

Company Number 9069106

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of

UK MUNICIPAL BONDS AGENCY PLC

(As adopted by Special Resolution passed on 25 March 2015)

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PART 1
PRELIMINARY

1 Defined terms

1.1 In the Articles, unless the context requires otherwise

Affiliate means in relation to a body corporate, any subsidiary or holding company of such body corporate, and any subsidiary of any such holding company, in each case for the time being,

alternate or alternate Director has the meaning given in Articles 25-28,

Appointor has the meaning given in Article 25,

these Articles means these Articles of Association as originally adopted or altered or varied from time to time (and **Article** means one of these Articles),

authenticated has the meaning given in section 1146 CA 2006,

B Shareholder means a holder for the time being of B Shares,

B Shares has the meaning given to it in Article 29.4,

bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

Board means the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of Directors at which a quorum is present,

Board Meeting means a meeting of the Board as from time to time convened in accordance with these Articles,

CA 2006 means the Companies Act 2006 (to the extent for the time being in force),

call has the meaning given in Article 39,

call notice has the meaning given in Article 39,

chairman has the meaning given in Article 13,

chairman of the meeting has the meaning given in Article 65,

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 and the day for which it is given or on which it is to take effect,

Company's Lien has the meaning given in Article 37,

Companies Acts means the Companies Acts (as defined in section 2 CA 2006), in so far as they apply to the Company,

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

distribution recipient has the meaning given in Article 55,

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

electronic form has the meaning given in section 1168 CA 2006,

eligible Director means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Board Meeting (but excluding any Director whose vote is not to be counted in respect of the particular matter),

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,

hard copy form has the meaning given in section 1168 CA 2006,

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

holding company has the meaning attributed to it in section 1159 CA 2006,

Instrument means a document in hard copy form,

an **Interest** means a direct or an indirect interest and **interested** shall be construed accordingly,

LGA Shareholder means a holder for the time being of LGA Shares,

LGA Shares has the meaning given to it in article 29 4,

lien enforcement notice has the meaning given in Article 38,

Office means the registered office for the time being of the Company,

ordinary resolution has the meaning given in section 282 CA 2006,

partly paid in relation to a share, means that part of the nominal value or any premium to be paid to the Company in respect of the share has not been paid to the Company,

paid means paid or credited as paid,

participate in relation to a Board Meeting, has the meaning given in Article 10,

proxy notice has the meaning given in Article 73,

Secretary means the secretary (if any) of the Company or any other person (if any) appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary and references to the Secretary shall only apply for as long as the Company elects to have a secretary,

shareholder means a person who is the holder of a share,

shares means shares in the Company,

special resolution has the meaning given in section 283 CA 2006,

subsidiary has the meaning given in section 1159 CA 2006 and in interpreting section 1159 CA 2006 for the purposes of these Articles, a company is to be treated as a member of a subsidiary even if its shares are registered in the name of (i) a nominee, or (ii) any party holding security over those shares, or (iii) that secured party's nominee,

a transaction or arrangement means an actual or a proposed transaction or arrangement,

transmittee means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, 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

12 In these Articles, unless the context otherwise requires

- (a) a reference to a person includes a body corporate and an unincorporated body of persons,
- (b) words importing the masculine gender include every gender,
- (c) a reference to a Director being **appointed** includes a Director being elected and **appointment** of a Director shall be construed accordingly,
- (d) a reference to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form is to that share being an uncertificated unit of a security which, for the time being, is a participating security, and a reference to a certificated share or to a

share being in certificated form is to that share being a unit of a security which is not an uncertificated unit,

- (e) a reference to any statute or statutory provision includes any orders, regulations or other subordinate legislation made under it and any statutory modification or re-enactment of it for the time being in force, and
- (f) other words or expressions contained in these Articles bear the same meaning as in the CA 2006 as in force on the date when these Articles become binding on the Company

2 Table A and Model Articles not to apply

No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning companies (including the regulations in Table A of The Companies (Tables A to F) Regulations 1985 as amended and any model articles prescribed under the Companies Act 2006) shall apply as the regulations or articles of the Company, but the following shall be the Articles of Association of the Company

3 Limited Liability

The liability of the shareholders is limited to the amount, if any, unpaid on their shares

PART 2 DIRECTORS

DIRECTORS POWERS AND RESPONSIBILITIES

4 Directors' general authority

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

5 Shareholders' reserve power

- 5 1 The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action
- 5 2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution

6 Directors may delegate

- 6 1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles to such person or committee, by such means (including by power of

attorney), to such an extent, in relation to such matters or territories and on such terms and conditions as they think fit

6 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

6 3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

7 Committees

Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors

DECISION-MAKING BY DIRECTORS

8 Directors to take decisions collectively

8 1 Decisions of the Directors may only be taken at a Board Meeting, or in the form of a Directors' written resolution

8 2 Each Director participating in a Board Meeting shall have one vote

8 3 Subject to any agreement in writing from time to time between the shareholders, no resolution at a Board Meeting shall be effective unless voted in favour of by a majority of the participating Directors

8 4 Subject to the Articles, a Director and that Director's alternate may not vote on any proposals relating to that Director in connection with any authorisation made by the Board pursuant to Article 18. This does not preclude the alternate from voting in relation to the proposal on behalf of another Appointor to which the proposal does not relate

9 Calling a Board Meeting

9 1 Any Director may call a Board Meeting

9 2 The Secretary must call a Board Meeting if a Director so requests

9 3 A Board Meeting is called by giving notice of the meeting to the Directors

9 4 Notice of any Directors' meeting must indicate its proposed date and time, where it is to take place and, 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

9 5 Notice of a Directors' meeting must be given to each Director, but need not be in writing

- 9 6 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.

