

THE COMPANIES ACT 2006
WRITTEN RESOLUTION

of

B.S. PENSION FUND TRUSTEE LIMITED

14 May 2018

THURSDAY



A17 *A7647U3K* #101
17/05/2018
COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the above-named company (the "Company") propose that the following resolution (the "Resolution") is passed as a special resolution:

SPECIAL RESOLUTION

THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

We, the undersigned, being persons entitled to vote on the Resolution, hereby irrevocably agree to the Resolution.

Signed by:

Shaun Corten

14 May 2018

Peter Rees

14 May 2018

Joanna Mary Regan

14 May 2018

Catherine Claydon

14 May 2018

Allan Jardine Johnston

14 May 2018

Keith Greenfield

14 May 2018

NOTES

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company in hard copy to 17th Floor, 125, Old Broad Street, London, EC2N 1AR or by e-mail to Varsha Naik, V.Naik@bspf.co.uk or
2. If by *28* May 2018, sufficient agreement has not been received in order to pass the Resolution, the Resolution will lapse. If you agree to the Resolution, please ensure that your agreement reaches the Company on or before this date.
3. Your agreement to the Resolution, once signified, may not be revoked.
5. If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

B.S. PENSION FUND TRUSTEE LIMITED

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

B.S. PENSION FUND TRUSTEE LIMITED (Company Number: 00171830)

1. PRELIMINARY

1.1 In these articles:

- 1.1.1** "Act" means the Companies Act 2006, including any statutory modification, replacement or re-enactment thereof from time to time in force.
- 1.1.2** "Board" the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present.
- 1.1.3** "BSPS" means the British Steel Pension Scheme, an occupational pension scheme having the Pension Scheme Registry number 12014387.
- 1.1.4** "BSPS Trust Deed and Rules" means the governing trust deed and rules of BSPS from time to time.
- 1.1.5** "Company" means B.S. Pension Fund Trustee Limited a company registered in England and Wales with company number 00171830 and registered address 17th Floor, 125, Old Broad Street, London, EC2N 1AR.
- 1.1.6** "Conflict Procedure" shall have the meaning ascribed to such term in Article 25.1.
- 1.1.7** "CN Directors" means those directors appointed by TSUK in accordance with Article 9 or as provided under Article 8.2.3.
- 1.1.8** "CND Designate" shall have the meaning ascribed to such term in Article 20.6.
- 1.1.9** "Early Exiting Director" shall have the meaning ascribed to such term in Article 10.6.
- 1.1.10** "Exiting Director" shall have the meaning ascribed to such term in Article 4.1.

- 1.1.11** "Initial IT Directors" shall have the meaning ascribed to such term in Article 8.2.1.
- 1.1.12** "Initial Trustee Chair" means Allan Johnston.
- 1.1.13** "Investment Committee" shall have the meaning ascribed to such term in Article 20.1.
- 1.1.14** "Investment Meetings" shall have the meaning ascribed to such term in Article 20.1.
- 1.1.15** "IT Directors" means those directors appointed in accordance with Article 11.
- 1.1.16** "MN Directors" means the Nominal MNDs, or alternatively those directors appointed by the MND Panel in accordance with the MND Procedure and Article 10.
- 1.1.17** "MND Panel" means a panel appointed by Board for the selection of MN Directors in accordance with the MND Procedure.
- 1.1.18** "MND Procedure" means arrangements adopted by the Board (as amended *from time to time*) in accordance with Article 10 in order to comply with the requirements for member nominated directors in section 242 of the Pensions Act 2004.
- 1.1.19** "Model Articles" means the Model Articles for Public Companies as set out in Schedule 3 to the Companies (Model Articles) Regulations (SI 2008/3229).
- 1.1.20** "Nominal MND" shall have the meaning ascribed to such term in Article 8.2.1.
- 1.1.21** "Old BPS" means the Old British Steel Pension Scheme, an occupational pension scheme having the Pension Scheme Registry number 10110638.
- 1.1.22** "Relevant Conflict" shall have the meaning ascribed to such term in Article 25.1.
- 1.1.23** "Replacement Director" means, in respect of any director, a person that has been identified in accordance with the processes set out in Articles 9, 10 or 11 (as applicable) as the person to be appointed to the Board in substitution for that director.
- 1.1.24** "Restricted Matter" shall have the meaning ascribed to such term in Article 20.4.
- 1.1.25** "Sale Notice" shall have the meaning ascribed to such term in Article 4.1.
- 1.1.26** "Sale Price" shall have the meaning ascribed to such term in Article 4.1.
- 1.1.27** "Sale Shares" shall have the meaning ascribed to such term in Article 4.1.

