

Company No: 2004963

**THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION OF READING TRANSPORT LIMITED**

In accordance with Article 57 of the Articles of Association and in accordance with Section 381 A of the Companies Act 1985, we the undersigned, being the only member of the Company entitled to attend and vote at a general meeting of the Company, hereby resolve THAT:-

“The Articles which appear in the document attached to this written resolution and marked “A” be adopted as the Articles of Association of the Company in complete substitution for and to the exclusion of the current Articles of Association of the Company”.

and as the holders of all the issued Shares of the Company, we hereby consent to and approve the passing by the Company of the above Special Resolution.

Dated: 10<sup>th</sup> May 1999

  
Reading Borough Council

  
Richard Charles Taylor



Ref: fd\23935me gen\ 7 May 1999

A

Memorandum and Articles of Association

READING TRANSPORT LIMITED

(incorporated on 27th day of March 1986)

As amended by Special Resolution dated  
25th November 1986

As amended by Special Resolution dated  
15th June 1988

As amended by Special Resolution dated  
10 May 1999

Clarks Solicitors  
Great Western House  
Station Road  
READING  
RG1 1SX

✓-C  
COMPANY SECRETARY  
10/5/99

THE COMPANIES ACT 1985  
A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

-of-

READING TRANSPORT LIMITED

1. The Company's name is "Reading Transport Limited".
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:-
  - (A) (i) To carry on activities of any description at the date of incorporation of the Company included among the activities of the bus undertaking, within the meaning of Section 67(1) of the Transport Act 1985, of the Reading Borough Council ("the Council").
  - (ii) To acquire and take over all such property, rights or liabilities of the Council as may be pursuant to Section 68 of the Transport Act 1985 transferred to and vested in the Company.

(iii) To operate and provide any service for the carriage of passengers by road which, at the date of incorporation of the Company, required or would have required a PSV operator's licence within the meaning of the Transport Act 1985 and which is:-

- (a) a stage carriage service (which expression has the meaning given, at the date of incorporation of the Company, by the Public Passenger Vehicles Act 1981) within the Counties of Berkshire, Oxfordshire, Hampshire or any of them; or
- (b) a stage carriage service (within the said meaning) operating between Reading and London; or
- (c) an express carriage service (which expression has the meaning given, at the date of incorporation of the Company, by the Public Passenger Vehicle Act 1981) -
  - 1. operating between Reading and Bournemouth,
  - 2. operating between Reading and Portsmouth and Southsea, or
  - 3. being a circular tour from Reading and operating within a radius of 10 miles from the centre thereof; or

(d) a service between Reading and Dusseldorf in West Germany;

for the purpose of operating and providing any such service to purchase, lease, hire or otherwise howsoever acquire buses, coaches and other vehicles and to maintain, service, repair, modify, rebuild or reconstruct any such vehicle; to hire any such bus, coach or other vehicle to any company, firm, person or organisation either with or without a driver. And, without limiting the scope of such objects and activities, in support of, or incidental to, or in connection or association or conjunction howsoever with, any of the preceding objects or activities in this paragraph:-

to operate, provide or arrange any service for the carriage of any passengers and any goods by road, rail or water anywhere in the United Kingdom and Europe and to that end to purchase, lease, hire or otherwise howsoever acquire buses, coaches, tram-cars, trolley buses, rivercraft, vans, mini-buses, taxis, private hire vehicles and any other appropriate vehicle whatsoever; to maintain, service, repair, modify, rebuild or reconstruct any such vehicle; to hire any such vehicle to any company, firm, person or organisation either with or without a driver; to fix and charge fares and prices for any service provided by, operated, provided or arranged by the Company and to offer concessionary fares and prices; to receive, store, forward and deliver mail, parcels, documents and goods of any description; to act as travel and tourist agents; to provide tuition and instruction for employees of the Company and any other person whatsoever in driving and operating any vehicle of any type operated or used by the Company; to train employees of and apprentices to the Company in any skills relating to the maintenance, service, repair, modification, rebuilding or reconstruction of any such vehicle or any aspect thereof; to operate a service to recover and

repair broken down vehicles belonging to or operated by the Company, the Council or any other company, firm, person or organisation whatsoever; to service, maintain and repair any vehicles, plant and equipment of any sort belonging to or used by the Council; to provide any consultancy services with regard to the acquisition and operation by the Council of any vehicles of any sort whatsoever, or for any company, firm, person or organisation, including the Council, on matters of any sort relating to public transport and any other activities of the Company; to carry out Department of Transport and public service vehicle testing of all vehicles of any sort to whomsoever belonging and to carry out tests of vehicles and drivers in connection with applications to the Council or any other body for the grant of vehicle and drivers' licences for hackney carriages and private hire vehicles; to act as restaurant and cafe keepers, in relation to the provision of public transport and generally to utilise to their best advantage the human resources of the Company and all its other assets and undertaking including, without limit thereto, to subcontract or otherwise make available to any company, firm, person or organisation whatsoever any services, the use of any assets and any facilities.

