

Pay.UK Limited

A private company limited by guarantee

ARTICLES OF ASSOCIATION

Adopted on 9 September 2020

INDEX TO THE ARTICLES

Company Purpose

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of guarantors

PART 2 DIRECTORS

3. Directors
4. Chief Executive
5. Executive officers
6. Secretary

APPOINTMENT OF DIRECTORS

7. Methods of appointing directors
8. Retirement of directors by rotation
9. Termination of director's appointment
10. Directors' remuneration

DIRECTORS' POWERS AND RESPONSIBILITIES

11. Directors' general authority
12. Directors may delegate
13. Committees
14. Advisory Councils

DECISION-MAKING BY DIRECTORS

15. Directors to take decisions collectively
16. Resolutions in writing
17. Calling a directors' meeting
18. Participation in directors' meetings
19. Quorum for directors' meetings
20. Chairing of directors' meetings
21. Casting vote
22. Conflicts of interest
23. Records of decisions to be kept
24. Directors' discretion to make further rules

PART 3
GUARANTORS
BECOMING AND CEASING TO BE A GUARANTOR

- 25. Applications to become a guarantor
- 26. Ceasing to be a guarantor

ORGANISATION OF GENERAL MEETINGS

- 27. Attendance and speaking at general meetings
- 28. Notice of general meetings
- 29. Quorum for general meetings
- 30. Chairing general meetings
- 31. Attendance and speaking by directors and non-guarantors
- 32. Adjournment

VOTING AT GENERAL MEETINGS

- 33. Voting: general
- 34. Errors and disputes
- 35. Poll votes
- 36. Content of proxy notices
- 37. Delivery of proxy notices
- 38. Representatives of corporations
- 39. Amendments to resolutions
- 40. No political contributions

PART 4
ADMINISTRATIVE ARRANGEMENTS

- 41. Means of communication to be used
- 42. Company seals
- 43. No right to inspect accounts and other records
- 44. Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

- 45. Indemnity
- 46. Insurance

WINDING UP

- 47. Winding up

Company Purpose

The Company is set up for the good of society and the economy as a whole. Its purpose is to support a vibrant UK economy enabling a globally competitive payments industry through the provision of robust, resilient, collaborative retail payment services, rules and standards for the benefit, and meeting the evolving needs, of all users.

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“articles” means the Company’s articles of association (as amended from time to time);

“board” means the board of directors of the Company as constituted from time to time in accordance with article 3;

“chair” has the meaning given in article 20;

“chair of the meeting” has the meaning given in article 30;

“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;

“Company” means NPSO Limited;

“Corporate Group” means, in relation to a guarantor, that guarantor and all its Subsidiary Undertakings and Parent Undertakings and any Subsidiary Undertakings of its Parent Undertakings from time to time;

“Councils” means the end-user advisory council and participant advisory council and any other such advisory councils as formed from time to time by the board;

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

“Eligibility Criteria” means the requirement that a guarantor must be a legal person, which for this purpose shall be construed so as to include any firm, company or any other body corporate or any joint venture, association or partnership (whether or not having separate legal personality), or as such criteria may be amended by the board from time to time; “General Direction 5” means General Direction 5: Conflict of interest (FSBRA) (2020) issued by the Payments Systems Regulator;

“guarantor” means a member of the Company (within the meaning given to it in section 282 of the Companies Act 2006);

“independent director” means, in relation to a director, such person as the directors determine to be independent in character and judgement and whose relationships are unlikely to affect or appear to affect such director’s judgement, and as defined in paragraph B.1.1. of the Financial Reporting Council’s Corporate Governance Code as may be amended and/or updated from time to time;

“Insolvency Event” means any of the appointment of a receiver, manager, administrator or administrative receiver over all or the major part of a guarantor’s assets or the making of a general composition with the guarantor’s creditors or the winding up or dissolution of such guarantor;

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

“Parent Undertaking” has the meaning given to it in section 1162 of the Companies Act 2006;

“participate”, in relation to a directors’ meeting, has the meaning given in article 18;

“Payment Report” means a final report entitled “New Payment System Operator” published on 4 May 2017 by a delivery group appointed by the Payment Systems Regulator and the Bank of England;

“Payment Systems Regulator” means the economic regulator for the payment systems industry in the UK;

“proxy notice” has the meaning given in article 36;

“Ring-fenced body” has the meaning given in Part 9B of the Financial Services and Markets Act 2000 (as amended);

“Senior Executive” means any officer of the Company appointed pursuant to articles 4 or 5;

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

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

“Subsidiary Undertakings” has the meaning given to it in section 1162 of the Companies Act 2006;

“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.

