

Company number: 02004963

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

READING TRANSPORT LIMITED

(the Company)

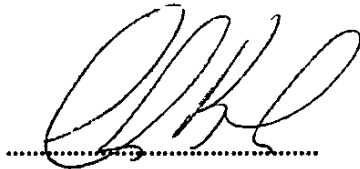
CIRCULATION DATE 18 FEBRUARY 2013

(the Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**the Act**), the directors of the Company propose that the following resolution is passed as a special resolution of the Company (**the Special Resolution**)

SPECIAL RESOLUTION

That the draft regulations contained in the document attached to this written resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company



Christopher J Brooks

duly authorised for and on behalf of

Reading Borough Council

Date *18th October 2013*

TUESDAY



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19/11/2013

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COMPANIES HOUSE

NOTES

- 1 If you agree to the Special Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by post or by hand to Great Knollys Street, Reading, Berkshire RG1 7HH Blandy & Blandy LLP, One Friar Street, Reading RG1 1DA (marked for the attention of the company secretary) If you do not agree to the Special Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 2 Once you have indicated your agreement to the Special Resolution, you may not revoke your agreement
- 3 Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Special Resolution to pass, it will lapse If you agree to the resolution, please ensure that your agreement reaches us before or during this date

THE COMPANIES ACTS 2006
PRIVATE COMPANY LIMITED BY SHARES

Company Number 02004963
Incorporated 27 March 1986

**ARTICLES OF ASSOCIATION OF
READING TRANSPORT LIMITED**

(As amended by special resolution passed on 18 February 2013)



BLANDY & BLANDY
solicitors

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Ref: DJF/REA/48/52

The Companies Acts 2006

Company Limited by Shares

ARTICLES OF ASSOCIATION OF

READING TRANSPORT LIMITED

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Model Articles

The provisions contained in the Companies (Model Articles) Regulations shall not apply to the Company except so far as they are repeated or contained in these Articles

2. Defined terms

2 1 In these Articles, unless the context requires otherwise –

2 1 1 “**Articles**” means the Company’s articles of association,

2 1 2 “**asset decision**” means any decision described in article 10 3,

2 1 3 “**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,

2 1 4 “**call**” has the meaning given in article 34 1,

2 1 5 “**call notice**” has the meaning given in article 34 1,

2 1 6 “**Chair**” has the meaning given in article 20,

2 1 7 “**Chair of the meeting**” has the meaning given in article 63,

2 1 8 “**Companies Acts**” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

2 1 9 “**Company’s lien**” has the meaning given in article 32 1,

- 2 1 10 **"controlling authority"** has the meaning in section 72 of the Transport Act 1985,
- 2 1 11 **"Council"** means Reading Borough Council including any successor or replacement thereof,
- 2 1 12 **"director"** means a director of the Company, and includes any person occupying the position of director, by whatever name called,
- 2 1 13 **"distribution recipient"** has the meaning given in article 53,
- 2 1 14 **"document"** includes, unless otherwise specified, any document sent or supplied in electronic form,
- 2 1 15 **"electronic form"** has the meaning given in section 1168 of the Companies Act 2006,
- 2 1 16 **"employee decision"** means any decision described in in article 10 1,
- 2 1 17 **"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,
- 2 1 18 **"hard copy form"** has the meaning given in section 1168 of the Companies Act 2006,
- 2 1 19 **"holder"** in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
- 2 1 20 **"instrument"** means a document in hard copy form,
- 2 1 21 **"lien enforcement notice"** has the meaning given in article 33 2,
- 2 1 22 **"Local Transport Act"** means the Local Transport Act 2008 and includes any statutory modification or re-enactment from time to time in force,
- 2 1 23 **"ordinary resolution"** has the meaning given in section 282 of the Companies Act 2006,
- 2 1 24 **"paid"** means paid or credited as paid,
- 2 1 25 **"participate"**, in relation to a directors' meeting, has the meaning given in article 18,