10 Participation in Board Meeting

- 10 1 Subject to the Articles, Directors participate in a Board Meeting, or part of a Board Meeting, when

- (a) the meeting has been called and takes place in accordance with the Articles, and
- (b) each Director can communicate to the other Directors any information or opinions they have on an particular item of the business of the meeting.

- 10 2 In determining whether Directors are participating in a Board Meeting, it is irrelevant where any Director is or how the Directors communicate with each other.

- 10 3 If all the Directors participating in a Board Meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of the participating Directors are. If they do not so decide, such a meeting shall be deemed to take place where the largest group of those participating Directors is assembled or, if there is no group which is larger than any other group, where the chairman is.

11 Quorum for Board Meetings

- 11 1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

- 11 2 Subject to Article 11 3, the quorum for Board 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.

- 11 3 If within half an hour from the time that Board Meeting is due to commence a quorum is not present, the meeting shall be adjourned to the same day of the next week at the same time and place. Each Director not present at the meeting shall be notified by the Company in writing (and may also be so notified by either or both of the shareholders) of the date, time and place of the reconvened meeting.

- 11 4 If at the reconvened meeting a quorum is still not present within half an hour from the time that the meeting was due to commence, then the meeting shall be dissolved.

12 Board Meetings where total number of Directors less than quorum

- 12 1 This Article applies where the total number of Directors for the time being is less than the quorum for Board Meetings
- 12 2 If there is only one Director, that Director may appoint sufficient Directors to make up a quorum or call a general meeting to do so
- 12 3 If there is more than one Director
- (a) a Board Meeting may take place, if it is called in accordance with the Articles and at least two Directors participate in it, with a view to appointing sufficient Directors to make up a quorum or calling a general meeting to do so, and
 - (b) if a Board Meeting is called but only one Director attends at the appointed date and time to participate in it, that Director may appoint sufficient Directors to make up a quorum or call a general meeting to do so

13 Chairing of Board Meetings

- 13 1 The Directors shall appoint a Director to chair the Board Meetings
- 13 2 The person so appointed for the time being is known as the chairman
- 13 3 The Directors may appoint other Directors as deputy or assistant chairman to chair Board Meetings in the chairman's absence
- 13 4 The Directors may terminate the appointment of the chairman, deputy or assistant chairman at any time
- 13 5 If neither the chairman nor any Director appointed generally to chair Board Meetings in the chairman's absence is participating in a Board Meeting within ten minutes of the time at which it was to start, the participating Directors shall appoint one of themselves to chair it

14 Proposing Directors' written resolutions

- 14 1 Any Director may propose a Directors' written resolution
- 14 2 The Secretary must propose a Directors' written resolution if a Director so requests
- 14 3 A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors
- 14 4 Notice of a proposed Directors' written resolution must set out the proposed resolution and the time by which it is proposed that the Directors should adopt it

- 14 5 Notice of a proposed Directors' written resolution must be given in writing to each Director
- 14 6 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably and in good faith

15 Adoption of Directors' written resolutions

- 15 1 A proposed Directors' written resolution is adopted when all the Directors who would have been entitled to vote on the resolution at a Board Meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting
- 15 2 It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted
- 15 3 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Board Meeting in accordance with the Articles
- 15 4 The Secretary must ensure that the Company keeps a record, in writing, of all Directors' written resolutions for at least 10 years from the date of their adoption

16 Casting vote

The chairman shall have no casting vote at any Board Meeting

17 Director's discretion to make further rules

Subject to the Articles, the Directors may make any rules which they think fit about how they take decisions, and about how such rules are to be recorded and communicated to the Directors

18 Conflicts of Interest

- 18 1 Subject to the provisions of CA 2006, a Director may be interested in any transaction or arrangement with the Company or with any other company in which the Company is otherwise interested or in which any company which has an interest in the Company is interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a shareholder may act in a professional capacity for the Company or any such other company and be remunerated therefore. Notwithstanding his interest but subject to the provisions of CA 2006 and, if relevant, to any limits or conditions imposed by the Board as referred to in Article 18 2, a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him

