“Member”** shall mean one of them;

“Office” means the registered office of the Foundation;

“Scottish Charity Register” shall mean the public register of charities as created by section 3 of the Charities Act and maintained and regulated by the Office of the Scottish Charity Regulator (OSCR);

“Secretary” means the secretary of the Foundation or any other person appointed to perform the duties of the secretary of the Foundation, including a joint, assistant or deputy secretary;

“Subsidiary” means in relation to a company wherever incorporated (a “holding company”) a “subsidiary” as defined in section 1159 of the Companies Act 2006 and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

“Taxes Acts” means the Income and Corporation Taxes Act 1988, the Income Tax (Earnings and Pensions) Act 2003, the Income Tax (Trading and Other Income) Act 2005 and the Income Tax Act 2007 including any statutory modification or re-enactment thereof for the time being in force;

“Trustee Appointment Policy” means such policy regarding Trustee appointments as may be promulgated and amended by the Trustees from time to time;

“the Trustees” or **“the Board”** means the directors of the Foundation for the time being as a body or (as the context may require) the board of directors of the Foundation, or the directors present at a meeting of the directors at which a quorum is present;

“United Kingdom” means The United Kingdom of Great Britain and Northern Ireland; and

“Working Day” shall have the meaning given to that term in section 1173 of the Companies Act 2006.

- 2 In these Articles, unless inconsistent with the subject or context:-
 - 2.1 the expression **“execute”** and other such cognate expressions include any valid mode of execution;
 - 2.2 the expression **“in writing”** means written, printed, typewritten or lithographed, or others and other modes of representing or reproducing words in a visible form;
 - 2.3 words importing the singular number only shall include the plural number, and vice versa;
 - 2.4 words importing the masculine gender only shall include the feminine gender;
 - 2.5 words importing persons shall include corporations, and references to corporations shall include their respective successors;
 - 2.6 subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Foundation shall bear the same meanings in these Articles; and
 - 2.7 any reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same (save to the extent that any amendment, extension, consolidation or replacement would impose more onerous obligations on any party than otherwise exist at the date on which these Articles become binding on the Foundation) and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 3 The name of the Foundation is “Bank of Scotland Foundation”.
- 4 The Office will be situate in Scotland.
- 5 The liability of the Members is limited.
- 6 Every Member of the Foundation undertakes to contribute such amount as may be required (not exceeding £1.00) to the Foundation's assets, if it should be wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the Foundation's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

OBJECTS

- 7 The Foundation is established for Charitable Purposes only. In furtherance of the said Charitable Purposes, but not further or otherwise, the Foundation may exercise the following powers:-
 - 7.1 to make grants or loans of money, or other assets, including loans on favourable terms, and loans both secured and unsecured that do not require the borrower to pay interest or other money to the Foundation on or for the sum, or property, borrowed

and to make such loans even when the Foundation knows that a borrower may be unable to repay, some or all of the amount of the loan to such borrower;

- 7.2 to raise funds for and to make donations to charities which donations may represent the whole or any part of the income of the Foundation for any accounting period or be made out of any other monies of the Foundation and generally to establish, promote, form and support or aid in the establishment, promotion and formation and support of any charity and to subscribe or guarantee money for charitable purposes in any way connected with or calculated to further the objects of the Foundation;
- 7.3 to receive, allocate and administer subscriptions, donations, grants, contributions, gifts or bequests made available to the Foundation for its objects, under the terms and conditions referable to such subscriptions, donations, grants, contributions, gifts or bequests and generally to manage, invest and expend all monies belonging to the Foundation;
- 7.4 to deposit or invest funds with all the powers of a beneficial owner, but to invest only after obtaining advice from a Financial Expert, having regard to the suitability of investments and the need for diversification;
- 7.5 to delegate the management of investments to a Financial Expert, but only on terms that:-
 - a) the Foundation's investment policy is set down in writing by the Trustees for the Financial Expert;
 - b) all transactions are reported promptly and regularly to the Trustees;
 - c) investment performance is reviewed regularly with the Trustees;
 - d) the delegation arrangement may be cancelled by the Trustees at any time;
 - e) a review of the investment policy and the delegation arrangement shall be carried out at least annually;
 - f) all payments due to the Financial Expert fall within a scale or level which is agreed in advance and notified promptly to the Trustees on receipt;
 - g) the Financial Expert must not do anything outside the powers of the Foundation;
- 7.6 to organise, promote and manage or cause to be organised, promoted or managed fundraising activities, to issue appeals, hold public meetings and take such steps as may be deemed necessary or desirable for the purposes of procuring contributions to the funds of the Foundation by way of donations or otherwise;
- 7.7 to purchase, take on lease or in exchange, hire or otherwise acquire and hold any heritable or moveable, real or personal property and to maintain and alter any of the same as are necessary for any of the objects of the Foundation and (subject to such consents as may be required by law) to sell, lease or otherwise dispose of or mortgage any such heritable or moveable, real or personal property and to issue or

grant any mortgage, charge, standard security, lien or other security upon all or any part of its property or assets whether present or future;

- 7.8 to retain all or part of the monies of the Foundation not immediately required for its objects in money or liquid form and to invest the same in interest bearing accounts or deposits; to invest the monies of the Foundation not immediately required for its objects in or upon such other investments and such securities or properties as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- 7.9 to set aside funds for special purposes or as reserves against future expenditure;
- 7.10 to assist any person, body or bodies financially or otherwise in the furtherance of the above objects or any of them;
- 7.11 to borrow or raise money for the objects of the Foundation on such terms and (with such consents as are required by law) on such security as may be thought fit and to issue any debentures or debenture stock, whether perpetual, irredeemable or otherwise;
- 7.12 to write off, and waive, either wholly or in part, any loan made by the Foundation, and to release the debtor from some or all of his obligations in respect of such loan;
- 7.13 to apply for, register, purchase or otherwise acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patent, design, trade mark, licence, concession and the like, conferring an exclusive or non-exclusive or limited right of user or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Foundation or the acquisition of which may seem calculated directly or indirectly to benefit the Foundation, and to use, exercise, develop, grant licences or privileges in respect of, or otherwise turn to account any rights and information so acquired;
- 7.14 to provide advice and to publish or distribute information;
- 7.15 to hold exhibitions, meetings, lectures, classes, seminars and courses either alone or with others;
- 7.16 to foster, sponsor and carry out research and to disseminate the results of any such research;
- 7.17 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts;
- 7.18 to enter into any arrangement with, or co-operate with, any institution, corporation, company, association, firm or person or with any government or public authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Foundation's objects or any of them, and to obtain from any such government or public authority any charters, decrees, rights, privileges or concessions which the Foundation may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges and concessions;
- 7.19 to employ and remunerate any person or persons to, and take on secondees to, supervise, organise, carry on the work of and advise the Foundation and to

remunerate any person(s) or company for any services provided by them to the Foundation;

- 7.20 to insure and arrange insurance cover for all risks, liabilities and contingencies in respect of the Foundation's activities and without limitation to arrange such cover to indemnify the Foundation's officers, employees and voluntary workers from and against all risks incurred cost of a successful defence to a criminal prosecution brought against an officer or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the officer concerned knew that, or was reckless as to whether, the act or omission was a breach of trust or breach of duty;
- 7.21 subject to the provisions of Article 8, to establish and support pension and superannuation schemes for the benefit of persons employed by the Foundation and to grant pensions or retiring allowances to persons who have been employed by the Foundation or to their dependants;
- 7.22 to transfer all or any part of the undertaking, assets and liabilities of the Foundation to or to take over, federate or amalgamate with, or to affiliate or become affiliated to any other institution, company or association having charitable objects similar in whole or in part to those of the Foundation PROVIDED THAT:-
- a) any such institution, company or association is prohibited from the payment of dividend, bonus or profit to its members at least to as great an extent as such payment is prohibited to Members;
 - b) this Article 7.22 shall not authorise anything which shall prevent the Foundation from properly and usefully carrying out its functions as contemplated by these Articles;
- 7.23 to form any subsidiary to further or to assist in carrying out the objects of the Foundation, whether directly or indirectly;
- 7.24 to pay out of the funds of the Foundation the costs, charges and expenses of and incidental to the formation and registration of any subsidiary company formed to further or to assist in carrying out the objects of the Foundation;
- 7.25 to co-operate with and enter into arrangements with authorities, national, local or otherwise;
- 7.26 to procure the Foundation to be registered in any country or place;
- 7.27 to create, promote, organise and administer projects, courses and developments in any part or parts of the world;
- 7.28 alone or with other organisations to seek to influence public opinion or make representations and seek to influence governmental and other bodies and institutions regarding the reform, development and implementation of appropriate policies, legislation and regulations; provided that all such activities are confined to those permitted by Charity law;
- 7.29 to do all or any of the above administrations in any part of the world, either alone or in conjunction with others and either as principals, agents, contractors, Trustees or otherwise and either by or through agents, sub-contractors, Trustees or otherwise;