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- 2 1 26 **“proxy notice”** has the meaning given in article 69,
- 2 1 27 **“shareholder”** means a person who is the holder of a share,
- 2 1 28 **“shares”** means shares in the Company,
- 2 1 29 **“special resolution”** has the meaning given in section 283 of the Companies Act 2006,
- 2.1 30 **“subsidiary”** has the meaning given in section 1159 of the Companies Act 2006,
- 2 1 31 **“transmittee”** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,
- 2 1 32 **“Transport Act”** means the Transport Act 1985 and any statutory modification or re-enactment from time to time in force, and
- 2 1 33 **“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
- 2 2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company

3. Name

The Company’s name is “Reading Transport Limited”

4. Registered Office

The Company’s registered office is situated in England and Wales

5. Objects

The object of the Company is to carry on business as a general commercial company

6. Public transport company

The Company is a public transport company within the meaning of section 72 of the Transport Act Its affairs shall be conducted at all times in accordance with such provisions of the Transport Act and the Local Transport Act as apply from time to time, and in such manner as will ensure that the duties and obligations under the

Transport Act and the Local Transport Act, in so far as they relate to the Company and its affairs, are duly discharged

7. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

8. Directors' general authority

Subject to these 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

9. Shareholders' reserve power

9 1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

9 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

10. Decisions requiring Council approval

10 1 Subject to article 10 2 below, any decision relating to

10 1 1 establishment levels and removal of employees of the Company; and/ or

10 1 2 conditions and terms of service of employees of the Company including, without limiting the generality thereof, pay and salary levels,

shall be made by the directors

10 2 Where, at any time when the Council is a member of the Company, any employee decision would affect any employee who is also a director of the Company it shall be of no effect in relation to any such person until it is also approved in writing by or on behalf of the Council. Such approval may be given either before or after the decision is taken and may be either to a particular decision or a particular category of decision

10 3 Subject to articles 10 4 and 10 5 below, any decision relating to the acquisition or disposal by the Company of any of its assets (including land, buses and other vehicles) shall be made by the directors

10 4 Where, at any time when the Council is a member of the Company, any asset decision relates to the proposed acquisition or disposal by the Company of either a freehold or leasehold interest in land and/or buildings, then it shall be of no effect until the Company provides the Council with a report on the proposed acquisition or disposal and it is also approved in writing by or on behalf of the Council Such approval may be either to a particular decision or a particular category of decision

10 5 Where, at any time when the Council is a member of the Company, any asset decision relates to the proposed acquisition by the Company of buses with an aggregate contract value in excess of £1,000,000 (excluding VAT), then it shall be of no effect until it is also approved in writing by or on behalf of the Council Such approval may be either to a particular decision or a particular category of decision For the avoidance of doubt, such approval shall not be required if it is materially in accordance with the Company's annual fleet replacement plan, to the extent that such plan has already been approved in writing by or on behalf of the Council

11. Transport Acts

11 1 So long as the Council is a member of the Company the directors shall ensure that the Company—

11 1 1 does not engage in activities which the Council has no power to engage or permit any body corporate which is a subsidiary of the Company to engage in any such activities, provided that this article 11 1 does not apply in relation to activities which were formerly within the powers of the Council but have ceased to be so by virtue of section 66(1) of the Transport Act,

11 1 2 does not—

11 1 2 1 borrow money from any person other than the Council, or

11 1 2 2 permit any body corporate which is a subsidiary of the Company to borrow money from any person other than the Company, any other subsidiary of the Company or the Council,

with the exception in each case of borrowing by way of temporary loan or overdraft, and

11 1 3 does not—

11 1 3 1 raise money by the issue of shares or stock to any person other than the Council, or

11 1 3 2 permit any body corporate which is a subsidiary of the Company to raise money by the issue of shares or stock to any person other than the Company

11 2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers

12. Annual/interim review

12 1 So long as the Council is a member of the Company, the directors shall, not later than three months (or such longer period as the Council may permit) after the end of each accounting reference period of the Company, submit to the Council an annual review consisting of