- 18 2 Where the existence of a Director's relationship with another person (an **authorised conflict**) is authorised by the Board pursuant to CA 2006 (and subject to any limits or conditions imposed by the Board), or if Article 18 1 applies to the relationship, the Director shall not be in breach of the general duties he owes to the Company under CA 2006 because he absents himself from any meetings or discussions relating to the authorised conflict, makes arrangements not to receive documents and information relating to the authorised conflict sent or supplied by the Company and/or makes arrangements for such documents and information to be received and read by a professional adviser, fails to disclose to the Board or to any person any information which he obtains otherwise than as a Director and in respect of which he has a duty of confidentiality to another person, and/or fails to use or apply any such information in performing his duties as a Director
- 18 3 Subject to these Articles, the Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit (including the exercise of voting rights in favour of any resolution appointing the Directors or any of them as directors or officers of the other company or in favour of the payment of remuneration to the directors or officers of the other company), and a Director may vote on and be counted in the quorum in relation to any of these matters
- 18 4 A Director who has been appointed to the Board by a shareholder pursuant to these Articles or any agreement (meaning any agreement between all of the shareholders from time to time) in circumstances where the Board is aware, or has been notified, that the Director is such an appointee shall not be taken to be in breach of his/her fiduciary duty to act in the best interests of the Company (and shall not be in breach of section 175 CA 2006) by reason only that in the performance of his/her duties and exercise of powers, that Director has regard to the interests of that shareholder. Notwithstanding any such breach or conflict, or potential breach or conflict, but subject to the provisions of CA 2006 and, if relevant, to any limits or conditions imposed by the Board as referred to in Article 18 2, a Director may vote on any matter where there is, or could be, such a breach or conflict arising out of him being an appointee of a shareholder and shall be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him
- 18 5 In the event that there is only one eligible director in office, the Director may be interested in a transaction envisaged in Article 18 1 and shall not be in breach of the general duties he owes to the Company under CA 2006 if the Company by ordinary resolution authorises the interest which would otherwise prevent the director from being counted as participating in, or voting at, a Board Meeting

19 **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

APPOINTMENT OF DIRECTORS

20 **Methods of appointing Directors**

20 1 The number of Directors shall be no more than fifteen and no less than two

20 2 Subject to Article 20 3, any person 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 Directors

20 3 Following a decision

(a) by the Directors to propose the appointment of a new Director in accordance with Article 20 2, or

(b) by the Directors or a shareholder to propose a shareholder resolution to appoint a Director,

(the **Proposed Appointment**), prior to the new Director being appointed the Board shall first notify the holder(s) of the majority of the LGA Shares of the Proposed Appointment (the **Notification**), following which the holder(s) of the majority of the LGA Shares shall be entitled to veto the Proposed Appointment by notifying the Board in writing (with such instrument authenticated by the holder(s) of the majority of the LGA Shares or (in the case of ant shareholder being a corporation) authenticated on its behalf by one of its directors or its secretary) at any time within 10 Business Days of the date of the Notification being served on the holder(s) of the majority of the LGA Shares (the **Notification Date**) of their intention to veto the Proposed Appointment, with such veto taking effect when received at the Office. If the holder(s) of the majority of the LGA Shares do not notify the Board in writing within 10 Business Days of the Notification Date that they wish to veto the Proposed Appointment, the Board shall be entitled to proceed with the Proposed Appointment, or the Board or a relevant shareholder shall be entitled to propose a shareholder resolution relating to the Proposed Appointment, as the case may be

21 **Retirement of directors by rotation**

Each Director must retire from office at the annual general meeting occurring in the third year of their appointment, following which they may offer themselves for reappointment by the shareholders

22 Termination of Director's appointment

22 1 A person ceases to be a Director as soon as

- (a) that person ceases to be a Director by virtue of any provision of the CA 2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months, or
- (e) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms

22 2 The Board, or any committee authorised by the Board, may revoke or terminate any appointment of a Director without prejudice to any claim for damages for breach of any contract between the Director and the Company

23 Directors' remuneration

23 1 Directors may undertake any services for the Company that the Directors decide

23 2 Directors are entitled to such remuneration as the Directors determine for their services to the Company as Directors and for any other service which they undertake for the Company

23 3 Subject to the Articles, a Director's remuneration may take any form and 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

23 4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day

23 5 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

24 Directors' expenses

The Company may pay any reasonable expenses which the Directors (including alternate Directors and the Secretary (if any)) properly incur in connection with their attendance at Board

Meetings or committees of Directors, at general meetings, at separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

ALTERNATE DIRECTORS

25 Appointment and removal of alternate Directors

- 25 1 Any Director (the **Appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors to exercise that Director's powers and carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor
- 25 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors, and delivered to the Office
- 25 3 The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice

26 Rights and responsibilities of alternate Directors

- 26 1 An alternate Director has the same rights, in relation to any Board Meeting or Directors' written resolution, as the alternate's Appointor
- 26 2 Except as the Articles specify otherwise, alternate Directors are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, shall be entitled to receive notice of all Board Meetings and of all meetings of committees of Directors of which their Appointors are members, and are not deemed to be agents of or for their Appointors and are not deemed to be Directors
- 26 3 Save as otherwise provided in these Articles, an alternate Director shall not have the power to act as a Director
- 26 4 A person who is an alternate Director but not a Director
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and
 - (b) may authenticate a written resolution (but only if it is not authenticated or to be authenticated by that person's Appointor), but

no alternate may be counted as more than one Director for such purposes

- 26 5 An alternate Director is entitled to be repaid expenses to the same extent as if he were a Director but is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company

27 Alternate Directors voting at Board Meetings

A Director who is also an alternate Director has an additional vote on behalf of each Appointor who is not participating in a Board Meeting and who would have been an eligible Director in relation to that decision