None of the objects set out in any paragraph of sub-clause 3(A) shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such paragraph, or by reference to or inference from the terms of any other paragraph or the name of the Company; and none of the paragraphs of sub-clause 3(A) and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such paragraph, and the Company shall have as full a power to exercise each and every

one of the objects specified in each such paragraph as though it contained the objects of a separate company.

In furtherance of or in connection with the above objects and any of them but not further or otherwise the Company shall have the following powers:-

(B) To purchase, take on lease or in exchange, hire or otherwise acquire and take options over any property whatever real or personal and any rights or privileges of any kind whatever.

(C) To improve, manage, build on, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.

(D) To acquire or undertake on any terms the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company carrying on or proposing to carry on any business or transaction which the Company is authorised to carry on, or which can be carried on in conjunction therewith, or which is capable of being conducted so as directly or indirectly to benefit the Company, or possessed of property suitable for the purposes of the Company.

(E) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, mutual assistance or otherwise with any such person; firm or company as is described in (D) above.

(F) To apply for, register, purchase, or by any other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, brevets d'invention, licences, secret processes, designs, trade marks, protections and concessions and to disclaim, modify, alter, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

(G) To subscribe for, take, purchase or otherwise acquire, and to place and underwrite shares, stock, debentures, debenture stock, bonds, obligations or securities of any sort issued or guaranteed by any company constituted or carrying on business anywhere in the world, and debentures, debenture stock, bonds, obligations or securities of any sort issued or guaranteed by any government or authority, local, municipal or otherwise, anywhere in the world.

(H) To invest and deal with the money of the Company not immediately required in such manner as may from time to time be thought fit and to hold or otherwise deal with any investments made.



(I) To lend and advance money or give credit on any terms and with or without security to any company, firm or person (including, without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any company, firm or person (including, without prejudice to the generality of the foregoing, any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

(J) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

(K) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society or club which may be for the benefit of the Company or its directors or employees or may be connected with any city, town or place where the Company carries on business; to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company, or any

company which is a subsidiary of the Company or a holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, husbands, widowers, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their wives, widows, husbands, widowers, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

(L) To draw, make, accept, indorse, negotiate, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

(M) To apply for, promote and obtain any Act of Parliament, order or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the constitution of the Company, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.

(N) To enter into any arrangements with any government or authority, supreme, municipal, local or otherwise, that may seem conducive to the attainment of the objects of

the Company or any of them; and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think it desirable to obtain; and to carry out, exercise and comply with any such arrangements, charters, decrees, rights, privileges and concessions.

(O) To sell or otherwise howsoever dispose of the property, assets, business or undertaking of the Company or any part thereof for such consideration as the Company may think fit, whether shares, debentures or securities of any company acquiring the same or any other consideration.

(P) To establish or promote any other company or companies for the purpose of acquiring all or any part of the property, assets, business or undertaking or any of the liabilities of the Company or for any other purpose which may seem likely to assist or benefit the Company or enhance the value of any of its assets, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such company.

(Q) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company; and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company.

(R) To pay for any rights or property acquired by the Company, and to remunerate any company, firm or person whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.

(S) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of, or generally with respect to, any such company or companies.

(T) To act as agents or brokers and as trustees for any company, firm or person, and to undertake and perform sub-contracts.

(U) To distribute among the members in specie any property of the Company of whatever nature.

(V) To do all or any of the things or matters aforesaid either as principal, agent, contractor or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction howsoever with others.

AND so that:-

(1) The word 'company' in the Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether

incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

- (2) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference herein to any provision of the Act or of the Transport Act 1985 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

4. The liability of the members is limited.

5.\*\* The Company's share capital is £100 divided into 100 shares of £1 each.

\* By Resolution passed on 25th November 1986 the Share Capital was increased from £100 to £3,886,000 divided into 3,886,000 shares of £1 each

\*\* By Resolution passed on 15th June 1988 the Share Capital was increased from 3,886,000 to 3,974,000 divided into 3,974,000 shares of £1 each.