- 1.1.28** "Security Interest" means any mortgage, charge (whether fixed or floating) lien, option, pledge, restriction, equity, right of first refusal, right of pre-emption, third party right or interest, assignment, trust arrangement or other security interest of any kind or other type of agreement or arrangement having or which would have similar effect and any agreement (whether conditional or otherwise) to create any of the foregoing.
- 1.1.29** "Special Majority Matter" shall have the meaning ascribed to such term in Article 6.1.
- 1.1.30** "Trustee Chair" means the chair of the Board, appointed pursuant to Article 16.
- 1.1.31** "TSUK" means Tata Steel UK Limited or any other person who may from time to time become the "Principal Employer" under the terms of the BSPS Trust Deed and Rules.
- 1.1.32** "TSUK Observer" shall have the meaning ascribed to such term in Article 20.1.
- 1.2** Unless the context otherwise requires words and expressions defined in or having a meaning provided by the Act shall have the same meaning in these Articles.
- 1.3** The regulations contained in the Model Articles shall apply to the Company, save insofar as they are excluded or modified by or inconsistent with the articles hereinafter contained and such regulations and articles shall be the articles of the Company. Save as expressly set out in this Article 1.3, no regulations set out in any statute or statutory instrument concerning companies shall apply as articles of the Company.
- 1.4** A reference herein to "MA Article 1" shall be to Article 1 of the Model Articles. References to other articles of the Model Articles shall be made accordingly, save that the numbering of such references shall correspond to the numbering of the relevant provision of the Model Articles. The following Model Articles shall not apply to the Company: MA Article 10(2); MA Article 11; MA Article 14; MA Article 16; MA Article 20; MA Article 21; MA Article 22; MA Article 25; MA Article 26; MA Article 27; MA Article 28; MA Article 32(2); MA Article 36(1)(a); MA Article 40; MA Article 43(2); MA Article 46(2)(a); MA Article 50; MA Article 64; MA Article 81; MA Article 85; MA Article 86. MA Article 8(2) shall be modified by the inclusion of the words ", if any," after the words "company secretary". MA Article 17(2) shall be modified by the inclusion of the words ", if any," after the words "company secretary".
- 2. SHARE CAPITAL**
- 2.1** Section 561(1) of the Act shall not apply to any allotment of equity securities (as such term is defined in section 560(1) of the Act) by the Company pursuant to any authority conferred on the directors pursuant to section 550 of the Act.
- 2.2** The lien conferred by MA Article 52 shall also attach to fully paid shares and, in any event, to all shares registered in the name of any person indebted or under liability to the

Company whether he be the sole registered holder of such shares or one of two or more joint holders and shall extend to all moneys payable by him or his estate to the Company.

3. TRANSFER OF SHARES

3.1 No member, or any other person who becomes entitled to hold shares, may transfer his shares to any persons other than a Replacement Director or, in the event that no Replacement Director has been identified, such person nominated by the Board and the Board may refuse to register a transfer to any person other than such person as nominated by it.

3.2 All transfers of shares in accordance with this Article 3 must be for a price of no more than £1.00 per share.

3.3 If the Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of, together with the reasons for, the refusal.

4. TRANSFERS ON DIRECTOR EXIT

4.1 If a director ceases to be a director of the Company (including as a result of such director's death, disqualification or bankruptcy) (the "**Exiting Director**"), the Board may at any time thereafter serve a notice on that director, or any person entitled to hold his shares, notifying him that he is, with immediate effect, deemed to have offered all his shares in the Company (the "**Sale Shares**") at a price of £1.00 per share ("**Sale Price**") to such person(s) as may be specified in the notice (a "**Sale Notice**"). On receipt of a Sale Notice, the recipient shall be obliged forthwith to transfer his shares to the person(s) specified in the Sale Notice. Completion of the sale and purchase of the Sale Shares in accordance with the Sale Notice shall take place on the date specified in the Sale Notice whereupon the recipient of the Sale Notice shall transfer the Sale Shares to the person(s) specified in the Sale Notice (or any subsequent notice served upon the director by the Company) and deliver (a) a duly executed instrument of transfer in respect of the Sale Shares in favour of the person(s) specified in the Sale Notice and (b) the relevant share certificates (or a suitable indemnity in lieu thereof) against payment of the Sale Price for such shares.

4.2 If an Exiting Director, or any person entitled to his shares, shall fail to comply with its obligations under Article 4.1, the Company may receive the relevant purchase money and the Board may nominate some person to execute an instrument of transfer of the Sale Shares in the name and on behalf of that person and thereafter, the Board shall cause the name of the proposed transferee to be entered in the register of members as the holder of the Sale Shares and shall hold the purchase money on trust (without interest) for the Exiting Director. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person.

5. PROCEEDINGS AT GENERAL MEETINGS

- 5.1** The quorum for a meeting of members shall be three (3) members, of which one (1) must be a CN Director; one (1) must be a MN Director; and one (1) must be an IT Director.
- 5.2** If within one hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine. If at any adjourned meeting a quorum is not present within one hour from the time appointed for that meeting, the meeting shall be dissolved.
- 5.3** An instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company (or, to the extent permitted by the Act, sent using electronic communications to the Company at the address specified (or deemed to have been specified) by the Company for that purpose so as to be received by the Company):
- 5.3.1** in the case of a general meeting or an adjourned meeting, not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting;
- 5.3.2** in the case of a proxy notice given in relation to a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll; and
- 5.3.3** in the case of a proxy notice given in relation to a poll taken not more than 48 hours after it was demanded, before the end of the meeting at which the poll was demanded.

In calculating when a proxy notice is to be delivered, no account is to be taken of any part of a day that is not a working day. A notice revoking the appointment of a proxy must be given in accordance with the Act.

6. MEMBER DECISIONS

- 6.1** A proposed amendment to these Articles which results in a change to:
- 6.1.1** any of Articles 8 to 14;
- 6.1.2** Article 16;
- 6.1.3** Article 20; or
- 6.1.4** this Article 6.1,
- (each a “**Special Majority Matter**”),

will only be effective if first approved at a meeting of the members with the approval of a majority of members comprising at least one (1) member who is a CN Director (other than the Initial Trustee Chair), one (1) member who is an MN Director and one (1) member who is an IT Director.

- 6.2** A resolution in writing signed by all members for the time being entitled to vote on the resolution (including a resolution in relation to a **Special Majority Matter**) at a meeting of the members (not being less than the number of members required to form a quorum at such meeting) shall be as valid and effective as a resolution passed at a meeting of the members duly convened and held. The resolution may consist of one document or several documents in like form each signed by one or more members and such documents may be exact copies of the signed resolution.

7. BSPS TRUST DEED AND RULES

All powers and duties of the directors must be exercised consistently with the BSPS Trust Deed and Rules and with any legislation applying to BSPS or to pension scheme trustees or their directors from time to time.

8. CONSTITUENCY OF THE BOARD

- 8.1** The number of directors of the Company shall be limited to six (6) directors comprising:

8.1.1 no more than two (2) MN Directors;

8.1.2 no more than two (2) CN Directors; and

8.1.3 no more than two (2) IT Directors.

- 8.2** With effect from the date of adoption of these articles:

8.2.1 the MN Directors for the purpose of these articles will be: (i) Peter Rees; and (ii) Shaun Corten (each a "**Nominal MND**");

8.2.2 the IT Directors for the purposes of these articles will be: (i) Catherine Claydon; and (ii) Keith Greenfield (the "**Initial IT Directors**"); and

8.2.3 the CN Directors for the purpose of these articles will be: (i) the Initial Trustee Chair; and (ii) Joanna Regan.

9. APPOINTMENT OF CN DIRECTORS

- 9.1** TSUK shall be entitled to appoint up to two (2) CN Directors to hold office at any time, and to remove from office any CN Director and to fill the office of any CN Director who dies, resigns, or otherwise ceases to be a CN Director in accordance with the provisions of these Articles.

- 9.2** Prior to exercising their rights in accordance with Article 9.1, TSUK must consult with the Trustee Chair on their proposed appointee.

9.3 Any appointment or removal under this Article 9 shall be made by written notice to the Company under the hand of any director of the TSUK and any such appointment or removal shall take effect from the date on which such notice is lodged at the registered office of the Company or such later date, if any, as is specified in the notice.

10. APPOINTMENT OF MN DIRECTORS

10.1 The directors must ensure that the Company has an appropriate MND Procedure in place as soon as reasonably practicable after the date of the adoption of these Articles and thereafter at all times.

10.2 The MND Procedure shall:

10.2.1 allow any deferred member or pensioner member of BSPS to nominate himself for consideration by the MND Panel for appointment or reappointment as an MN Director, subject to satisfying any eligibility or other conditions as may be specified in the MND Procedure or by law;

10.2.2 require that such BSPS members are invited to nominate themselves at least once every three years;

10.2.3 make provision for the manner in which such invitations will be made;

10.2.4 require the Board to appoint an MND Panel whenever an MN Director's term is to expire or otherwise when a vacancy or anticipated vacancy in the number of MN Directors is to be filled;

10.2.5 require that at least half of an MND Panel are deferred members and/or pensioner members of the BSPS;

10.2.6 require that no person wishing to be considered for appointment or reappointment as an MN Director may be a member of the MND Panel;

10.2.7 make provision for the manner in which the MND Panel should conduct its business and make decisions;

10.2.8 require the MND Panel to fill a vacancy by appointing an eligible candidate who has nominated himself, satisfies the conditions mentioned in Article 10.2.1 above and agrees to be appointed as an MN Director; but

10.2.9 allow the MND Panel to leave a vacancy open for so long as no suitable candidate is available, and

10.2.10 specify the date(s) when the Nominal MNDs shall cease to hold office as MN Directors (unless re-appointed).

10.3 The MND Procedure shall be adopted, and may be amended, only if it is approved by a majority of the directors that includes at least one CN Director, one MN Director and one IT Director.

10.4 Up to two (2) MN Directors shall be appointed to hold office in accordance with Article 10 and the MND Procedure. For the avoidance of doubt, each of the Nominal MNDs, unless removed as a director pursuant to Article 13.1.6, may, if eligible, offer himself for re-appointment and may be appointed as an MN Director under this Article 10.

10.5 Any appointment under this Article 10 shall be made by written notice to the Company under the hand of any member of the MND Panel confirming that they have complied with the terms of the MND Procedure in making the appointment and any such appointment shall take effect from the date on which such notice is lodged at the registered office of the Company or such later date, if any, as is specified in the notice.

10.6 If an MN Director ceases to be a director prior to the date (the "**term expiry date**") on which they would be required to retire in accordance with Article 12 ("**Early Exiting Director**"), any person appointed to fill the vacancy before the term expiry date will be required to resign on the term expiry date in accordance with Article 12.

11. APPOINTMENT OF IT DIRECTORS

11.1 Subject to the terms of this Article 11, the Board may, by resolution, appoint up to two people to act as IT Directors.

11.2 The Board must consult the Pensions Regulator in relation to any proposed appointment or reappointment of an IT Director.

11.3 Following determination of a proposed IT Director, the directors must provide details of the *proposed IT Director (including a detailed CV)* to TSUK and request that TSUK respond in writing to the Board either (i) approving; or (ii) objecting to the proposed IT Director and giving reasons for its objection.

11.4 A proposed IT Director will be approved once either:

11.4.1 an approval notice pursuant to Article 11.2 has been received from TSUK; or

11.4.2 14 clear days have passed from the date of the notice to TSUK in accordance with Article 11.2 without receiving any objection to the proposed IT Director (with reasons for such objection).

11.5 If a proposed appointee proposed by the Board is not approved by TSUK in accordance with Article 11.4, another candidate may be proposed by the Board until such time as an IT Director is appointed.

12. RETIREMENT BY ROTATION

12.1 All directors shall be required to retire by rotation in accordance with the provisions of this Article 12. Subject to the following provisions of this Article 12 and Article 13 below, every three years after his respective election date, each director shall retire and new nominations and appointment procedures in accordance with Articles 9, 10 or 11 (as applicable) shall be followed to appoint new directors (as the case may be). Retiring directors may, subject to the terms of these Articles, offer themselves for re-appointment

and shall remain in office until such time as the nomination and appointment processes referred to above have taken place at which time they shall, unless re-appointed, automatically cease to hold office when the Replacement Director has taken up office.

12.2 The Nominal MNDs shall, subject to the terms of these Articles, remain in office until such time as shall be specified in the MND Procedure at which time they shall, unless re-appointed in accordance with Article 10, automatically cease to hold office when the Replacement Directors have taken up office. One of those Replacement Directors (or the Nominal MND if re-appointed) shall then have an initial term determined by the Board and expiring on a date not more than two years after his appointment. The other Replacement Director (or the Nominal MND if re-appointed) shall then have an initial term determined by the Board and expiring at a later date not more than three years after his appointment.

12.3 The term of office of the Initial Trustee Chair shall expire on 31 March 2019. The term of office of Joanna Regan shall expire on 30 October 2020.

12.4 The terms of office of the Initial IT Directors shall expire as follows:

12.4.1 in the case of Keith Greenfield, on 30 June 2019; and

12.4.2 in the case of Catherine Claydon, on 31 December 2020.

13. VACATION OF OFFICE

13.1 The office of a director shall be vacated if he:-

13.1.1 ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;

13.1.2 becomes bankrupt or makes any arrangement or composition with his creditors generally;

13.1.3 is, or may be, suffering from mental disorder and either:-

(a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or

(b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

13.1.4 dies;

13.1.5 resigns his office by notice to the Company; or

- 13.1.6** in the case of an MN Director (other than a Nominal MND), ceases to be a member pensioner or deferred pensioner of BSPS.

14. REMOVAL OF DIRECTORS FROM OFFICE

- 14.1** A IT Director or MN Director will be removed from office if all of the remaining directors for the time being are in agreement including, but without limitation or obligation, in the following circumstances, if he:

14.1.1 has been absent without the permission of his fellow directors from at least three consecutive meetings of directors; or

14.1.2 ceases to be resident or ordinarily resident in the United Kingdom.

15. REMUNERATION OF DIRECTORS AND DIRECTORS' EXPENSES

15.1 CN Directors

15.1.1 *CN Directors (with the exception of the Initial Trustee Chair) are not entitled to any remuneration for their role as a director.*

15.1.2 The Initial Trustee Chair shall be entitled to such remuneration as the Board shall determine, and that remuneration shall not be varied without the prior written consent of TSUK.

15.2 IT Directors

15.2.1 On appointment, the IT Directors shall be appointed on such commercial terms and shall be entitled to such remuneration as the Board shall determine.

15.2.2 The remuneration of an IT Director shall not be varied without the prior written consent of TSUK.

15.3 MN Directors

15.3.1 MN Directors are not entitled to remuneration for their role as director.

15.3.2 The directors may agree (by resolution of the Board with the MN Director abstaining) to pay an MN Director an honorarium out of the funds of BSPS.

15.4 Expenses

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or meetings of the shareholders or class meetings or otherwise in connection with the discharge of their duties.

16. TRUSTEE CHAIR

- 16.1** The Board shall from time to time appoint a person to act as Trustee Chair. Subject to Article 16.2, the Trustee Chair shall be one of the IT Directors.
- 16.2** The first Trustee Chair will be the Initial Trustee Chair who will hold that position until the expiry of his term in accordance with Article 12.3 or such earlier time as the Board determine.
- 17. PROCEEDINGS OF DIRECTORS**
- 17.1** The quorum for the transaction of the business of the Board shall be three directors, of whom at least one (1) must be an IT Director, one (1) must be an MN Director and one (1) must be a CN Director. If within an hour from the time appointed for holding the meeting of the directors a quorum is not present the meeting shall stand adjourned until a meeting that is quorate can be arranged.
- 17.2** Questions arising at a directors' meeting shall be decided by a majority of votes and, in the case of an equality of votes, the Trustee Chair (if present) shall be entitled to a second casting vote.
- 17.3** A resolution in writing signed by all the directors for the time being entitled to vote on the resolution at a directors meeting (being directors who would constitute a quorum at such meeting) or by all the members of a committee for the time being shall be as valid and effective as a resolution passed at a meeting of the directors or committee duly convened and held. The resolution may consist of one document or several documents in like form each signed by one or more directors and such documents may be exact copies of the signed resolution.
- 17.4** Any director may participate in a meeting of the directors or any member of a committee may participate in a meeting of that committee by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. A person so participating shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Trustee Chair of the meeting then is.
- 18. DELEGATION OF DIRECTORS POWERS**
- 18.1** The directors may delegate any of their powers (with power to sub-delegate) to any committee or committees consisting of such person or persons (whether directors or not) as they see fit and references in these articles to a committee of directors or to a director as a member of such a committee shall include a committee established under this article of such person or persons.
- 18.2** Any delegation under Article 18.1 above may be made subject to any conditions as the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

18.3 Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

19. COMMITTEE'S POWERS TO SUB-DELEGATE

19.1 A committee established under Article 18 above may, subject to any conditions imposed under Article 18.2 above, delegate to any person such of their powers as they consider desirable to be exercised by him.

19.2 Any delegation under Article 19.1 above may be made subject to any conditions the committee may impose, and either collaterally with or to the exclusion of the committee's own powers, and may be revoked or altered.

20. BOARD OBSERVERS

20.1 TSUK is entitled to appoint any individual nominated by it as an observer (the "**TSUK Observer**") to any meeting of a committee of the Board established to deal with the investments of BPS (the "**Investment Committee**") and any portion of a meeting of the Board at which such investment matters are discussed (together, such meetings of the committee and/or the Board being, the "**Investment Meetings**").

20.2 The Board or Investment Committee (as applicable) shall:

20.2.1 *notify the TSUK Observer of (i) meetings of the Board which the Board reasonably expects, at the time the meeting is scheduled, to discuss the investments of BPS and (ii) all meetings of the Investment Committee, at substantially the same time as the directors or Investment Committee members (as applicable) are notified; and*

20.2.2 *subject to Article 20.4, provide the TSUK Observer with a copy of all information provided to the directors or Investment Committee members (as applicable) in relation to investment matters, as soon as reasonably practicable following the provision of such information to the directors or Investment Committee members (as applicable) and in substantially the same form;*

and the Board or Investment Committee shall not discuss investment matters at any meeting if the TSUK Observer has not been notified in accordance with Article 20.2.1.

20.3 The TSUK Observer shall be entitled, subject to Article 20.4, to attend and participate in discussion at all Investment Meetings but shall not count towards the quorum or be entitled to vote in respect of such Investment Meeting.

20.4 The TSUK Observer will not be entitled to attend any part of a meeting of the Investment Committee or Board while there is discussion about:

20.4.1 an unresolved disagreement between the Company and TSUK; or

20.4.2 any transaction or arrangement or possible transaction or arrangement with TSUK or in which TSUK has or would have an interest that conflicts or would conflict with the Company's interest,

(each a "**Restricted Matter**").

The TSUK Observer will not be entitled to any information held by the Company to the extent such information relates to a Restricted Matter. For the avoidance of doubt, the TSUK Observer shall otherwise be entitled to attend and participate in, and receive information in relation to, any portion of the meetings which do not relate to a Restricted Matter.

20.5 No act undertaken by a meeting of directors or of an Investment Committee shall be deemed to be invalid solely as a result of the TSUK Observer not (a) being notified of, being entitled to attend, or participate in the discussions at, such meeting or (b) receiving any information provided to the directors or Investment Committee members (as applicable).

20.6 For so long as the Initial Trustee Chair remains a director, TSUK shall be entitled to appoint an observer to the Board, being someone who is eligible to be a CN Director and whom TSUK intends in due course to appoint as a CN Director (the "**CND Designate**"). The CND Designate shall be entitled to attend all meetings of the Board and shall be notified of such meetings and provided with information relevant to those meetings at the same time, in the same form and in the same manner as the directors. The CND Designate shall not be entitled to vote at any meeting of the Board.

21. SECRETARY

If the Board decides that the Company should have a secretary, the secretary shall be appointed by the directors for such term, with such remuneration, and upon such other conditions as they may think fit; and any secretary so appointed may be removed by them.

22. DIRECTORS' INTERESTS

22.1 Provided that he has disclosed to the Board the nature and extent of any material interest of his, a director notwithstanding his office:

22.1.1 may be a member of BSPS;

22.1.2 may be a director, officer or employee of TSUK or any member of its corporate group;

22.1.3 may be a member of or hold office within any trade union applicable to any employment with TSUK or any of its subsidiaries, or other relevant representative or consultative group; or

22.1.4 may have a family member who has an interest as described in Articles 22.1.1, 22.1.2 and 22.1.3.