28 Termination of alternate directorship

- 28 1 An alternate Director's appointment as an alternate terminates
- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,
 - (c) on the death of the alternate's Appointor, or
 - (d) when the alternate's Appointor's appointment as a Director terminates, except that an alternate's appointment as an alternate does not terminate when the Appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting

**PART 3
SHARES AND DISTRIBUTIONS**

SHARES

29 Share issues

- 29 1 Subject to the remaining provisions of this Article 29 1 and to Article 29 2, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the CA 2006 and generally, to exercise any power of the Company to
- (a) offer or allot,
 - (b) grant rights to subscribe for or to convert any security into,

(c) otherwise deal in, or dispose of,

any shares in the Company (including LGA Shares or B Shares or shares or securities with such other rights as the Directors may in their absolute discretion determine) to any person, at any time and subject to any terms and conditions as the Directors think proper up to an aggregate nominal amount of £100,000

29 2 The authority referred to in Article 29 1

(a) shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution, and

(b) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the Directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

29 3 In accordance with section 570(1) of the CA 2006, section 561 of the CA 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of the CA 2006) made by the Company

29 4 The share capital of the Company at the date of adoption of these Articles comprises LGA ordinary shares of one pence each (the **LGA Shares**) and B ordinary shares of one pence each (the **B Shares**)

29 5 The LGA Shares and the B Shares shall be separate classes of shares but save as otherwise provided in these Articles shall carry the same rights and privileges and shall rank *pari passu* in all respects

30 Powers to issue different classes of share

30 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

30 2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the shareholder, and the Directors may determine the terms, conditions and manner of redemption of any such shares

31 Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in

any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

32 Share certificates

- 32 1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- 32 2 Every certificate must specify in respect of how many shares, and of what class, it is issued, the nominal value of those shares and any distinguishing numbers assigned to them
- 32 3 No certificate may be issued in respect of shares of more than one class
- 32 4 If more than one person holds a share, only one certificate may be issued in respect of it
- 32 5 Certificates must have affixed to them the Company's common seal or be otherwise executed in accordance with the CA 2006
- 32 6 This Article does not apply to
- (a) uncertificated shares,
 - (b) shares in respect of which a share warrant has been issued, or
 - (c) shares in respect of which the CA 2006 permits the Company not to issue a certificate

33 Replacement share certificates

- 33 1 If a certificate issued in respect of a shareholder's shares is damaged or defaced or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- 33 2 A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates, must return the certificate which is to be replaced to the Company if it is damaged or defaced and must comply with such conditions as to evidence, indemnity and the payment of reasonable expenses as the Directors decide

34 Consolidated share certificates

- 34 1 When a shareholder's holding of shares of a particular class increases, the Company may issue that shareholder with
- (a) a single, consolidated certificate in respect of all the shares of a particular class which that shareholder holds, or

- (b) a separate certificate in respect of only those shares by which that shareholder's holding has increased
- 34 2 When a shareholder's holding of shares of a particular class is reduced, the Company must ensure that the shareholder is issued with one or more certificates in respect of the number of shares held by the shareholder after that reduction. But the Company need not (in the absence of a request from the shareholder) issue any new certificate if
 - (a) all the shares which the shareholder no longer holds as a result of the reduction, and
 - (b) none of the shares which the shareholder retains following the reduction,were, immediately before the reduction, represented by the same certificate
- 34 3 A shareholder may request the Company, in writing, to replace
 - (a) the shareholder's separate certificates with a consolidated certificate, or
 - (b) the shareholder's consolidated certificate with two or more separate certificates representing such proportion of the shares as the shareholder may specify
- 34 4 When the Company complies with such a request it may charge such reasonable fee as the directors may decide for doing so
- 34 5 A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation

SHARES NOT HELD IN CERTIFICATED FORM

35 Uncertificated shares

- 35 1 In this Article, **the relevant rules** means
 - (a) any applicable provision of the Companies Acts about the holding, evidencing of title to, or transfer of shares other than in certificated form, and
 - (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision
- 35 2 The provisions of this Article have effect subject to the relevant rules
- 35 3 Any provision of the Articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply

- 35 4 Any share or class of shares of the Company may be issued or held on such terms, or in such a way, that
- (a) title to it or them is not, or must not be, evidenced by a certificate, or
 - (b) it or they may or must be transferred wholly or partly without a certificate
- 35 5 The Directors have power to take such steps as they think fit in relation to
- (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares),
 - (b) any records relating to the holding of uncertificated shares,
 - (c) the conversion of certificated shares into uncertificated shares, or
 - (d) the conversion of uncertificated shares into certificated shares
- 35 6 The Company may by notice to the holder of a share require that share
- (a) if it is uncertificated, to be converted into certificated form, and
 - (b) if it is certificated, to be converted into uncertificated form,
- to enable it to be dealt with in accordance with the Articles
- 35 7 If
- (a) the Articles give the Directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
 - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the Directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares
- 35 8 In particular, the Directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a Company Lien in respect of it
- 35 9 Unless the Directors otherwise determine, shares which a shareholder holds in uncertificated form must be treated as separate holdings from any shares which that shareholder holds in certificated form

35 10 A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form

36 Share warrants

36 1 The Directors may issue a share warrant in respect of any fully paid share

36 2 Share warrants must be

(a) issued in such form, and

(b) executed in such manner,

as the Directors decide

36 3 A share represented by a share warrant may be transferred by delivery of the warrant representing it