We the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

<u>Names and addresses of Subscribers</u>	<u>Number of shares taken by each Subscriber</u>
1. Reading Borough Council of Civic Offices Reading Berkshire	99
2. RICHARD CHARLES TAYLOR of 4 Phillimore Road Emmer Green Reading Berkshire and Reading Borough Council of Civic Offices Reading Berkshire	1
Total shares taken	<hr/> 100 <hr/>

Dated 13 March 1986.

Witness to the above signatures.

Name D J Few

Address 7 Cross Street Reading

Occupation Solicitor

No of Company 2004963  
Companies Act 1985  
COMPANY LIMITED BY SHARES

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

READING TRANSPORT LIMITED

Clarks Solicitors  
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READING  
RG1 1SX

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

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READING TRANSPORT LIMITED

TABLE A

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 shall not apply to the Company except so far as the same are repeated or contained in these Articles.

INTERPRETATION

2. In these Articles -

'the Act' means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in



force; and any reference to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

'the Articles' means the Articles of the Company as altered from time to time.

'clear days' in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

'controlling authority' in relation to the Company bears the meaning in section 72 of the Transport Act 1985.

'the Council' means Reading Borough Council including any successor or replacement thereof.

'executed' includes any mode of execution.

'the holder' in relation to shares means the member whose name is entered in the register of members as the holder of the shares.

'office' means the registered office of the Company.

'the seal' means the common seal of the Company.

'secretary' means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

'the Transport Act 1985' includes any statutory modification or re-enactment thereof for the time being in force.

'the United Kingdom' means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions used in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when the Article containing the word or expression became binding on the Company.

#### PUBLIC TRANSPORT COMPANY

3. The Company is a public transport company within the meaning of section 72 of the Transport Act 1985. Its affairs shall be conducted at all times in accordance with such provisions of the Transport Act 1985 as apply in relation thereto; and in such manner as will ensure that the duties and obligations under that Act of the Council, in so far as they relate to the Company or its affairs, are duly discharged

## SHARE CAPITAL

4. (i) The authorised share capital with which the Company is incorporated is held, at the date of incorporation, as to 99 shares of £1 each by the Council and as to 1 share of £1 by Mr Richard Charles Taylor and the Council jointly. No share not comprised in that original authorised share capital shall be issued except to the Council.

(ii) In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

5. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

6. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the Articles.

7. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the

Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

### SHARE CERTIFICATES

9. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

10. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the cases of defacement or wearing-out) on delivery up of the old certificate.

## LIEN

11. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

12. The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the persons entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

13. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

14. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

## CALLS ON SHARES AND FORFEITURES

15. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

16. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.

19. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.

20. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

21. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

22. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

23. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time

before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.

24. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment 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.

25. A statutory declaration by a director or the secretary that a share had been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.



## TRANSFER OF SHARES

26. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

27. The directors shall refuse to register the transfer of a share where under the Transport Act 1985 the consent of the Secretary of State is required for such transfer and such consent is not shown to have been given.

28. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless:-

- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of shares; and
- (c) it is in favour of not more than four transferees.

29. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

30. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.

31. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

32. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### TRANSMISSION OF SHARES

33. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

34. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

35. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

#### ALTERATION OF SHARE CAPITAL

36. The Company may by ordinary resolution:-

- (a) increase its share capital by new shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

37. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

38. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

## PURCHASE OF OWN SHARES

39. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

## GENERAL MEETINGS

40. All general meetings other than annual general meetings shall be called extraordinary general meetings.

41. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than six weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

## NOTICE OF GENERAL MEETINGS

42. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings

shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:-

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

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

## PROCEEDINGS AT GENERAL MEETINGS

44. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, including a representative of the Council under Article 68 below, shall be a quorum.

45. If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting 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 directors may determine; and if at the adjourned meeting a quorum is not present within half an hour from the time appointed therefor, or if during the course thereof a quorum ceases to be present, such adjourned meeting shall be dissolved.

46. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

47. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

48. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

49. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

50. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-

(a) by the chairman; or

(b) by at least two members having the right to vote at the meeting; or



- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

51. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

52. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

53. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

54. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

55. A poll demanded on any question shall be taken forthwith.

56. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

57. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

#### VOTES OF MEMBERS

58. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, including in the case of the Council a representative under Article 68 below, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.

59. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders;

and seniority shall be determined by the order in which the names of the holders stand in the register of members.

60. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

61. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

62. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

63. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

64. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

"  
PLC/Limited  
I/We, ,  
of  
being a  
member/members of the above-named Company, hereby appoint  
of ,  
or failing him,  
of ,  
as my/our proxy to vote in my/our name[s] and on my/our behalf at the  
annual/extraordinary general meeting of the Company to be held on  
19 , and at any adjournment thereof.  
Signed on 19 ."

65. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form

as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

" PLC/Limited  
I/We, ,  
of  
being a member/members of the above-named Company, hereby appoint  
of ,  
or failing him,  
of ,  
as my/our proxy to vote in my/our name[s] and on my/our behalf at the  
annual/extraordinary general meeting of the Company, to be held on 19  
, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-

Resolution No. 1 \*for \*against.

Resolution No. 2 \*for \*against.

\*Strike out whichever is not desired.

Unless otherwise instructed the proxy may vote as he thinks fit or abstain from voting.

Signed this                      day of                      19                      ."

66. The 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 directors

may be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; and an instrument of proxy which is not so deposited shall be invalid.

67. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation, including a representative of the Council under Article 68 below, shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded.

#### REPRESENTATIVES

68. Without prejudice to the provisions of section 375 of the Act, so long as the Council is a member of the Company it may be represented at any meeting of the Company by the Chief Executive and Town Clerk for the time being of the Council, or in his absence such other person as may from time to time be determined by or on behalf of the Council. Any such determination of another person may be for one or more meetings or generally and may at any time be revoked or altered in like manner. Any such determination, revocation or alteration shall be notified to the Company by notice signed by or on behalf of the Council and left at the office or produced at any general meeting.

Such a representative is entitled to exercise the same powers on behalf of the Council as it could exercise if it were an individual shareholder of the Company.

#### NUMBER OF DIRECTORS

69. (a) (i) The directors of the Company shall include no more than the permitted maximum number, prescribed pursuant to section 73 of the Transport Act 1985, of persons who are not full-time employees of the Company.

(ii) Following the transfer to the Company of its initial undertaking, within the meaning of section 73(2) of the Transport Act 1985, the directors of the Company shall include not less than the required minimum number, prescribed pursuant to the said section 73, of persons who are full-time employees of the Company holding positions of responsibility for the management of the Company's business or any part of it.

(b) Subject to paragraph (a) above, the maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution of the Company in general meeting. Subject to and in default of any such determination and subject to paragraph (a) above, there shall be no maximum number of directors and the minimum number of directors shall be two.

## POWERS OF DIRECTORS

70. Subject to the provisions of the Act, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

71. (i) The Company's accounting reference date is 31st March. 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 the directors shall so long as the Council is a member of the Company submit to the Council a review of the performance of the Company during that period, its current operation including the viability thereof and its plans for the future ("the Annual Review").

(ii) Not later than nine months (or such longer period as the Council may permit) after the end of each accounting reference period the directors shall so long as the Council is a member of the Company submit an interim review ("the Interim Review") updating the preceding Annual Review.



(iii) Each Annual Review and each Interim Review shall be in such form and contain all such information as the Council may from time to time require.

72. (a) Subject to paragraph (b) below, any decision relating to establishment levels and removal of employees of the Company, and to conditions and terms of service of any such employees including, without limiting the generality thereof, pay and salary levels shall be made by the Directors of the Company.

(b) Where, at a time when the Council is a member of the Company, any such decision would affect any employee who is also a director of the Company it shall be of no effect in relation to any person unless and 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 to a specified category of decision.

73. The directors shall ensure that, so long as the Council is a member of the Company, no service within the meaning of this Article, operated by the Company is cancelled without at least three months' prior notice to the Council of the proposed cancellation unless a shorter period is agreed with the Council in writing. For the purpose of this Article, service means any local service within the meaning of section 2 of the Transport Act 1985, excluding any service operated pursuant to a tender by the Company made in response to an invitation under section 89 of the Transport Act 1985.

74. So long as the Council is a member of the Company the directors shall ensure that the Company:-

(a) does not engage in activities in 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 paragraph (a) 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 1985;

(b) does not -

(i) borrow money from any person other than the Council; or

(ii) 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

(c) does not -

(i) raise money by the issue of shares or stock to any person other than the Council; or

- (ii) 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.

75. So long as the Council is a member of the Company, the directors shall ensure that, save with the prior approval in writing by or on behalf of the Council, the Company does not:-

- (a) dispose of the whole of its undertaking;
- (b) dispose of any shares in or other securities of a body corporate which is its subsidiary;
- (c) dispose of any of its land, buildings or vehicles; or
- (d) dispose of any part of its undertaking or any of its assets (other than shares or securities within (b) above and land, buildings or vehicles within (c) above) where such disposal would or might affect materially the structure of its business or any part of such business.

76. So long as the Council is a member of the Company

- (i) the directors shall ensure that the Company does not incur any capital expenditure (excluding capital expenditure financed from the internal resources of the Company

or in respect of any item or items costing less than £5,000 per item) save with prior approval in writing by or on behalf of the Council; and

- (ii) not later than 30th September in each year beginning in 1986 the directors shall submit to the Council proposals for capital expenditure by the Company in the accounting reference period beginning on 1st April in the following year.

77. 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.

#### DELEGATION OF DIRECTORS' POWERS

78. Subject to Article 72 above, the directors may delegate any of their powers to any committee consisting of one or more directors. Subject to the same provision, they may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. 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.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

79. Subject to the provisions of these Articles and the Act, every director who is not a full-time employee of the Company holding a position of responsibility for the management of the Company's business or part of it shall be appointed for a period of four years and shall automatically retire from the office of director on the expiration of that four year period. All directors presently in office at the date when this article takes effect and who were subject to retirement by rotation shall continue in office until the date on which they would have retired by reason of that rotation.

80. Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

81. If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed 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.

82. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.

83. So long as the Company is a subsidiary of the Council, the Council may by notice in writing signed on its behalf by its Chief Executive (and Town Clerk) for the time being or any other person authorised by it and deposited at the registered office of the Company:-

- (i) remove any director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such director; such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company;
- (ii) appoint another person in place of a director so removed from office and appoint any person to be a director either to fill a casual vacancy or as an additional director; a person appointed in place of a director so removed or to fill such a vacancy shall be appointed for a period of four years as provided for in Article 79.

84. Subject as aforesaid, a director who retires in accordance with the provisions of these Articles may, if willing to act, be re-appointed.

85. A director who at the date of his last appointment or reappointment, was either a member of the Council or an employee of the Company shall, if he ceases to be a member of the Council or, an employee of the Company as the case may be, thereupon automatically retire from office.

## DISQUALIFICATION AND REMOVAL OF DIRECTORS

86. The office of a director shall be vacated if -
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and either -
    - (i) 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 1960; or
    - (ii) 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; or
  - (d) he becomes incapable by reason of illness or injury of managing and administering his property and affairs; or

- (e) he resigns his office by notice to the Company; or
- (f) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

#### REMUNERATION OF DIRECTORS

87. The directors, excluding so long as the Council is the controlling authority of the Company any director who is also a member of the Council, shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

#### DIRECTORS' EXPENSES

88. 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 committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

#### DIRECTORS' APPOINTMENT AND INTERESTS

89. (a) Subject to the provisions of the Act and of this Article and, so long as the Council is a member of the Company, with prior approval in writing by or on behalf of the



Council, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director; provided that, so long as the Council is the controlling authority of the Company, no director of the Company who is also a member of the Council shall be paid for acting as a director of, or be employed by, the Company.

(b) Any such appointment, agreement or arrangement may be made upon such terms as the directors, in the like case with prior approval in writing by or on behalf of the Council, determine and they may, in the like case with the like approval, remunerate any such director for his services as they think fit.

(c) Any appointment of a director to the office of managing director shall terminate if he ceases to be a director, but without prejudice to any claim to damages for breach of the contract of service between the director and the Company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.

90. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) 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
- (c) 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.

91. For the purposes of Article 90 -

- (a) a general notice given to the directors 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; and
- (b) 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.

## DIRECTORS' GRATUITIES AND PENSIONS

92. The directors may exercise the powers of the Company conferred by Clause 3(K) of the Memorandum and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

## PROCEEDINGS OF DIRECTORS

93. Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

94. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two.

95. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

96. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

97. 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.

98. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.

99. Save as otherwise provided by the Articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or

may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:-

- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected with a director shall be treated as an interest of the director.

100. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

101. 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.

102. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

103. 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.

## SECRETARY

104. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

## MINUTES

105. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

## THE SEAL

106. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

## DIVIDENDS

107. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

108. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution; provided that, so long as the Council is a member of the Company, no interim dividend shall be paid under this Article, or any provision of it, save with prior approval in writing by or on behalf of the Council.

109. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

110. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets



and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

111. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reasons of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

112. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

113. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

## RECORDS AND DOCUMENTS

114. So long as it remains a member of the Company the Council shall be entitled, by any person or persons being employees of or professional advisers to the Council, to inspect all accounting records and all books, documents, statements and records whatsoever of the Company.

## CAPITALISATION OF PROFITS

115. The directors may with the authority of an ordinary resolution of the Company:-

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve,

and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

## NOTICES

116. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.

117. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose

registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

118. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

119. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

120. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

121. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied,

a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

### WINDING UP

122. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

### INDEMNITY

123. Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation

thereto. However, this Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.