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

No regulations or articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies (including the regulations in the Companies (Model Articles) Regulations 2008 (SI 2008/3229)) shall apply as the articles of the Company. The following shall be the articles of association of the Company.

Liability of guarantors

2. (1) The liability of each guarantor is limited to £1, being the amount that each guarantor undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a guarantor or within one year after he or she ceases to be a guarantor, for—

- (a) payment of the Company’s debts and liabilities contracted before he or she ceases to be a guarantor,
- (b) payment of the costs, charges and expenses of winding up, and
- (c) adjustment of the rights of the contributories among themselves.

PART 2 DIRECTORS

Number of Directors

3. (1) Except for the period of time that the board is being initially formed or unless otherwise determined by the Company by ordinary resolution, the number of directors at any given time shall be not less than 8 and not more than 12 in total of which—

- (a) equal to or less than 25% of the directors shall be Senior Executives; and
- (b) equal to or greater than 50% of the directors shall be independent directors; and
- (c) equal to or less than 25% of the directors shall be other non-executive directors.

Chief Executive

4. (1) A chief executive of the Company may be appointed by the board for such term, at such remuneration and upon such conditions as it may think fit. Any chief executive so appointed may be removed by the board from time to time and at any time.

(2) A chief executive of the Company shall also be appointed a director, and any restrictions on his or her voting powers in such capacity, shall be agreed by the board at the time of his or her appointment, and may be removed or amended by the board from time to time.

Executive officers

5. The board may from time to time appoint any person to an executive office of the Company not expressly provided for by these articles upon such terms including as to the term of office, remuneration and conditions as the board may think fit.

Secretary

6. The company secretary (if any) shall be appointed by the board for such term, at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the board from time to time and at any time.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

7. Any person who fulfils the Company's criteria (such criteria as amended, updated or replaced by the board from time to time having regard at all times to General

Direction 5) to serve as a director, is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by a decision of the board. For the purposes of this article 7, the board may (but shall not be obliged to) consider any recommendations or proposals made to the board by any committee of the board or similar delegated body in respect thereof.

Retirement of directors by rotation

8. (1) In the event that a person ceases to be a director pursuant to article 9(a), such person may offer themselves for reappointment by an ordinary resolution of the guarantors at an annual general meeting called in accordance with article 27(1).

(2) Where a person ceases to be a director pursuant to article 9(a) prior to an annual general meeting, such person may be reappointed (by either a decision of the board or ordinary resolution of the guarantors) on a temporary basis for the period up until the next annual general meeting whereby the guarantors shall approve or reject the reappointment of such person as a director.

Termination of director's appointment

9. A person ceases to be a director as soon as—

- (a) such director's term of appointment (as agreed in writing with the Company) shall have expired;
- (b) 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;
- (c) a bankruptcy order is made against that person;
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (e) 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; or
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect as set out in the director's engagement letter.

Directors' remuneration

10. (1) In addition to any remuneration payable to a director for his or her services to the Company as a Senior Executive or other officer of the Company, each director shall be entitled to such fees for his or her services as a director as shall from time to time be determined by the board.

(2) The directors may be paid upon receipt of written record thereof of all travelling, hotel, and other expenses properly and reasonably incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or otherwise in connection with the discharge of their duties.

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

11. (1) 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.

(2) In exercising their general authority set out in article 11(1) above and generally, the directors shall, for as long as is appropriate, have due regard to the Payment Report.