36 4 The Directors may make provision for the payment of dividends in respect of any share represented by a share warrant

36 5 Subject to the Articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may

(a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed,

(b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings,

(c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead, and

(d) vary the conditions of issue of any warrant from time to time,

and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued

36 6 Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the shares represented by their warrants

36 7 The company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant

37 Company's lien over shares

37 1 The Company has a lien (the **Company's Lien**) over every share which is partly paid for any part of

(a) that share's nominal value, and

(b) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

37 2 The Company's Lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

37 3 The Directors may at any time decide that a share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

37 4 The Directors shall not be entitled to sell any shares on which the Company has from time to time a Company Lien without the prior consent in writing of the shareholder which is the holder of such shares

37 5 The Directors shall not be entitled to exercise any right of forfeiture in respect of shares from time to time or to sell, re-allot or otherwise dispose of any shares which have from time to time been forfeited without the prior consent in writing of the shareholder which is the holder of such shares

38 Enforcement of the Company's Lien

38 1 Subject to the provisions of this Article, if a lien enforcement notice has been given in respect of a share and the person to whom the notice was given has failed to comply with it, the Company may sell that share in such manner as the Directors decide

38 2 A lien enforcement notice may only be given in respect of a share which is subject to the Company's Lien (and in respect of which a sum is payable and the due date for payment of that sum has passed), must specify the share concerned, must require payment of the sum payable within 14 days of the notice, must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise and must state the Company's intention to sell the share if the notice is not complied with

38 3 Where shares are sold under this Article, the Directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and the transferee is not bound to see to the application of the consideration and the

transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

38 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied

(a) first, in payment of so much of the sum for which the Company Lien exists as was payable at the date of the lien enforcement notice, and

(b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice

38 5 A statutory declaration by a Director or the Secretary that the declarant is a Director or the Secretary and that a share has been sold to satisfy the Company's Lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and, subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

39 Call notices

39 1 Subject to the Articles and the terms on which shares are allotted, the Directors may send a notice (a **call notice**) to a shareholder requiring the shareholder to pay the Company a specified sum of money (a **call**) which is payable in respect of shares which that shareholder holds at the date when the Directors decide to send the call notice

39 2 A call notice may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium), must state when and how any call to which it relates it is to be paid and may permit or require the call to be paid by instalments

39 3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 days have passed since the notice was sent

39 4 Before the Company has received any call due under a call notice the Directors may, by a further notice in writing to the shareholder in respect of whose shares the call is made, revoke it wholly or in part or specify a later time for payment than is specified in the call notice

40 Liability to pay calls

- 40 1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid
- 40 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- 40 3 Subject to the terms on which shares are allotted, the Directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them to pay calls which are not the same or to pay calls at different times

41 Failure to comply with call notice: automatic consequences

- 41 1 If a person is liable to pay a call and fails to do so by the call payment date the Directors may issue a notice of intended forfeiture to that person and, until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate
- 41 2 For the purposes of this Article
- (a) the **call payment date** is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the call payment date is that later date,
 - (b) the **relevant rate** is
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
 - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Directors, or
 - (iii) if no rate is fixed in either of these ways, the appropriate rate (as defined by CA 2006)

- 41 3 The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)

- 41 4 The Directors may waive any obligation to pay interest on a call wholly or in part

42 When a call notice need not be issued

- 42 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of

nominal value or premium) on allotment, on the occurrence of a particular event or on a date fixed by or in accordance with the terms of issue

- 42 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

43 Notice of intended forfeiture

A notice of intended forfeiture may be sent in respect of any share in respect of which a call has not been paid as required by a call notice, must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice, must state how the payment is to be made and must state that, if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

44 Directors' power to forfeit shares

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

45 Effect of forfeiture

- 45 1 Subject to the Articles, the forfeiture of a share extinguishes all interests in that share, all claims and demands against the Company in respect of it and all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company
- 45 2 Any share which is forfeited in accordance with the Articles is deemed to have been forfeited when the Directors decide that it is forfeited, is deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of as the Directors think fit
- 45 3 If a person's shares have been forfeited
- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders,
 - (b) that person ceases to be a shareholder in respect of those shares,
 - (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation,

(d) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and

(e) the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

45 4 At any time before the Company disposes of a forfeited share, the Directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit

46 Procedure following forfeiture

46 1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer

46 2 A statutory declaration by a Director or the Secretary that the declarant is a Director or the Secretary and that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and, subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

46 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share

46 4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission and excluding any amount which was, or would have become, payable and had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

47 Surrender of shares

47 1 A shareholder may surrender any share in respect of which the Directors may issue a notice of intended forfeiture or which the Directors may forfeit or which has been forfeited

47 2 The Directors may accept the surrender of any such share

47 3 The effect of surrender on a share is the same as the effect of forfeiture on that share

- 47 4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

48 Share transfers – certificated shares

- 48 1 Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee
- 48 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 48 3 The Company may retain any instrument of transfer which is registered
- 48 4 The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it
- 48 5 On the transfer of any share as permitted by these Articles
- (a) a share transferred to a non-shareholder shall remain of the same class as before the transfer save that a LGA Share transferred shall automatically be re-designated as a B Share unless transferred to a nominee acting on behalf of the Local Government Association, and
 - (b) a share transferred to a shareholder shall automatically be re-designated on transfer as a share of the same class as those shares already held by the shareholder
- 48 6 If no shares of a class remain in issue following a re-designation under this Article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or Directors appointed by that class

49 Right to refuse registration

- 49 1 The Directors may refuse to register the transfer of any share if
- (a) the share is not fully paid,
 - (b) the transfer is not lodged at the Office or such other place as the Directors have appointed,
 - (c) the transfer is not accompanied (except in the case of a transfer of an uncertificated share) by the certificate for the shares to which it relates, or such other evidence as the

Directors may reasonably require to show the transferor's right to make the transfer on the transferor's behalf,

- (d) the transfer is in respect of more than one class of share,
- (e) the transfer is in favour of more than four transferees, or
- (f) the transfer is to a person which is not a local government authority

50 Exercise of transmitters' rights

- 50 1 Transmitters who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish
- 50 2 If the transmitter wishes to have a share transferred to another person, the transmitter must execute an instrument of transfer in respect of it
- 50 3 If the share is an uncertificated share and the transmitter wishes to have it transferred to another person, the transmitter must
- (a) procure that all appropriate instructions are given to effect the transfer, or
 - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it
- 50 4 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

51 Transmitters bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmitter is entitled to those shares, the transmitter is bound by the notice if it was given to the shareholder before the transmitter's name has been entered in the register of shareholders

CONSOLIDATION OF SHARES

52 Procedure for disposing of fractions of shares

- 52 1 This Article applies where
- (a) there has been a consolidation or division of share,, and
 - (b) as a result, shareholders are entitled to fractions of shares

- 52 2 The Directors may
- (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable,
 - (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
 - (c) distribute the net proceeds of sale in due proportion among the holders of the shares
- 52 3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the Directors, that shareholder's portion may be distributed to an organisation which is a charity for the purposes of the laws of England and Wales, Scotland or Northern Ireland
- 52 4 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions
- 52 5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale

DISTRIBUTIONS

53 Procedure for declaring dividends

- 53 1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends
- 53 2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors
- 53 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- 53 4 Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it
- 53 5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears
- 53 6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment

- 53 7 If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

54 **Calculation of dividends**

- 54 1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be declared and paid according to the amounts paid up on the shares on which the dividend is paid and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid
- 54 2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly
- 54 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount

55 **Payment of dividends and other distributions**

- 55 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide,
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide, or
 - (d) any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide
- 55 2 In the Articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable, the holder of the share or, if the share has two or more joint holders, whichever of them is named first in the register of shareholders or, if the holder is no longer entitled to the share by reason of death, bankruptcy or otherwise by operation of law, the transmittee

56 Deductions from distributions in respect of sums owed to the Company

- 56 1 If a share is subject to the Company's Lien, and the Directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable any sum of money which is payable to the Company to the extent that they are entitled to require payment under a lien enforcement notice
- 56 2 The Company must notify the distribution recipient in writing of
- (a) the fact and amount of any such deduction,
 - (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
 - (c) how the money deducted has been applied

57 No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued or the provisions of another agreement between the holder of that share and the Company

58 Unclaimed distributions

- 58 1 All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed
- 58 2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it
- 58 3 If twelve years have passed from the date on which a dividend or other sum became due for payment and the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

59 Non-cash distributions

- 59 1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

59 2 If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated

59 3 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution, fixing the value of any assets, paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients and vesting any assets in trustees

60 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect but, if the share has more than one holder or more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

61 **Capitalisation of profits**

61 1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution

(a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and

(b) appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions

61 2 Capitalised sums must be applied on behalf of the persons entitled and in the same proportions as a dividend would have been distributed to them

61 3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

61 4 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled or in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct

61 5 Subject to the Articles the Directors may

- (a) apply capitalised sums in accordance with Articles 61 3 and 61 4 partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates, the making of cash payments, or the cancellation of fractions that would otherwise be issued), and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

62 Shareholders can call general meetings if not enough Directors

If the Company has fewer than two Directors, and the Director (if any) is unable or unwilling to appoint sufficient Directors to make up a quorum or to call a general meeting to do so, then two or more shareholders may call a general meeting (or instruct the Secretary to do so) for the purposes of appointing one or more Directors

63 Attendance and speaking at general meetings

- 63 1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 63 2 A person is able to exercise the right to vote at a general meeting when that person is able to vote, during the meeting, on resolutions put to the vote at the meeting and his vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- 63 3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- 63 4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other

- 63 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

64 Quorum for general meetings

- 64 1 No business other than the appointment of the chairman of the general meeting is to be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon Save as otherwise provided in these Articles, two persons entitled to attend and to vote on the business to be transacted, each being a shareholder so entitled or a proxy for a shareholder so entitled or a duly authorised representative of a corporation which is a shareholder so entitled, shall be a quorum
- 64 2 In calculating whether a quorum is present for the purposes of Article 64 1, if two or more persons are appointed as proxies for the same shareholder or two or more persons are appointed as corporate representatives of the same corporate shareholder, only one of such proxies or only one of such corporate representatives shall be counted
- 64 3 If a quorum is not present within half an hour from the time that general meeting is due to commence the general meeting shall be adjourned to the same day of the next week at the same time and place If at an adjourned general meeting a quorum is not present within five minutes from the time fixed for holding the general meeting, the general meeting shall be dissolved