12 1 1 a review of the performance of the Company during that period,

12 1 2 the Company's current operations and the viability of those operations, and

12 1 3 the Company's plans for the future

12 2 So long as the Council is a member of the Company, the directors shall, not later than nine months (or such longer period as the Council may permit) after the end of each accounting reference period, submit to the Council an interim review updating the preceding annual review

13. Directors may delegate

13 1 Subject to these Articles, and particularly to the provisions of article 12 above, the directors may delegate any of the powers which are conferred on them under these Articles—

13 1 1 to such person or committee,

13 1 2 by such means (including by power of attorney);

13 1 3 to such an extent,

13 1 4 in relation to such matters or territories, and

13 1 5 on such terms and conditions,

as they think fit

13 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

13 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

14. Committees

14 1 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 these Articles which govern the taking of decisions by directors

14 2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them

DECISION-MAKING BY DIRECTORS

15. Directors to take decisions collectively

15 1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 16

15 2 If—

15 2 1 the Company only has one director, and

15 2 2 no provision of these Articles requires it to have more than one director

the general rule does not apply, and the director may take decisions without regard to any of the provisions of these Articles relating to directors' decision-making.

16. Unanimous decisions

- 16 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 16 2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing
- 16 3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- 16 4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

17. Calling a directors' meeting

- 17 1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary to give such notice
- 17 2 Notice of any directors' meeting must indicate—
 - 17 2 1 its proposed date and time
 - 17 2 2 where it is to take place, and
 - 17 2 3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- 17 3 Notice of a directors' meeting must be given to each director and must be in writing

18. Participation in directors' meetings

- 18 1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
 - 18 1 1 the meeting has been called and takes place in accordance with these Articles, and

18 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

18 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other

18 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

19. Quorum for directors' meetings

19 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

19 2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than four, and unless otherwise fixed it is four

19 3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

19 3 1 to appoint further directors, or

19 3 2 to call a general meeting so as to enable the shareholders to appoint further directors

20. Chairing of directors' meetings

20 1 The directors may appoint a director to chair their meetings

20 2 The person so appointed for the time being is known as the Chair

20 3 The directors may terminate the Chair's appointment at any time

20 4 If the Chair is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

21. Casting vote

21 1 If the numbers of votes for and against a proposal are equal, the Chair or other director chairing the meeting has a casting vote

21 2 But this does not apply if, in accordance with these Articles, the Chair or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

22. Conflicts of interest

22 1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes

22 2 But if article 22 3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes

22 3 This article applies when—

22 3 1 the Company by ordinary resolution disapplies the provision of these Articles which would otherwise prevent a director from being counted as participating in the decision-making process,

22 3 2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or

22 3 3 the director's conflict of interest arises from a permitted cause

22 4 For the purposes of this article, the following are permitted causes—

22 4 1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries,

22 4 2 subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and

22 4 3 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors

22 5 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

22 6 Subject to article 22 7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair whose ruling in relation to any director other than the Chair is to be final and conclusive

22 7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

23. 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

24. Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

25. Number of directors

25 1 So long as the Council is a member of the Company, the maximum and minimum number of directors may be determined from time to time by ordinary resolution of the Company

25 2 Subject to and in the absence of any resolution of the Company, there shall be no maximum number of directors and the minimum number of directors shall be four

25 3 The directors shall include no more than the maximum number and no less than the minimum number of directors who are not full-time employees of the Company, as prescribed pursuant to section 73 of the Transport Act Subject to any order to the contrary prescribed by the Secretary of State pursuant to section 73 of the Transport Act or otherwise

25 3 1 the Company shall not at any time have more than seven directors who are not full-time employees of the Company, and

25 3 2 the Company shall at all times have at least four directors who are full-time employees of the Company

26. Methods of appointing directors

26 1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

26 1 1 by ordinary resolution, or

26 1 2 by a decision of the directors

26 2 The directors may appoint one or more of their number to the office of Chief Executive of the Company or to any other executive office under the Company