- 22.1.5** may be a party to, or otherwise interested in, any existing or proposed transaction or arrangement with the Company or in which the Company is otherwise interested;
- 22.1.6** may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- 22.1.7** shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any *such transaction or arrangement or from any interest in any such body corporate* and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

22.2 For the purposes of Article 22.1:

- 22.2.1** a general notice given to the Board that a director is to be regarded as having *an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested* shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- 22.2.2** an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 22.2.3** an interest of a director as a member or beneficiary of any pension scheme of which the Company is a trustee shall not be treated as material.

22.3 Subject to complying with any notification obligation under Articles 22.1 and 22.2, a director may vote at (and shall be counted in the quorum present at) any meeting of the directors or of a committee of the directors on any resolution concerning a transaction, arrangement or matter, notwithstanding that he has, directly or indirectly, an interest or duty in that transaction, arrangement or matter which conflicts or may conflict with the interests of the Company.

23. DIRECTORS' CONFLICTS OF INTEREST

23.1 If a situation arises or exists in which a director has or could have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (other than an interest arising in relation to a transaction or arrangement with the Company or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest) the director concerned, or any other director, may propose to the Board that such situation be authorised, such proposal to be made in writing and delivered to the other directors or the Trustee Chair, or made orally at a meeting of the Board, in each case setting out particulars of the relevant situation. Subject to the Act, the Board may authorise such situation and the continuing performance by the relevant director of his

duties as a director of the Company on such terms as they may think fit and the authorisation may be terminated at any time by the Board. Those terms may include, without limitation, terms that the relevant director:

- 23.1.1** will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him otherwise than by virtue of his position as a director, if to do so would breach any duty of confidentiality to a third party;
 - 23.1.2** may be required by the Company to maintain in the strictest confidence any confidential information relating to the Company which also relates to the relevant situation;
 - 23.1.3** may be required by the Company not to attend any part of a meeting of the directors or committee at which any such matter which may be relevant to the conflict situation is to be discussed, and any board papers relating to such matters may be withheld from that director; or
 - 23.1.4** shall not be obliged to account to the Company for any remuneration or other benefits received in consequence of the relevant situation.
- 23.2** The relevant director shall not be counted in the quorum at the relevant meeting of the directors to authorise a conflict situation as mentioned in Article 23.1 nor be entitled to vote on the resolution authorising such situation. When giving such authorisation for a particular director, any other interested director (within the meaning of section 175(6)(a) of the Act) may be counted in the quorum and may vote in relation to such resolution.
- 23.3** The provisions of Articles 23.1 and 23.2 shall not apply to a conflict of interest which (a) arises in relation to an existing or proposed transaction or arrangement with the Company but the provisions of Article 23.1.4 and Article 24.4 shall so apply or (b) is within Article 24.1.
- 23.4** Any director may be interested in an existing or proposed transaction or arrangement with the Company provided either that it is within Article 24.1 or he or she complies with the Act and (if applicable) Articles 22.1 and 22.2.
- 24. DIRECTORS' AUTHORISED SITUATIONAL CONFLICTS OF INTEREST**
- 24.1** A director of the Company may at any time:
- 24.1.1** be a member of any pension scheme of which the Company is a trustee;
 - 24.1.2** be a director, officer or employee of any company participating in any such pension scheme, or of an associate of any such company;
 - 24.1.3** be a shareholder, share option holder or debenture holder of any such company;

- 24.1.4** be a member of, or hold an office within, any trade union applicable to any employment in relation to any such pension scheme, or other relevant representative or consultative group; or
- 24.1.5** have a family member who has one of the above interests.
- 24.2** Notwithstanding his office or the existence of an actual or potential conflict between any interest as described in Article 24.1 above and the interests of the Company which would fall within the ambit of section 175(1) of the Act, a director:
- 24.2.1** will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him otherwise than by virtue of his position as a director, if to do so would breach any duty of confidentiality to a third party; and
- 24.2.2** shall not be obliged to account to the Company for any remuneration or other benefits received in consequence of the relevant situation,
- and in connection with any such actual or potential conflict of interests, the Company may require the relevant director:
- 24.2.3** to maintain in the strictest confidence any confidential information relating to the Company which also relates to the relevant situation; and
- 24.2.4** not to attend any part of a meeting of the directors at which any such matter which may be relevant to the conflict situation is to be discussed, and any board papers relating to such matters may be withheld from that director.
- 24.3** Where the existence of a director's relationship with another person has been approved by the Board under Article 23 or is allowed by Article 24.1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of any duty (including the general duties he owes to the Company by virtue of sections 171 to 177 of the Act) because he:
- 24.3.1** absents himself from meetings of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or
- 24.3.2** makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser;
- for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.
- 24.4** A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or a proposed contract with the Company, or has an interest or duty which is material and conflicts or may conflict with the interests of the Company, or with the

director's duty to the Company, shall declare the nature of his interest and / or duty at a meeting of the directors in accordance with the Act. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of: (i) any contract or proposed contract in which he is interested; and (ii) any matter where the director has an interest or duty which is material and conflicts or may conflict with the interests of the Company, and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. A reference in this article to a contract includes any transaction or arrangement (whether or not constituting a contract).

24.5 A director who has confidential information held in a capacity other than as a director of the Company (including as a result of being an employee or office holder of another company) is not required to disclose the confidential information to the Company or the directors where to do so would be a breach of his other duties.

24.6 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

24.7 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

24.8 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

25. CONFLICTS MANAGEMENT POLICY

25.1 The Board shall from time to time adopt such written conflicts of interest management procedure (a "**Conflict Procedure**") as the Board may determine to be appropriate under which a director with a conflict of interest to which that Conflict Procedure applies (the "**Relevant Conflict**") in relation to that Relevant Conflict is excluded from the receipt of information, the participation in discussion or the making of decisions (whether at meetings of the directors or otherwise) relating to the Relevant Conflict to the extent provided for in that Conflict Procedure.

25.2 The Conflict Procedure referred to in Article 25.1 above may impose upon such a director such other terms and conditions for the purpose of dealing with the Relevant Conflict as the Board may determine.

25.3 The Board shall adopt and maintain a conflicts register for the purposes of identifying and recording conflicts of interest, in such form as the Board may from time to time determine to be appropriate.

25.4 That director shall be obliged to conduct himself in accordance with the terms and conditions imposed by the Board under that Conflict Procedure in relation to that Relevant Conflict, so long as such terms and conditions do not override Articles 22 to 24.

26. THE SEAL

In addition to its powers under section 44 of the Act, the Company may have a seal and the Board shall provide for the safe custody of such seal. The Board shall determine who may sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by at least one authorised person in the presence of a witness who attests this signature. For the purposes of this article an authorised person is any director of the Company, the company secretary (if there is one) or any person authorised by the Board for the purpose of signing documents to which the common seal is applied.

27. INDEMNITY AND INSURANCE

27.1 The Company may indemnify, out of the assets of the Company, any director of the Company or of any associated company against all losses and liabilities which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, including, in respect of any director of either the Company or any associated company, where the Company or such associated company acts as trustee of an occupational pension scheme (as defined in the Act), against liability incurred in connection with the relevant company's activities as trustee of such scheme, provided that this Article 27.1 shall only have effect insofar as its provisions are not void under the Act.

27.2 Subject to the Act, the Company may provide a director of the Company or of any holding company of the Company with funds to meet expenditure incurred or to be incurred by him in defending any civil or criminal proceedings brought or threatened against him, or any investigation carried out or proceedings brought or threatened against him by any regulatory authority, in any case in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or in connection with any application under sections 661(3) or (4) or section 1157 of the Act, and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Act to enable a director to avoid incurring such expenditure.

27.3 The Company shall be entitled to purchase and maintain insurance for any director of the Company or of any associated company against any liability attaching to any such person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any such associated company.

27.4 For the purpose of Articles 27.1 and 27.3 above, a company will be "associated" with another if one is a subsidiary of the other or both are subsidiaries of the same body corporate as such terms are defined in the Act.

28. LIENS

No member may grant or create any Security Interest over any share held by it in the Company.

29. NOTICES

A notice, document or information given by electronic means to an address specified for the purpose is deemed to have been given 24 hours after it was sent. A notice, document or information given by means of publication on a website is deemed to have been given when: (i) the notice, document or information was first made available on the website; or (ii) if later, when notification that the notice, document or information was available on the website was received or deemed received.

30. REGISTERED OFFICE

The Company's registered office is to be situated in England and Wales.