7.30 to do all such other things as may be incidental or conducive to the Foundation's objects or any of them PROVIDED THAT:-

- a) in case the Foundation shall take or hold any property which may be subject to any trusts, the Foundation shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts;
- b) the objects of the Foundation shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

8 The income and property of the Foundation shall be applied solely towards the promotion of its objects as set forth in Article 7 and no proportion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the Members, and no Trustee shall be appointed to any office of the Foundation paid by salary or fees or receive remuneration or other benefit in money or money's worth from the Foundation. PROVIDED THAT nothing herein shall prevent any payment in good faith by the Foundation:-

8.1 of reasonable and proper remuneration for any services rendered to the Foundation by any officer or servant of the Foundation who is not a Trustee;

8.2 of reasonable and proper rent for premises hired or let by any Member or Trustee;

8.3 of fees, remuneration or other benefit in money or money's worth to a company of which a Trustee may be a member holding not more than 1/100th part of the issued share capital of that company or of which a Trustee may be a director or employee; and

8.4 to any Trustee of out of pocket expenses.

MEMBERS

9 The subscribers to the memorandum of association shall be the first Members and the first Trustees. Thereafter the Trustees for the time being shall be the Members.

10 Every Member of the Foundation who is not a subscriber to the memorandum shall deliver to the Office a consent in writing to become a Member.

11 Any Member who ceases at any time to be a Trustee shall thereupon cease to be a Member.

12 The rights of a Member shall be personal and membership shall not be transferable and shall cease on death.

NOTICE OF GENERAL MEETINGS

13 The Board may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient Trustees to call a general meeting, any Trustee may call a general meeting.

- 14 General meetings shall be called by at least fourteen Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at the meeting of all the Members. The notice shall specify the time and place of the meeting and, in the case of special business only, the general nature of the business to be transacted. The notice shall be given to all the Members and to the auditors. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 15 No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Member (and one of which is an employee of a member of the LBG Group) or a proxy for such Member or a duly authorised representative of a corporation, which is a Member, shall be a quorum.
- 16 If such a quorum is not present within thirty minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Trustees may determine, and if at the adjourned meeting a quorum is not present within thirty minutes from the time appointed therefor the Members present shall be a quorum.
- 17 The Chair or in his absence some other Trustee nominated by the Trustees shall preside as chair of the meeting, but if neither the Chair nor such other Trustee (if any) be present and willing to act within ten minutes after the time appointed for holding the meeting, the Trustees present shall elect one of their number to be chair and, if there is only one Trustee present and willing to act, he shall be chair.
- 18 If no Trustee is willing to act as Chair, or if no Trustee is present within ten minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be Chair.
- 19 The Chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn business from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 20 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
- 20.1 by the Chair; or
- 20.2 by at least two Members having the right to vote at the meeting; or
- 20.3 by a Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meeting;

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

- 21 Unless a poll is duly demanded a declaration by the Chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 22 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chair and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 23 A poll shall be taken as the Chair directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 24 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair shall be entitled to a casting vote in addition to any other vote he may have.
- 25 A poll demanded on the election of a Chair or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chair directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 26 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

- 27 On a show of hands every Member who (being an individual) is present in person or by proxy or (being a firm or corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a Member entitled to vote, shall have one vote and on a poll every Member present in person, by a duly authorised representative or by proxy shall have one vote.
- 28 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered to the Foundation at the Office, or at such other place as is specified in accordance with these Articles for the delivery of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in

default the right to vote shall not be exercisable. In calculating the said period of 48 hours, no account shall be taken of any part of a day that is not a Working Day.

- 29 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final and conclusive.

- 30 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):-

"Bank of Scotland Foundation ('the Foundation')"

I/We, _____, of _____ being a member/members of the Foundation, hereby appoint _____ of _____, or failing him, _____ of _____ as my/our proxy to vote in my/our name(s) and on my/our behalf at the general meeting of the Foundation to be held on _____ 20 _____, and at any adjournment thereof.

Signed on _____ 20 _____."

- 31 Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):-

" Bank of Scotland Foundation ('the Foundation')"

I/We, _____ of _____, being a member/members of the Foundation, hereby appoint _____ of _____ or failing him, _____ of _____, as my/our proxy to vote in my/our names[s] and on my/our behalf at the general meeting of the Foundation, to be held on _____ 20 _____, and at any adjournment thereof

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 * for * against

Resolution No. 2 * for * against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on _____ 20 _____."

- 32 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board may:-

- 32.1 in the case of an instrument in writing be delivered to the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Foundation in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 32.2 in the case of an appointment contained in an Electronic Communication, where an Electronic Address has been specified for the purpose of receiving Electronic Communications:-
- a) in the notice convening the meeting, or
 - b) in any instrument of proxy set out by the Foundation in relation to the meeting; or
 - c) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Foundation in relation to the meeting,
- be sent to, and received at, such Electronic Address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
- 32.3 in the case of a poll taken more than 48 hours after it is demanded, be delivered or sent and received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 32.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chair or to the Secretary or to any Trustee;

and an instrument appointing a proxy which is not delivered or sent and received in a manner so permitted shall be invalid. In calculating the periods mentioned in this Article no account shall be taken of any part of a day that is not a Working Day.

- 33 A vote given or poll demanded by proxy or by the duly authorised representative of a firm or corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Foundation at the Office or at such other place at which the instrument of proxy was duly delivered or, where the appointment of the proxy was contained in an Electronic Communication, at the Electronic Address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

WRITTEN RESOLUTIONS AND ELECTRONIC MEETINGS

- 34 Subject to Article 37, a written resolution of the Members passed in accordance with Articles 34 to 43 shall have effect as if passed by the Members in a general meeting. A written resolution is passed:-
- 34.1 as an ordinary resolution if it is passed by a simple majority of the eligible Members; or

- 34.2 as a special resolution if it is passed by Members representing not less than 75% of the eligible Members. A written resolution is not a special resolution unless it states that it was proposed as special resolution.
- 35 Where a resolution is proposed as a written resolution of the Foundation, the eligible Members are the Members who would have been entitled to vote on the resolution on the circulation date of the resolution.
- 36 Any resolution of the Members for which the Act does not specify whether it is to be passed as an ordinary resolution or as a special resolution, shall be passed as an ordinary resolution.
- 37 A Members' resolution under the Act removing a director or an auditor before the expiration of his term of office may not be passed as a written resolution.
- 38 A copy of the written resolution must be sent to every Member together with a statement informing the Member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse,
- 39 A Member signifies their agreement to a proposed written resolution when the Foundation receives from them (or from someone acting on their behalf) an authenticated document identifying the resolution to which it relates and indicating the Member's agreement to the resolution. A Member's agreement to a proposed written resolution, once signified, cannot be revoked. For these purposes:-
- 39.1 if the document is sent to the Foundation in hard copy form, it is authenticated if it bears the signature of the person sending it;
- 39.2 if the document is sent to the Foundation in electronic form, it is authenticated if the identity of the sender is confirmed in a manner specified by the Foundation or, where no such manner has been specified by the Foundation, if it is accompanied by a statement of the identity of the sender and the Foundation has no reason to doubt the truth of that statement.
- 40 A written resolution is passed when the required majority of eligible Members have signified their agreement to it.
- 41 A proposed written resolution shall lapse if it is not passed within 28 days beginning with the circulation date.
- 42 Communications in relation to written resolutions shall be sent to the Foundation's auditors in accordance with the Act.
- 43 The Members may require the Foundation to circulate a resolution that may properly be moved and is proposed to be moved as a written resolution in accordance with sections 292 and 293 of the Act.
- 44 The Board may resolve to enable persons entitled to attend and participate in a general meeting to do so (wholly or partly) by simultaneous attendance and participation by means of electronic facility or facilities, and may determine the means, or all different means, of attendance and participation used in relation to the general meeting. The members present in person or by proxy by means of an electronic facility or facilities (as so determined by the Board) shall be counted in the quorum for, and be entitled to participate in, the general meeting in question. That

meeting shall be duly constituted and its proceedings valid if the Chair of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to:

- 44.1 participate in the business for which the meeting has been convened;
 - 44.2 hear all persons who speak at the meeting; and
 - 44.3 be heard by all other persons attending and participating in the meeting;
- 45 If pursuant to Article 44 the Board determines that a general meeting shall be held wholly or partly by means of electronic facility or facilities, the notice shall:
- 45.1 include a statement to that effect;
 - 45.2 specify the means, or all different means, of attendance and participation thereat; and
 - 45.3 state how it is proposed that persons attending or participating in the meeting electronically should communicate during the meeting.

TRUSTEES

- 46 Trustees shall be appointed as provided in Articles 52, 53 and 54.
- 47 Unless otherwise directed by ordinary resolution, the number of Trustees shall not be subject to any maximum but shall not be less than three.
- 48 Subject to Article 52.2, at least one Trustee shall not be an employee of a member of the LBG Group.

POWERS OF TRUSTEES

- 49 Subject to the provisions of the Act and the Articles and to any directions given by special resolution, the business of the Foundation shall be managed by the Board who may exercise all the powers of the Foundation. No alteration of the Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
- 50 The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Foundation for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF POWERS BY THE BOARD

- 51 The Board may delegate any of their powers to any committee consisting of one or more Trustees. They may also delegate to any managing Trustee or any Trustee holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers

and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of these Articles regulating the proceedings of the Board *mutatis mutandis*. The quorum of a committee with two members shall, unless otherwise specified by the Board, be two, of which one shall be an employee of a member of the LBG Group.

APPOINTMENT OF TRUSTEES

- 52 The Trustees may appoint any person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that:-
- 52.1 such person has first been recommended for appointment in accordance with the Trustee Appointment Policy; and
- 52.2 the number of Trustees who are not employees of a member of the LBG Group shall at no time exceed 49% of the total number of Trustees.
- 53 No person may be appointed as a Trustee:
- 53.1 unless he has attained the age of 18 years; or
- 53.2 in circumstances such that, had he already been a Trustee, he would have been disqualified from acting under the provisions of Article 55 or 56;
- 54 A Trustee shall hold office for a maximum period of six years from the date of his appointment and shall then retire. Such person shall not again be appointed as a Trustee unless the Trustees resolve that there are exceptional circumstances in that such individual possesses specific or unique skills and expertise, experience or ability of significant value to the Foundation. In such circumstances, a retiring Trustee may, if willing to act, be re-appointed by the Trustees for a second and final term of a maximum of three years and shall at the end of that second term retire altogether so that no Trustee shall hold office as Trustee for more than nine years in total.

DISQUALIFICATION AND REMOVAL OF TRUSTEES

- 55 The office of a Trustee shall be vacated if:-
- 55.1 he ceases to be a Trustee by virtue of any provision of the Act or he becomes prohibited by law from being a Trustee or a charity trustee; or
- 55.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 55.3 he has, in the written opinion of a registered medical practitioner who is treating the Trustee, become physically or medically incapable of acting as a Trustee and may remain so for more than three months; or
- 55.4 he resigns his office by notice to the Foundation or ceases to be a Member of the Foundation; or
- 55.5 he shall for more than six consecutive months have been absent without permission of the Board from meetings of Board held during that period and the Board resolve that his office be vacated; or

- 55.6 he accepts remuneration or other benefit in contravention of Article 8.
- 56 A Trustee shall cease to hold office if the Trustees by resolution in writing signed by all other Trustees entitled to receive notice of a meeting of Trustees declare that he shall cease to be a Trustee.