26 2 1 An appointment under this article shall cease if the director in question ceases to be a director

26 2 2 The Chief Executive Officer or a director holding any other executive office under this article shall not be subject to retirement by rotation in accordance with article 27

26 3 So long as the Council is a member of the Company, the Council may by notice in writing appoint any person to be a director either to fill a vacancy or as an additional director

27. Retirement of directors

27 1 Every director who is not a full-time employee of the Company shall be appointed for a term of four years and shall automatically retire from office at the expiration of that four year period

27 2 The directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment

27 3 As between directors who became or were last reappointed directors on the same day, those to retire shall be determined by lot unless otherwise agreed between the directors in question

27 4 A director who retires in accordance with the provisions of this article may be reappointed, if willing to act

27 5 If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy, the retiring director shall be deemed to have been reappointed (if willing to act) unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost

28. Termination of director's appointment

28 1 A person shall tender his resignation as a director and the Company shall otherwise be entitled to terminate such person's appointment as a director if the relevant person—

28 1 1 (only in relation to a person who is also a member of the Council) ceases to be a member of the Council, or

28 1 2 (only in relation to a person who is also an employee of the Company), ceases to be an employee of the Company, or

28 1 3 ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law, or

28 1 4 is disqualified from acting as a director or resigns as a director from the Company or any subsidiary of the Company without the prior written approval of the directors, or

28 1 5 is guilty of any gross misconduct affecting the business of the Company or any subsidiary of the Company, or

28 1 6 commits any serious or repeated breach or non-observance of any of the provisions of this agreement or refuses or neglects to comply with any reasonable and lawful directions of the directors, or

28 1 7 is, in the reasonable opinion of the directors, negligent and incompetent in the performance of his/her duties, or

28 1 8 is declared bankrupt or makes any arrangement with or for the benefit of his/her creditors or has a county court administration order made against him under the County Court Act 1984, or

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- 28 1 9 is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed), or
- 28 1 10 becomes of unsound mind or a patient under any statute relating to mental health, or
- 28 1 11 ceases to be eligible to work in the United Kingdom, or
- 28 1 12 is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the directors brings or is likely to bring the Executive or the Company or any subsidiary of the Company into disrepute or is materially adverse to the interests of the Company or any subsidiary of the Company, or
- 28 1 13 is guilty of a serious breach of any rules issued by the Company from time to time regarding its electronic communications systems, or
- 28 1 14 gives notice to the Company that he is resigning from office, and such resignation has taken effect in accordance with its terms
- 28 2 So long as the Council is a member of the Company, the Council may by notice in writing remove any director before the expiration of his period in office notwithstanding anything in these Articles or in any agreement between the Company and the director
- 28 3 Removal under article 28 2 is without prejudice to any claim the director may have for breach of any contract of service between him and the Company

29. Directors' remuneration

29 1 Directors may undertake any services for the Company that the directors decide

29 2 Directors are entitled to such remuneration as the directors determine—

29 2 1 for their services to the Company as directors; and

29 2 2 for any other service which they undertake for the Company

provided that, so long as the Council is a member of the Company, no director who is a member of the Council shall be remunerated for his services to the Company as a director

29 3 Subject to these Articles, a director's remuneration may—

29 3 1 take any form, and

29 3 2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

29 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

30. Directors' expenses

30 1 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

30 1 1 meetings of directors or committees of directors,

30 1 2 general meetings, or

30 1 3 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

PART 3

SHARES AND DISTRIBUTIONS

SHARES

31. Issue of shares

No share shall be issued to any person other than the Council

32. Company's lien over shares

32 1 The Company has a lien (the Company's lien) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

32 2 The Company's lien over a share—

32 2 1 takes priority over any third party's interest in that share, and

32 2 2 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

32 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

33. Enforcement of the Company's lien

33 1 Subject to the provisions of this article, if—

33 1 1 a lien enforcement notice has been given in respect of a share, and

33 1 2 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

33 2 A lien enforcement notice—

33 2 1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

33 2 2 must specify the share concerned,

33 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

33 2 4 must be addressed either to the holder of the share or to a transmittee of that holder, and

33 2 5 must state the Company's intention to sell the share if the notice is not complied with

34. Call Notices

34 1 Subject to these 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 to the Company at the date when the directors decide to send the call notice

34 2 A call notice—

34 2 1 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company,

34 2 2 must state when and how any call to which it relates is to be paid, and

34 2 3 may permit or require the call to be made in instalments

34 3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

34 4 Before the Company has received any call due under a call notice the directors may—

34 4 1 revoke it wholly or in part, or

34 4 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the shareholder in respect of whose shares the call is made

35. Liability to pay calls

35 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

35 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

35 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—

35 3.1 to pay calls which are not the same, or

35 3.2 to pay calls at different times

36. When call notice need not be issued

36 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—

36 1 1 on allotment,

36 1 2 on the occurrence of a particular event, or

36 1 3 on a date fixed by or in accordance with the terms of issue

36 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

37. Failure to comply with call notice: automatic consequences

37 1 If a person is liable to pay a call and fails to do so by the call payment date—

37 1 1 the directors may issue a notice of intended forfeiture to that person, and

37 1 2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate

37 2 For the purposes of this article—

37 2 1 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, and

37 2 2 the "relevant rate" is

(a) the rate fixed by the terms on which the share in respect of which the call is due was allotted,

(b) 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

(c) if no rate is fixed in either of these ways, 5 per cent per annum

37 3 The relevant rate must not exceed by more than 5 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

37 4 The directors may waive any obligation to pay interest on a call wholly or in part

38. Notice of intended forfeiture

38 1 A notice of intended forfeiture—

38 1 1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

38 1 2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder,

38 1 3 must require payment of the call and any accrued interest [and all expenses that may have been incurred by the Company by reason of such non-payment] by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

38 1 4 must state how the payment is to be made, and

38 1 5. 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

39. 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

40. Effect of forfeiture

40 1 Subject to these Articles, the forfeiture of a share extinguishes—

40 1 1 all interests in that share, and all claims and demands against the Company in respect of it, and

40 1 2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company

40 2 Any share which is forfeited in accordance with these Articles—

40 2 1 is deemed to have been forfeited when the directors decide that it is forfeited,

40 2 2 is deemed to be the property of the Company, and

40 2 3 may be sold, re-allotted or otherwise disposed of as the directors think fit

40 3 If a person's shares have been forfeited—

40 3 1 the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders,

40 3 2 that person ceases to be a shareholder in respect of those shares,

40 3 3 that person must surrender the certificate for the shares forfeited to the Company for cancellation,

40 3 4 that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and

40 3 5 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

40 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, interest and expenses due in respect of it and on such other terms as they think fit

41. Procedure following forfeiture

41 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

41 2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date—

41 2 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

41 2 2 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share

41.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) 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.

41.4 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—

41.4.1 was, or would have become, payable, and

41.4.2 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

42. Surrender of shares

42.1 A shareholder may surrender any share—

42.1.1 in respect of which the directors may issue a notice of intended forfeiture,

42.1.2 which the directors may forfeit, or

42.1.3 which has been forfeited

42.2 The directors may accept the surrender of any such share

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

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

43. Payment of commissions on subscription for shares

43.1 The Company may pay any person a commission in consideration for that person—

43.1.1 subscribing, or agreeing to subscribe, for shares, or

43.1.2 procuring, or agreeing to procure, subscription for shares

43.2 Any such commission may be paid—

43 2 1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and

43 2 2 in respect of a conditional or an absolute subscription

44. Power to issue different classes of shares

44 1 Subject to these 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

44 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 holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

45. 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 these 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

46. Share certificates

46 1 The Company must issue each shareholder free of charge, with one or more certificates in respect of the shares which that shareholder holds

46 2 Every certificate must specify—

46 2 1 in respect of how many shares, of what class, it is issued,

46 2 2 the nominal value of those shares,

46 2 3 that the shares are fully paid, and

46 2 4 any distinguishing numbers assigned to them

46 3 No certificate may be issued in respect of shares of more than one class

46 4 If more than one person holds a share, only one certificate may be issued in respect of it

46 5 Certificates must—

46 5 1 have affixed to them the Company's common seal, or

46 5 2 be otherwise executed in accordance with the Companies Acts

47. Replacement share certificates

47 1. If a certificate issued in respect of a shareholder's shares is—

47 1 1 damaged or defaced, or

47 1 2 said to be lost, stolen or destroyed

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

47 2 A shareholder exercising the right to be issued with such a replacement certificate—

47 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,

47 2 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and

47 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

DIVIDENDS AND OTHER DISTRIBUTIONS

48. Procedure for declaring dividends

48 1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

48 2 Notwithstanding article 48 1, so long as the Council is a member of the Company, no interim dividends shall be paid save with the prior approval in writing by or on behalf of the Council

48.3 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

48 4 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights

48 5 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

48 6 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

48 7 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.

48 8 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

49. Payment of dividends and other distributions

49 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—

49 1 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,

49 1 2 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,

49 1 3 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

49 1 4 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

49 2 In these Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

49 2 1 the holder of the share, or

49 2 2 if the share has two or more joint holders, whichever of them is named first in the register of members, or

49 2 3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

50. No interest on distributions

50 1. The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

50 1 1 the terms on which the share was issued, or

50 1 2 the provisions of another agreement between the holder of that share and the Company

51. Unclaimed distributions

51 1 All dividends or other sums which are—

51 1 1 payable in respect of shares, and

51 1 2 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

51 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

51 3 If—

51 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

51 3 2 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

52. Non-cash distributions

52 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)

52 2 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—

52 2 1 fixing the value of any assets,

52 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

52 2 3 vesting any assets in trustees

53. Waiver of distributions

53 1 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—

53 1 1 the share has more than one holder, or

53 1 2 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

CAPITALISATION OF PROFITS

54. Authority to capitalise and appropriation of capitalised sums

54 1 Subject to these Articles, the directors may, if they are so authorised by an ordinary resolution—

54 1 1 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

54 1 2 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

54 2 Capitalised sums must be applied—

54 2 1 on behalf of the persons entitled, and

54 2 2 in the same proportions as a dividend would have been distributed to them

54 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

54 4 A capitalised sum which was appropriated from profits available for distribution may be applied 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

54 5 Subject to these Articles the directors may—

54 5 1 apply capitalised sums in accordance with articles 54 3 and 54 4 partly in one way and partly in another,

54 5 2 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 or the making of cash payments), and

54 5 3 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

55. General meetings

General meetings other than the annual general meeting shall be called special general meetings

56. Notice of general meetings

56 1 Any general meeting must be called on at least 21 and not more than 28 clear days' written notice indicating the business to be discussed, and if a special resolution is to be proposed, at least 28 clear days' written notice setting out the terms of the proposed special resolution

56 2 A general meeting may be called on shorter notice if it is so agreed by all members entitled to attend and vote

56 3 If the general meeting is to be an AGM, the notice must say so

56 4 The notice must be given to all members

57. Attendance and speaking at general meetings

57 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

57 2 A person is able to exercise the right to vote at a general meeting when—

57 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

57 2 2 that person's 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

57 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

57.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

57.5 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

57.6 So long as the Council is a member of the Company it may be represented at any general meeting of the Company by the Chief Executive for the time being of the Council, or in his absence such other person as may from time to time be determined by the Council

58. Quorum for general meetings

58.1 If there are two or more members of the Company, then a quorum at a general meeting is two members present in person or by proxy

58.2 If there is only one member of the Company, then a quorum at a general meeting is one member present in person or by proxy

58.3 No business other than the appointment of the Chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

59. Chairing general meetings

59.1 If the directors have appointed a Chair, the Chair shall chair general meetings if present and willing to do so

59.2 If the directors have not appointed a Chair, or if the Chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

59.2.1 the directors present, or

59.2.2 (if no directors are present) the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the Chair of the meeting must be the first business of the meeting