Directors may delegate

12. (1) Subject to the articles, including article 13, the directors may delegate any of the powers which are conferred on them under the articles to such person, by such means (including by power of attorney), to such an extent and on such terms and conditions as 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) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

13. (1) Subject to paragraph (2) below, the board may delegate any of its powers, authorities and discretions to committees, consisting of such person or persons (whether a guarantor or members of its body or not) as it thinks fit but always including at least one director. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board and, subject thereto, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the board.

(2) Notwithstanding paragraph (1) above, any and all decisions, proposals or recommendations of any committee formed under these articles shall be advisory in nature and shall not be binding on the Company or the board.

(3) A meeting of a committee may be validly held notwithstanding that its members may not be in the same place provided that they are in constant communication with each other throughout by telephone, video conference or other form of communication, and all members entitled to attend such meetings so agreed.

(4) The chair may, at his or her sole discretion, invite members of the Senior Executive to attend any meeting of a committee either personally or by representative and to speak at such meetings, but such person shall not have any vote at committee meetings by virtue of their office.

Advisory Councils

14. The Councils will report annually and publicly on their work and that of the Company, and may make such other public statements as they see fit. The directors shall respond publicly and as soon as possible to the annual reports and other public statements made by the Councils.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

15. 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 16 or article 21. Each director shall have one vote.

Resolutions in writing

16. A resolution of the board in writing signed, or approved in writing, by such directors as are required to approve the resolution in question shall be valid and effective as if it had been passed at a meeting of the board duly convened and held and may consist of several documents in the like form each signed, or containing such approval, by one or more of the directors.

Calling a directors' meeting

17. (1) Meetings of the board shall take place in London or at such other location as the board may agree, at such time or times as the board may agree, and shall normally be held monthly.

(2) Meetings of the board shall be called on not less than 7 days' notice specifying the date, time and place of the meeting and the business to be transacted thereat, except where (a) the directors unanimously, by notice in writing to the Company, waive such notice in respect of any particular meeting of the board, or (b) the chair determines that a shorter notice period is required.

Participation in directors' meetings

18. (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 and it may be validly held notwithstanding that the directors may not be in the same place provided that they are in constant communication with each other throughout by telephone, video conference or other form of communication.

(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.

Quorum for directors' meetings

19. (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) 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 five, and unless otherwise fixed it is five which must, in either case, include at least three independent directors.

(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 to appoint further directors.

Chairing of directors' meetings

20. (1) An independent director shall be appointed by the board to chair the meetings of the board.

(2) The person so appointed for the time being is known as the chair.

(3) If the chair is:

- (a) not participating in a directors' meeting within twenty minutes of the time at which it was to start; or

- (b) in accordance with article 22, the chair is not to be counted as participating in the decision-making process for quorum or voting purposes,

the participating directors must appoint another of the independent directors to chair it.

Casting vote

21. If the numbers of votes for and against a proposal are equal, the chair of the meeting has a casting vote.

Conflicts of interest

22. (1) Except in the circumstances set out in paragraph (2), if a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) Paragraph (1) above shall not apply where the board has resolved that, notwithstanding the provisions of this article 22, a director who is interested in an actual or proposed transaction or arrangement with the Company may be counted as participating in the decision-making process for quorum and voting purposes, provided that in coming to such decision by the board as to a director's ability to participate in the meeting (or part of the meeting), the relevant director shall not have the right to participate in such decision and a written record thereof shall be made and kept in accordance with article 23.

(3) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

Records of decisions to be kept

23. 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 decision taken by the directors.

Directors' discretion to make further rules

24. 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.

PART 3

GUARANTORS

BECOMING AND CEASING TO BE A GUARANTOR

Applications for becoming a guarantor

25. (1) No person shall become a guarantor of the Company unless—

- (a) that person has completed an application for becoming a guarantor in a form approved by the directors; and
- (b) that person satisfies the Eligibility Criteria; and
- (c) the directors have approved the application.

(2) The guarantors shall, for as long as is appropriate and in exercise of their rights, have due regard to the Payment Report.

Ceasing to be a guarantor

26. (1) A guarantor may withdraw from being a guarantor of the Company by giving 3 months' notice to the Company in writing, unless the board agrees in its sole discretion to accept a shorter notice period.

(2) A guarantor's membership is not transferable except to other members of the relevant guarantor's Corporate Group, provided that such person to whom the guarantor's membership is to be transferred satisfies the Eligibility Criteria and the board consents to such transfer.

(3) A guarantor's membership may be terminated on written notice to such guarantor, by a determination of the board without such guarantor's consent if—

- (a) such guarantor is subject to an Insolvency Event;
- (b) such guarantor no longer satisfies the Eligibility Criteria; or
- (c) in the opinion of the directors, acting reasonably —
 - (i) such guarantor has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or
 - (ii) such guarantor is established in a jurisdiction which is the subject of political or economic sanctions which make the guarantor's continued membership incompatible with the objectives of the Company.

(4) If, at a meeting of the board a resolution is passed to invoke the provisions of article 26(3) and terminate a guarantor's membership, the board must serve a written notice on the guarantor (a "**Potential Expulsion Notice**") stating that the board has resolved to invoke the provisions of article 26(3). Such Potential Expulsion Notice must contain—

- (a) a statement of the reasons for the board's decision, such statement being sufficiently detailed in the circumstances to enable the guarantor to know the case against it; and
- (b) details of how any guarantor may make written representations to the board as to why its membership should not be terminated.

(5) At the next board meeting to occur after the serving of a Potential Expulsion Notice—

- (a) any written representations made by any guarantor pursuant to article 26(4)(b) must be considered; and

- (b) the board must make a final decision about whether to terminate a guarantor's membership pursuant to this article 26.

In the event that the board decides to terminate a guarantor's membership, the board must then serve a notice on that guarantor informing it of the decision.

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

27. (1) Annual general meetings: Subject to the provisions of the Companies Act 2006, annual general meetings shall be held at such time and place as the board may determine. This may include the holding and conducting of a meeting in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it.

(2) **Extraordinary general meetings:** The board may, whenever it thinks fit, convene a general meeting, other than an annual general meeting, and such general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Sections 303 to 305 of the Companies Act 2006. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two guarantors may convene a general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the board.

(3) The time and place of any meeting shall be determined by the conveners of the meeting. This may include the holding and conducting of a meeting in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it.

Notice of General Meetings

28 (1) A general meeting called for the passing of a special resolution or a resolution reappointing a person as a director in accordance with Articles 8(1) and 8(2) shall be called on at least 14 clear days' notice. All other general meetings shall be called on at least 14 clear days' notice unless shorter notice is so agreed—

- (a) by all the guarantors entitled to attend and vote at the meeting; or
- (b) by a majority in number of the guarantors having a right to attend and vote, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights at the meeting of all the guarantors.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the right of the guarantors to appoint a proxy under section 324 of the Companies Act 2006. The notice shall be given to all the guarantors and to the directors and auditors. References to the place of the meeting may include those in which the meeting is to be held and conducted in such a way that persons

who are not present together at the same place may by electronic means attend and speak and vote at it.

(2) Where the Company has given an electronic address in any notice of a general meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of the meeting.

(3) The accidental omission to give notice of a meeting to, or the non-receipt of the notice of a meeting by, any person to receive notice shall not invalidate the proceedings at that meeting.

Quorum for general meetings

29. Except in the circumstances set out in article 32(1), the quorum for a general meeting shall be where more than 50% of the guarantors in number are represented in person or by proxy.

Chairing general meetings

30. (1) If the directors have appointed a chair of the board in accordance with article 20, that chair shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chair, or if the chair is unwilling to chair the meeting, or if the chair is prevented from participating in a decision-making process pursuant to article 22, or if the chair is not present within twenty minutes of the time at which a meeting was due to start, the directors present must appoint an independent director to chair the meeting, and the appointment of the chair 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 chair of the meeting”.

Attendance and speaking by directors and non-guarantors

31. (1) Each director shall be entitled to attend and speak at any general meeting of the Company, whether or not they are guarantors.

(2) The chair of the meeting may permit other persons who are not guarantors of the Company to attend and speak at a general meeting.

Adjournment

32. (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 chair of the meeting must adjourn it to the same day in the next week at the same time and place, or to later on the same day or to such other day (being not less than seven clear days after the original meeting) and at such

time and place as the chair of the meeting (or, in default, the board) may determine and to notify the guarantors in writing thereof. If at such adjourned meeting a quorum is not present within five minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a guarantor so entitled or a proxy for a guarantor so entitled or a duly authorised representative of a corporation which is a guarantor so entitled, shall be a quorum.

(2) The chair 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 chair 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 chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting other than in circumstances set out in paragraph (1) above, the chair 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 7 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

Voting: general

33. (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with article 35.

(2) On a vote on a show of hands, all guarantors shall have one vote except that:

- (a) all guarantors who are part of the same Corporate Group shall have in aggregate one vote, to be exercised by the guarantor who is nominated in writing by the guarantors constituting that Corporate Group; or
- (b) in the case of a Corporate Group that contains a Ring-fenced body or Ring-fenced bodies, all guarantors within such Corporate Group:

- (i) who are deemed to be Ring-fenced bodies shall have in aggregate one vote, to be exercised by the guarantor who is nominated in writing by such guarantors; and
- (ii) who are not deemed to be Ring-fenced bodies shall, if the board so determines in its sole discretion, separately have in aggregate one vote, to be exercised by the guarantor who is nominated in writing by such guarantors.

(3) Subject to the provisions of the Companies Act 2006 requiring a lesser percentage, a resolution in writing signed or approved by letter or email (in PDF format) by or on behalf of all the guarantors of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting shall be as valid and effectual as if it had been passed at a general meeting duly convened and held. The resolution may be contained in one document or in several documents in like form each stating the terms of the resolution accurately and signed by or on behalf of one or more of the guarantors. This article is in addition to, and not limited by, the provisions in Chapter 2 of Part 13 of the Companies Act 2006.

Errors and disputes

34. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chair of the meeting whose decision is final.

Poll votes

35. (1) A poll on a resolution may be demanded—

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

- (2) A poll may be demanded by—
- (a) the chair of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the guarantors having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
 - (b) the chair of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chair of the meeting directs.

Content of proxy notices

- 36.** (1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the guarantor appointing the proxy;
 - (b) identifies the person appointed to be that guarantor’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the guarantor appointing the proxy, 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 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.

Delivery of proxy notices

37. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

(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) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Representatives of corporations

38. Any corporation which is a guarantor may by resolution of its directors or other governing body or otherwise in accordance with the law governing that guarantor authorise such person as it thinks fit to act as its representative at meetings of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual guarantor and such corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

Amendments to resolutions

39. (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 chair of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chair 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 chair 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 chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

No political contributions

40. The Company shall not, except as approved in accordance with the Companies Acts:

- (a) make any donations to or advance any sums of money to political parties, political organisations or independent election candidates; nor
- (b) incur political expenditure in relation to such bodies or persons.

PART 4

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

41. (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) In the case of a guarantor that is a corporation, for all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of the articles, execution by any director or the secretary of that corporation or any other person who appears to any officer of the Company (action reasonably and in good faith) to have been duly authorised to execute shall be deemed to be and shall be accepted as execution by that corporation.

(3) 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.

(4) 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.

(5) Where permitted by applicable law and regulation, the use of e-signatures shall be permitted.

Company seals

42. (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;
- (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.

No right to inspect accounts and other records

43. Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a guarantor.

Provision for employees on cessation of business

44. 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

Indemnity

45. (1) Subject to paragraph (2), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an

occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

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

(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.

(3) In this article—

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

(b) a “relevant director” means any director or former director of the Company or an associated company.

Insurance

46. (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.

(2) In this article—

(a) a “relevant director” means any director or former director of the Company or an associated company,

(b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and

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

Winding up

47. On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Guarantors (except to a Guarantor that qualifies under this Article) but shall be transferred to another body with objects similar to those of the Company. Such body shall be determined by resolution of the Guarantors at or before the time of winding up or dissolution.