TRUSTEES' EXPENSES

- 57 The Trustees may be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Trustees or committees of Trustees or general meetings or otherwise in connection with the discharge of their duties but, except to the extent permitted by Article 8, shall otherwise be paid no remuneration.

TRUSTEES' APPOINTMENTS AND INTERESTS

- 58 A Trustee shall, in exercising functions in that capacity, act at all times in the interests of the Foundation and, in particular, shall, in circumstances capable of giving rise to a conflict of interest between the Foundation and any person responsible for his appointment—
- 58.1 put the interests of the Foundation before those of the other person; or
- 58.2 where any other duty prevents the Trustee from doing so, disclose the conflicting interest to the Board and refrain from participating in any deliberation or decision of the other Trustees with respect to the matter in question.
- 59 A Trustee shall avoid any situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Foundation PROVIDED THAT the Board may, subject to the preceding Article, authorise, in accordance with the provisions of the Act, any matter proposed to them by any Trustee which would, if not authorised, involve a Trustee breaching the foregoing duty to avoid conflicts of interest.
- 60 Subject to the two preceding Articles and to the provisions of the Act, provided that he has disclosed to the Board the nature and extent of any material interest of his, a Trustee notwithstanding his office—
- 60.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Foundation or in which the Foundation is otherwise interested;
- 60.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Foundation or in which the Foundation is otherwise interested; and
- 60.3 shall not, by reason of his office, be accountable to the Foundation for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate (but subject always to the Charities Act) and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 61 For the purposes of Articles 59 and 60:-

- 61.1 a general notice given to the Board that a Trustee is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Trustee has an interest in any such transaction of the nature and extent so specified; and
- 61.2 an interest of which a Trustee has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

PROCEEDINGS OF TRUSTEES

- 62 Subject to the provisions of the Articles, the Board may regulate their proceedings as they think fit. A Trustee may, and the Secretary at the request of a Trustee shall, call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Trustee who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall have a second or casting vote. The Trustees shall meet at least four times each year,
- 63 The quorum for the transaction of the business of the Trustees may be fixed by the Trustees and unless so fixed at any other number shall be two Trustees, of which one (provided he is an Eligible Trustee) shall be an employee of a member of the LBG Group. Where the transaction of business of any meeting (or part of a meeting) may give rise to a conflict of interest pursuant to Articles 58 or 59, if there is only one Trustee in office present besides the conflicted Trustee(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Trustee.
- 64 The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number and notwithstanding that the restriction set out in Article 52.2 may be temporarily breached as a result of such vacancies, but, if the number of Trustees is less than the number fixed as the quorum, the continuing Trustees or Trustee may act only for the purpose of filling vacancies or of calling a general meeting.
- 65 The Trustees may appoint one of their number (who must be an employee of a member of the LBG Group) to be the Chair of the board of Trustees and may at any time remove him from that office. Unless he is unwilling to do so, the Trustee so appointed shall preside at every meeting of Trustees at which he is present. But if there is no Trustee holding office, or if the Trustee holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Trustees present may appoint one of their number to be Chair of the meeting.
- 66 All acts done by a meeting of Trustees, or of a committee of Trustees, or by a person acting as a Trustee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Trustee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Trustee and had been entitled to vote.
- 67 A resolution in writing signed by all the Trustees entitled to receive notice of a meeting of Trustees or of a committee of Trustees shall be as valid and effectual as if it had been passed at a meeting of Trustees or (as the case may be) a committee of Trustees duly convened and held and may consist of several documents in the like form each signed by one or more Trustees.

- 68 A Trustee shall not vote at a meeting of the Trustees, or at any meeting of a committee of the Trustees, on any resolution concerning a matter on which he has an interest, which interest conflicts with the interest of the Foundation.
- 69 If a question arises at a meeting of Trustees or of a committee of Trustees as to the right of a Trustee to vote, the question may, before the conclusion of the meeting, be referred to the Chair of the meeting and his ruling in relation to any Trustee other than himself shall be final and conclusive.
- 70 A meeting of the Trustee or any committee thereof may, subject to notice thereof having been given in accordance with the Articles, be for all purposes deemed to be held when Trustees are in simultaneous Communication with each other by telephone or fax or by any means of audio-visual Communication, if all the Trustees of the Foundation agree to treat the meeting as so held, and the number of Trustees participating in such Communication constitutes the quorum of Trustees which would otherwise be required by the Articles to be present at the meeting. Such 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 Chair of the meeting then is and the word "meeting" shall be construed accordingly.

SECRETARY

- 71 Subject to the provisions of the Act, the Secretary may be appointed by the Trustees for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

PATRONS

- 72 The Trustees may from time to time with the consent of LBG invite any person or persons whose patronage would in their opinion confer a benefit upon the Foundation to become patrons of the Foundation. Any person who accepts the position of patron shall hold that position until he relinquishes it by written notice to the Foundation, or until the Trustees decide by resolution to terminate his appointment. A patron shall not be a Member of the Foundation and shall have none of the responsibilities or powers of a Trustee, but the Foundation shall have the right to announce that it is under patronage in any letters, brochures, announcements and other like publications.

MINUTES

- 73 The Trustees shall cause minutes to be made in books kept for the purpose:-
- (a) of all appointments of officers made by the Trustees; and
 - (b) of all proceedings at meetings of the Foundation and of the Trustees, and of committees of Trustees, including the names of the Trustees present at each such meeting.

NOTICES

- 74 Any notice to be given to or by any person pursuant to the Articles (other than a notice calling a meeting of the Board) shall be in writing or shall be sent by Electronic Communication to the Electronic Address for the time being notified for that purpose to the person giving the notice.

- 75 The Foundation may give any notice to a Member, in any of the following ways:
- 75.1 by delivering it to him personally; or
- 75.2 by sending it by post in a prepaid envelope addressed to the Member at his registered address; or
- 75.3 or by sending it by Electronic Communication to the Electronic Address for the time being notified to the Foundation by the Member.
- 76 A Member present, either in person or by proxy, or (in the case of a Member who is a corporation) by a duly authorised representative, at any meeting of the Foundation shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 77 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an Electronic Communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an Electronic Communication, at the expiration of 48 hours after the time it was sent. In calculating the said period of 48 hours, no account shall be taken of any part of a day that is not a Working Day.

ACCOUNTS

- 78 Copies of the Foundation's annual accounts, report of the Trustees and auditors report (if any) shall be sent to LBG, at such address notified by it from time to time, at the same time as such documents are sent to the Members of the Foundation in accordance with the Act.
- 79 At the request of LBG, the Trustees shall make available to LBG such other financial information relating to the Foundation as LBG may require from time to time.

DISSOLUTION

- 80 If upon the winding up or dissolution of the Foundation 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 Foundation, but shall be applied in one or both of the following ways:-
- 80.1 directly for the objects of the Foundation or Charitable Purposes within or similar to the objects;
- 80.2 by transfer to some other Charity or Charities having objects similar to the Foundation's objects, which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Foundation under or by virtue of Article 8 such Charity or Charities to be determined by the Members Foundation at or before the time of dissolution.

If and so far as effect cannot be given to this provision, then the property will be distributed to some other institution having Charitable Purposes.

AMENDMENT OF ARTICLES

- 81 The provisions of these Articles, may be amended in accordance with the Act provided that no amendment shall be made which could have the effect of the Foundation ceasing to be recognised as a Charity.

INDEMNITY

- 82 Subject to the provisions of the Act but without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee or other officer or auditor of the Foundation shall be entitled to be indemnified out of the assets of the Foundation against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Foundation and no Trustee or other officer or auditor of the Foundation shall be liable for any loss, damage or misfortune which may happen to be incurred by the Foundation in the execution or discharge of the duties of his office or in relation thereto.