59.3 The person chairing a meeting in accordance with this article is referred to as “the Chair of the meeting”

60. Attendance and speaking by directors and non-shareholders

- 60 1 Directors may attend and speak at general meetings, whether or not they are shareholders
- 60 2 The Chair of the meeting may permit other persons who are not—
 - 60 2 1 shareholders of the Company, or
 - 60 2 2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,to attend and speak at a general meeting

61. Adjournment

- 61 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair of the meeting must adjourn it
- 61 2 The Chair of the meeting may adjourn a general meeting at which a quorum is present if—
 - 61 2 1 the meeting consents to an adjournment, or
 - 61 2 2 it appears to the Chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- 61 3 The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting
- 61 4 When adjourning a general meeting, the Chair of the meeting must—
 - 61 4 1 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
 - 61 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 61 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is,

excluding the day of the adjourned meeting and the day on which the notice is given)—

61 5 1 to the same persons to whom notice of the Company's general meetings is required to be given, and

61 5 2 containing the same information which such notice is required to contain

61 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

62. Voting: general

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 these Articles

63. Errors and disputes

63 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

63 2 Any such objection must be referred to the Chair of the meeting, whose decision is final

64. Poll votes

64 1 A poll on a resolution may be demanded—

64 1 1 in advance of the general meeting where it is to be put to the vote, or

64 1 2 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

64 2 A poll may be demanded by—

64.2 1 the Chair of the meeting,

64 2 2 the directors,

64 2 3 two or more persons having the right to vote on the resolution, or

64 2 4 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

64 3 A demand for a poll may be withdrawn if—

64 3 1 the poll has not yet been taken, and

64 3 2 the Chair of the meeting consents to the withdrawal.

64 4 Polls must be taken immediately and in such manner as the Chair of the meeting directs

65. Content of proxy notices

65 1 Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

65 1 1 states the name and address of the shareholder appointing the proxy,

65 1 2 identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed,

65 1 3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and

65 1 4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate

65 2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

65 3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions

65 4 Unless a proxy notice indicates otherwise, it must be treated as—

65 4 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

65 4 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

66. Delivery of proxy notices

- 66 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
- 66 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
- 66 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
- 66 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

67. Amendments to resolutions

- 67 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- 67 1 1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chair of the meeting may determine), and
- 67 1 2 the proposed amendment does not, in the reasonable opinion of the Chair of the meeting, materially alter the scope of the resolution
- 67 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- 67 2 1 the Chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 67 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

- 67 3 If the Chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair's error does not invalidate the vote on that resolution

PART 5

ADMINISTRATIVE ARRANGEMENTS

68. Means of communication to be used

- 68 1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- 68 2 Subject to these 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
- 68 3 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

69. Company seals

- 69 1 Any common seal may only be used by the authority of the directors
- 69 2 The directors may decide by what means and in what form any common seal is to be used
- 69 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
- 69 4 For the purposes of this article, an authorised person is—
- 69 4 1 any director of the Company;
 - 69 4 2 the company secretary (if any), or
 - 69 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

70. No right to inspect accounts and other records

70 1 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

70 2 Notwithstanding article 70 1, so long as the Council is a member of the Company, the Chief Executive for the time being of the Council (or in his absence such other person as may from time to time be determined by the Council) shall be entitled to inspect all accounting records, books, documents, statements and records of the Company

71. 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

72. Indemnity

72 1 Subject to article 72 2, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against—

72 1 1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,

72 1 2 any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

72 1 3 any other liability incurred by that director as an officer of the Company or an associated company

72 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

72 3 In this article—

72 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

72 3 2 a “relevant director” means any director or former director of the Company or an associated company

73. Insurance

73 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss

73 2 In this article—

73 2 1 a “relevant director” means any director or former director of the Company or an associated company,

73 2 2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company; and

73 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate