

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
NATIONAL GALLERY COMPANY LIMITED

FARRER&Co

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INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

Articles means the company's articles of association;

authenticated document means a document sent:

- (a) in hard copy form that is signed by the person sending it; or
- (b) electronically in which the identity of the sender is confirmed in a manner specified by the company (or where no such manner has been specified, that contains or is accompanied by a statement of the identity of the sender and the company has no reason to doubt the truth of that statement);

authorised representative means an individual who is authorised by the Member to act on its behalf at meetings of the company and whose name is notified to the company in accordance with the Articles;

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;

Chair has the meaning given in Article 14;

charity trustee means a trustee of the Gallery;

clear days means the period excluding the day on which notice is given (or deemed to be given) and the day for which it is given or deemed to take effect;

Companies Acts means:

- (b) the company law provisions of the Companies Act 2006;
- (c) part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004; and

- (d) the provisions of the Companies Act 1985 and the Companies Consolidation (Consequential Provisions) Act 1985 that remain in force;

in so far as they may apply to the company;

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;

electronic form means by electronic means (for example, by email), or by any other means while in an electronic form (for example, sending a disk or drive by post);

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;

Gallery means The Board of Trustees of the National Gallery, a statutory corporation and exempt charity having its principal place of business at Trafalgar Square, London, WC2N 5DN;

hard copy form means in a paper copy or similar form capable of being read;

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

instrument means a document in hard copy form;

Member means the Gallery;

ordinary resolution means a resolution of the members that is passed by a simple majority;

paid means paid or credited as paid;

participate in relation to a Directors' meeting has the meaning given in Article 12;

shares means shares in the company;

special resolution means a resolution of the members that is passed by a majority of not less than 75%;

subsidiary means a company:

- (b) in which another company holds a majority of its voting rights; or
- (c) of which another company is a member which has the right to appoint or remove a majority of its board of directors; or
- (d) of which another company is a member which controls alone, pursuant to an agreement with other members, a majority of its voting rights, 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.

- 1.1 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the company.
- 1.2 References to an Act of Parliament are to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it.
- 1.3 The model articles for a private company limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) (Model Articles) shall not apply to and are expressly excluded from the Articles except where they are expressly included.

2. Liability of the Member

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

OBJECTS AND POWERS

3. Objects

3.1 The company is formed to carry on a business as a commercial company and has as its main objects:

- 3.1.1 the production and publication of books, films or other informative material relating to fine art;
- 3.1.2 the production of replicas or reproductions of works of art, or of souvenirs;
- 3.1.3 the sale (whether or not at an hour when the collection is open to the public for viewing) of informative material relating to fine art, of replicas or reproductions of works of art, or of souvenirs or other goods;
- 3.1.4 the provision (whether or not at such an hour) of catering or car parking or other services or facilities for the public at any premises occupied or managed by the Gallery;
- 3.1.5 any other object which is incidental to the functions of the Gallery or which is conducive or contributes to the performance of those functions, including but not limited to the hiring out of premises for events, the touring of exhibitions, the operation of a membership scheme and the provision of services to the Gallery.

3.2 The company may also further such other objects as the Directors may determine from time to time.

4. Powers

The company has power to do anything which is calculated to further its objects or is conducive or incidental to doing so.

DIRECTORS' POWERS AND RESPONSIBILITIES

5. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the company's business, for which purposes they may exercise all the powers of the company.

6. Member's reserve power

6.1 The Member may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

6.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

7. Directors may delegate

7.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

7.1.1 to such person or committee;

7.1.2 by such means (including by power of attorney);

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions;

as they think fit.

7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

7.3 The Directors may revoke any delegation in whole or part or alter its terms and conditions.

8. Committees

8.1 Committees to which 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.

8.2 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

9. Directors to take decisions collectively

The general rule about decision-making by directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 10.

- 10. Unanimous decisions
 - 10.1 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.
 - 10.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
 - 10.3 References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
 - 10.4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a Directors' meeting.
- 11. Calling a Directors' meeting
 - 11.1 Any Director may call a Directors' meeting by giving reasonable notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.
 - 11.2 Notice of any Directors' meeting must indicate:
 - 11.2.1 its proposed date and time;
 - 11.2.2 where it is to take place; and
 - 11.2.3 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.
 - 11.3 Notice of a Directors' meeting must be given to each Director but need not be in writing.
 - 11.4 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 not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 12. Participation in Directors' meetings
 - 12.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
 - 12.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
 - 12.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

- 12.3 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.
- 13. Quorum for Directors' meetings
 - 13.1 At a Directors' meeting, unless a quorum is present, no proposal is to be voted on, except a proposal to call another meeting.
 - 13.2 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.
 - 13.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - 13.3.1 to appoint further Directors; or
 - 13.3.2 to call a general meeting so as to enable the Member to appoint further Directors.
- 14. Chairing of Directors' meetings
 - 14.1 The Directors may appoint a Director to chair their meetings.
 - 14.2 The person so appointed for the time being is known as the Chair.
 - 14.3 The Directors may terminate the Chair's appointment at any time.
 - 14.4 If the Chair is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.
- 15. Casting vote
 - 15.1 If the numbers of votes for and against a proposal are equal, the Chair or other Director chairing the meeting has a casting vote.
 - 15.2 But this does not apply if, in accordance with the Articles, the Chair or other Director is not to be counted as participating in the decision-making for quorum or voting purposes.
- 16. Conflicts of interest
 - 16.1 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the company in which the Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
 - 16.2 But if Article 16.3 applies, a Director who is in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum purposes.
 - 16.3 This Article applies when:
 - 16.3.1 the company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process;

- 16.3.2 the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 16.3.3 the Director's conflict of interest arises from a permitted cause.
- 16.4 For the purpose of this Article, the following are permitted causes:
 - 16.4.1 a conflict of interest that arises as a result of a Director also being a charity trustee or an employee of the Gallery;
 - 16.4.2 a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
 - 16.4.3 subscription, or an arrangement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
 - 16.4.4 arrangements pursuant to which benefits are made available to employees and Directors or former Directors of the company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.
- 16.5 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 16.6 Subject to Article 16.7, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair whose ruling in relation to anyone other than the Chair shall be final and conclusive.
- 16.7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting and quorum purposes.
- 17. 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.
- 18. 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.

APPOINTMENT OF DIRECTORS

- 19. Appointment and removal of Directors
 - 19.1 There shall be not less than three and not more than twelve Directors of the company.
 - 19.2 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:
 - 19.2.1 by ordinary resolution;
 - 19.2.2 by a decision of the Directors; or
 - 19.2.3 by notice in writing from the Gallery.
 - 19.3 A person ceases to be a Director as soon as:
 - 19.3.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
 - 19.3.2 a bankruptcy order is made against that person;
 - 19.3.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 19.3.4 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;
 - 19.3.5 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;
 - 19.3.6 notification in writing is received by the company from the Gallery that it wishes to remove the Director from office.
 - 19.4 If a Director is removed from office by the Gallery removal shall be deemed to be an act of the company.
- 20. Directors' remuneration
 - 20.1 Directors may undertake any services for the company that the company decides.
 - 20.2 Directors who are not also charity trustees are entitled to such remuneration as the Directors determine:
 - 20.2.1 for their services to the company as Directors; and
 - 20.2.2 for any other service which they undertake for the company.
 - 20.3 Directors who are also charity trustees may be remunerated by the company subject to any such remuneration being permitted by and authorised in accordance with the Gallery's governing documents or the Charities Act 2011.
 - 20.4 Subject to the articles, a Director's remuneration may:
 - 20.4.1 take any form; and

- 20.4.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 20.5 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 20.6 Unless the Directors decide otherwise, Directors are not accountable to the company for any remuneration which they receive as Directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.
21. Directors' expenses
- With the prior written agreement of the Directors, the company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
- 21.1 meetings of Directors or committees of Directors;
- 21.2 general meetings;
- 21.3 separate meetings of the holders of any class of shares or of debentures of the company; or
- 21.4 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company subject to any other agreement between the company and the relevant Director.

SHARES

22. All Shares to be fully paid up
- 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.
23. Powers to issue different classes of share
- 23.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 23.2 Subject to the Articles, the company may issue shares with the consent of the Gallery which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.
- 23.3 The Directors may not issue or allot shares without the consent of the Gallery.
24. Share transfers
- 24.1 No share shall be transferred except with the consent of the Gallery which may in its absolute discretion and without giving any reason decline its consent to any transfer of any share.

- 24.2 The transferor remains the holder of a share until the transferee's name is entered into the register of members as holder of it.

NON-PROFIT DISTRIBUTIONS TO THE GALLERY

25. Restriction on distributions

No portion of the income and property of the company shall be paid or transferred directly or indirectly by way of dividend, bonus, distribution or otherwise howsoever by way of profit except that distributions may be made by way of dividend, bonus or otherwise to the Gallery.

26. Distribution on a winding up of the company

If upon the winding up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall be given or transferred to the Gallery.

MEMBERSHIP

Decision-making by the Member

27. General meetings

- 27.1 The Member is entitled to attend general meetings by an authorised representative or by proxy (but only if the appointment of the proxy is in writing and notified to the company before the commencement of the meeting) but the Member shall generally conduct its business in writing in accordance with Article 28.

- 27.2 A general meeting may be called on a written request to the Directors from the Member.

- 27.3 General meetings are called on at least 14 and not more than 28 clear days' notice in writing specifying the business to be discussed and (if a special resolution is to be proposed) setting out the terms of the proposed special resolution.

- 27.4 There is a quorum if the Member is present by authorised representative or by proxy.

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

- 27.6 Except where otherwise provided by the Articles or the Act, every issue is decided by ordinary resolution.

28. Written resolutions

- 28.1 Subject to Article 28.3, and except where otherwise provided by the Articles or the Act, a written resolution (whether an ordinary resolution or a special resolution) is as valid as an equivalent resolution passed at a general meeting. For this purpose the written resolution may be set out in more than one document.

- 28.2 The Member signifies agreement to a proposed written resolution when the company receives from it an authenticated document (whether in hard copy or electronic form) identifying the resolution to which it relates and the Member's agreement to it.

- 28.3 The following may not be passed as a written resolution:

28.3.1 a resolution to remove a Director before his or her period of office expires;
and

28.3.2 a resolution to remove an auditor before his or her period of office expires.

29. Irregularities regarding Member decision-making

The proceedings of any meeting or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including by accidental omission to give or any non-receipt of notice) or want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

ADMINISTRATIVE ARRANGEMENTS

30. Means of communication to be used

30.1 The company may validly send or supply any document (including any notice) or information to a Member:

30.1.1 by delivering it by hand to the address recorded for the Member in the register of Members;

30.1.2 by sending it by post or courier in an envelope (with postage or delivery paid) to the address recorded for the Member in the register of Members;
or

30.1.3 by electronic mail to an email address notified by the Member in writing.

in accordance with this Article 30.

30.2 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

30.2.1 24 hours after being sent by email or delivered by hand to the relevant address;

30.2.2 two clear days after being sent by first class post to the relevant address;

30.2.3 three clear days after being sent by second class or overseas post to the relevant address;

30.2.4 on being handed to the Member personally; or if earlier

30.2.5 as soon as the Member acknowledges actual receipt.

30.3 A technical defect in the giving of notice of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.

30.4 The Member may validly send any notice or document to the company:

30.4.1 by post to:

(a) the company's registered office; or

(b) any other address specified by the company for such purposes;

- 30.4.2 to any email address provided by the company for such purposes.
- 30.5 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.
- 30.6 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.

DIRECTORS' INDEMNITY AND INSURANCE AND WINDING UP

31. Indemnity

31.1 Subject to Article 31.2, a relevant Director of the company or an associated company may be indemnified out of the company's assets against

31.1.1 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;

31.1.2 any liability incurred by that Director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act);

31.1.3 any other liability incurred by that Director as an officer of the company or an associated company.

31.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

31.3 In this Article:

31.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

31.3.2 a "relevant Director" means any Director or former Director of the company or an associated company.

32. Insurance

32.1 The Directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant Director in respect of any relevant loss.

32.2 In this Article:

32.2.1 a "relevant Director" means any Director or former Director of the company or an associated company;

32.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

32.2.3 companies are associated if one is a subsidiary of the other or if both are subsidiaries of the same body corporate.

33. Winding up

If the company is wound up all remaining assets of the company after paying the debts of the company and the costs of winding up shall be paid to the Gallery unless the Gallery otherwise determines.