65 Chairing general meetings

- 65 1 If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 65 2 If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start, the Directors present or (if no Directors are present) the meeting must appoint a Director or shareholder to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting
- 65 3 The person chairing a meeting in accordance with this Article is referred to as the chairman of the meeting

66 Attendance and speaking by Directors and non-shareholders

- 66 1 Directors may attend and speak at general meetings, whether or not they are shareholders

- 66 2 The chairman of the meeting may permit other persons, who are not shareholders of the Company or otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting

67 Adjournment

- 67 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- 67 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment or if it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner
- 67 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- 67 4 When adjourning a general meeting, the chairman of the meeting must
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 67 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given) to the same persons to whom notice of the Company's general meetings is required to be given and containing the same information which the original notice was required to contain
- 67 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

68 Voting: general

- 68 1 Subject to Article 68 3, 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 the Articles

- 68 2 No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid
- 68 3 Any proposal to vary these Articles (a **Proposed Variance**) shall first be notified in writing to the holder(s) of the majority of the LGA Shares before such Proposed Variance is voted on by the shareholders (a **Variance Notice**), following which the holder(s) of the majority of the LGA Shares shall be entitled to veto the Proposed Variance by notifying the Board in writing (with such instrument in writing authenticated by the holder(s) of the majority of the LGA Shares or (in the case of any shareholder being a corporation) authenticated on its behalf by one of its directors or its secretary) at any time within 10 Business Days of the date of the Variance Notice being served on the holder(s) of the majority of the LGA Shares (the **Variance Notice Date**) of their intention to veto the Proposed Variance, with such veto taking effect when received at the Office. If the holder(s) of the majority of the LGA Shares do not notify the Board in writing within 10 Business Days of the Variance Notice Date that they wish to veto the Proposed Variance, the Company shall be entitled to put the Proposed Variance to a vote of the shareholders
- 68 4 Subject to Article 68 3, in the event that any shareholder (when taken together with any voting right exercisable by its Affiliate) is entitled to exercise more than 5 per cent of the total voting rights for a shareholder resolution (whether those votes are cast at a general meeting or on a written resolution, and whether on a show of hands or on a poll), that shareholder's voting rights shall be capped so that (when taken together with any voting rights exercisable by its Affiliates) such shareholder may exercise 5 per cent of the voting rights for that resolution, with the voting rights of the other shareholders proportionately increased, but subject always to the cap contained in this Article 68 4 in the case of any individual shareholder. In the event that following the operation of these provisions, it is not possible to scale back the votes of shareholders such that 100 per cent of the votes may be cast on any shareholder resolution, the Board shall be entitled, in their absolute discretion, to adopt such other scale back mechanism as they deem appropriate, having regard to the overall objective that, so far as possible, no shareholder (when taken together with any voting rights exercisable by its Affiliates) should be able to exercise more than 5 per cent of the total voting rights for a shareholder resolution and all shareholders should be treated equally
- 68 5 The chairman at any general meeting shall not be entitled to a second or casting vote
- 68 6 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the general meeting that a resolution on a show of hands 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 book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded for or against such resolution

69 Sanction to Variation

69 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) either

- (a) with the consent in writing of the holders of three-quarters of the issued shares of that class, or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of that class

69 2 To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall, mutatis mutandis, apply, except that

- (a) the necessary quorum shall be one person, present in person or by proxy or by duly authorised representative (if a corporation),
- (b) any holder of shares of the relevant class present in person or by proxy or by duly authorised representative (if a corporation) may demand a poll, and
- (c) the holders of shares of the relevant class shall, on a poll, have one vote in respect of every Share of that class held by each of them

70 Errors and disputes

70 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

70 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

71 Poll votes

71 1 A poll on a resolution may be demanded either in advance of the general meeting where it is to be put to the vote or 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)

71 2 A poll may be demanded by

- (a) the chairman 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 shareholders having the right to vote on the resolution

- 71 3 The demand for a poll (other than on the election of the chairman of the general meeting or any question of adjournment) shall not prevent the continuance of the general meeting for the transaction of any business, other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn, the general meeting shall continue as if the demand had not been made.
- 71 4 A demand for a poll may be withdrawn if the poll has not yet been taken and the chairman of the meeting consents to the withdrawal. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- 71 5 Subject as provided in this Article, a poll must be taken when, where and in such manner as the chairman of the meeting directs.
- 71 6 A poll on the election of the chairman of the meeting or on a question of adjournment must be taken immediately.
- 71 7 Other polls must be taken within 30 days of their being demanded.
- 71 8 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 71 9 In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.
- 71 10 On a poll votes may be given in person or by proxy. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

72 Shareholders with a mental disorder

A shareholder 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, whether on a show of hands or on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with the Articles for the deposit 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.

73 Form of proxy notices

- 73 1 An instrument appointing a proxy (a **proxy notice**) 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 Directors may approve)

"[?] Limited

I/We, _____, of _____, being a shareholder/shareholders of the above-named Company, 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 Company to be held on [•] 20 [•] and at any adjournment thereof

Authenticated on [•] 20[•] "

- 73 2 Where it is desired to afford shareholders an opportunity of instructing the proxy how he shall act the instrument appointing a proxy (a **proxy notice**) 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 Directors may approve)

[•] Limited

I/We, _____, of _____, being a shareholder/shareholders of the above-named Company, 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 Company 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

Authenticated on [•] 20[•]"

74 Delivery of proxy notices

- 74 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
- 74 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
- 74 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, or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates, or such other time as may be specified in the proxy notice
- 74 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
- 74 5 The appointment of a proxy and the power of attorney or other authority (if any) under which it is authenticated, or a copy of such authority certified notarially or in some other way approved by the Board, shall
- (a) in the case of an appointment not in electronic form (including any such power of attorney or other authority) be deposited at the Office, or at such other place (within the United Kingdom) as is specified in the notice convening the meeting or in any notice of any adjourned meeting or in any appointment of proxy sent out by the Company in relation to the meeting (a **Proxy Notification Address**), not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or
 - (b) in the case of an appointment in electronic form (including any such power of attorney or other authority), where an address has been specified for the purpose of receiving documents or information in electronic form
 - (i) in the notice convening the meeting, or
 - (ii) in any instrument of proxy sent out by the Company in relation to the meeting, or
 - (iii) in any invitation in electronic form to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or

- (c) in the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a Proxy Notification Address not less than 24 hours before the time appointed for the taking of the poll, or
- (d) In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered at the meeting at which the poll was demanded to the chairman, Secretary or any Director

74 6 When two or more valid but differing appointments of proxy are received in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of that share.

74 7 When calculating the periods mentioned in Article 74 5, the Directors can decide not to take account of any part of a day that is not a working day.

75 Corporate representatives

A corporation (whether or not a company within the meaning of the Companies Acts) which is a shareholder may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any separate meeting of the holders of any class of shares. A Director, the Secretary, or some person authorised for the purpose by the Secretary, may require any representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to such Director, Secretary or other person before permitting him to exercise his powers.

76 Validity of votes by proxies and corporate representatives

A vote given by a proxy or by a corporate representative shall be valid notwithstanding that the proxy or corporate representative has failed to vote in accordance with the instructions of the shareholder by whom the proxy or corporate representative was appointed and the Company shall be under no obligation to check that any vote so given is in accordance with any such instructions.

77 Amendments to resolutions

- 77 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 77 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 77 3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

78 No voting of shares on which money owed to Company

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid

PART 5 - ADMINISTRATIVE ARRANGEMENTS

79 Secretary

Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the Directors 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. This Article only applies for so long as the Company elects, or is required by law, to have a Secretary

80 Means of communication to be used

- 80 1 Any notice, document or other information shall be deemed served on or delivered to a shareholder by the Company or to the Company by a shareholder

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom), if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party received a confirmation of delivery from the courier service provider),
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this Article, no account should be taken of any part of a day that is not a working day

- 80 2 Where shares are held jointly, anything agreed or specified by the holder whose name appears first in the Company's register of shareholders in relation to documents or information sent to him in respect of a joint holding shall be binding on all joint holders
- 80 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
- 80 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

81 Failure to notify contact details

- 81 1 If
 - (a) the Company sends two consecutive documents to a shareholder over a period of at least 12 months, and
 - (b) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered,

that shareholder ceases to be entitled to receive notices from the Company

81 2 A shareholder who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again by sending the company

- (a) a new address to be recorded in the register of shareholders, or
- (b) if the shareholder has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively

82 Company seals

82 1 Any common seal may only be used by the authority of the Directors

82 2 The Directors may decide by what means and in what form any common seal is to be used

82 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

82 4 For the purposes of this Article, an authorised person is any Director, the Secretary or any person authorised by the Directors for the purpose of signing documents to which the common seal is applied

82 5 If the Company has a securities seal, it may only be affixed to securities by the Secretary or a person authorised to apply it to securities by the Secretary

82 6 For the purposes of the Articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the Directors in relation to that document or documents of a class to which it belongs

83 Destruction of documents

83 1 The Company is entitled to destroy

- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of shareholders, from six years after the date of registration,
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded,

- (c) all share certificates which have been cancelled from one year after the date of the cancellation,
- (d) all paid dividend warrants and cheques from one year after the date of actual payment, and
- (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates

83 2 If the Company destroys a document in good faith, in accordance with the Articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that

- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,
- (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,
- (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and
- (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company

83 3 This Article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this Article permits it to do so

83 4 In this Article, references to the destruction of any document include a reference to its being disposed of in any manner

84 No right to inspect accounts and other records

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 shareholder

85 Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

86 Indemnity

86 1 Subject to Article 86 2, a relevant Director of the Company or an associated company shall 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) CA 2006),
- (c) any other liability incurred by that director as an officer of the Company or an associated company

86 2 Article 86 1 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

86 3 In this Article companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate and a **relevant Director** means any director or former director of the Company or an associated company

87 Insurance

87 1 The Directors shall purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss

87 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 relevant 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 an associated company, and
- (c) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate