

No 02658322

THE COMPANIES ACT 2006

WRITTEN RESOLUTION

of

MGN PENSION TRUSTEES LIMITED

(Circulation Date 6 July 2016)

WE CERTIFY THIS TO BE  
A TRUE COPY OF THE  
ORIGINAL

Travers Smith LLP (BAH) 13 FH/16

TRAVERS SMITH LLP  
10 SNOW HILL, LONDON EC1A 2AL  
SOLICITORS

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

#### SPECIAL RESOLUTION

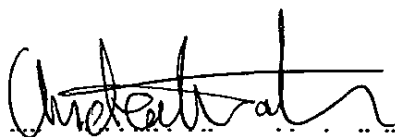
##### Adoption of new articles

**THAT**, pursuant to section 21(1) of the Companies Act 2006, the articles of association appended to the Resolution (the "New Articles") be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company

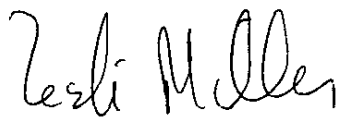
We, the undersigned, being persons entitled to vote on the Resolution on 6 July 2016, hereby irrevocably agree to the Resolution



for and on behalf of MGL2 Limited  
by its duly appointed representative



Andrew Watson



Lesli Miller

SATURDAY



\*A5BCDOMA\*

A11

16/07/2016

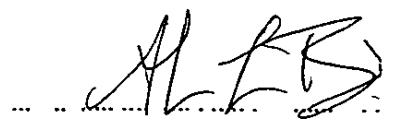
#93

COMPANIES HOUSE



David Martin

  
Andrew Golden

  
Alan Burns

  
Ralph Tomes

## NOTES

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above
2. If within 28 days from the Circulation Date sufficient agreement has not been received in order to pass the Resolution, the Resolution will lapse. If you agree to the Resolution, please ensure that your agreement reaches the Company on or before this date
3. If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document

**THE COMPANIES ACTS 1985, 1989 and 2006**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**MGN PENSION TRUSTEES LIMITED**

**Travers Smith LLP  
10 Snow Hill  
London EC1A 2AL**

**Telephone 020-7295-3000**

No 02658322

## RECORD OF WRITTEN RESOLUTION

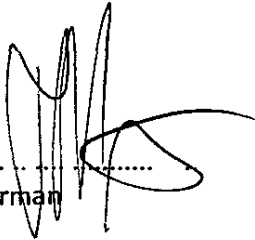
### MGN PENSION TRUSTEES LIMITED

Record of written Resolution agreed to in accordance with Chapter 2, Part 13 of the Companies Act 2006 which has effect as if passed by the Company in General Meeting

It is recorded that:

1. The written Resolution (the "**Resolution**"), a copy of which is attached, was passed as a special resolution, by or on behalf of the members of the Company who, at the date of the circulation of the Resolution, were entitled to attend and vote at a General Meeting of the Company
2. The Resolution was signed by or on behalf of the last member on 6 July 2016.

.....  
Chairman



SATURDAY

COMPANIES HOUSE

WE CERTIFY THIS TO BE  
A TRUE COPY OF THE  
ORIGINAL

Travers Smith LLP (BHH) 1317116  
TRAVERS SMITH LLP  
10 SNOW HILL, LONDON EC1A 2AL  
SOLICITORS

**THE COMPANIES ACTS 1985 to 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**MGN PENSION TRUSTEES LIMITED**

(Company Number 2658322)

(Adopted by written resolution dated 29 May 2015)

**Definitions and Interpretation**

- 1.1 In these Articles the following words and phrases have the following meaning unless the context requires otherwise

**Act** the Companies Act 2006,

**"A" Director** a Director appointed in accordance with Article 2.2,

**"A" Share** a share designated as such in accordance with Article 18,

**"B" Director** a Director appointed in accordance with Article 2 3,

**"B" Share** a share designated as such in accordance with Article 18,

**board status** any individual who is a director of Mirror Group or any subsidiary or holding company of Mirror Group (apart from a company whose sole function is to act as a trustee of an occupational pension scheme) or of any other company which in either case is a participating employer in the Scheme, and for the purpose of these Articles, the expressions "subsidiary" and "holding company" bear the meanings given to them in section 1159 of the Act,

**"C" Director** a Director appointed in accordance with Article 2 4,

**"C" Share** a share designated as such in accordance with Article 18,

**Chairman:** the Chairman appointed in accordance with Article 11;

**Committee:** a committee to which a delegation has been made under Article 10 (being either a committee of Directors or the Management Committee),

**Company:** MGN Pension Trustees Limited,

**"D" Share:** a share which comes into being as described in Article 18,

**Deputy Chairman:** a Deputy Chairman appointed in accordance with Article 12;

**Deputy Secretary:** a Deputy Secretary appointed in accordance with Article 13 2,

**Directors** the "A" Directors, "B" Directors and "C" Directors and (except where the context requires) the Chairman taken together and "Director" shall mean any one of them as the context requires,

**Election Administrator.** means Electoral Reform Ballot Services Limited (a subsidiary of the Electoral Reform Society) or such other independent person or body as the Directors may from time to time decide to appoint to administer elections of "B" Directors and "C" Directors,

**Employer Shareholder:** the registered shareholder for the time being of the "A" Shares referred to in Article 18 1 and Article 18 4;

**Management Committee:** the Committee referred to in Article 10 4,

**Maxwell Company:** at any time any private or public limited company including Mirror Group and Maxwell Communication Corporation Plc which at that time was controlled (as defined in section 255 of the Act) by Ian Robert Maxwell MC, Ian Robert Charles Maxwell, Kevin Francis Herbert Maxwell or any persons connected with any of them (within the meaning given in section 252 of the Act);

**Mirror Group** MGL2 Limited (Registered No 6234510),

**Participating Employer** means the Mirror Group or any other employer who participates or participated in any of the Schemes and remains "associated" (as defined in section 435 of the Insolvency Act 1986) with the Mirror Group,

**Qualified Majority** means eleven, or if fewer, three quarters of the number of Directors of the Company in post for the time being, save that for the purposes of Article 11 it shall mean three quarters of the number of Directors of the Company for the time being, not counting the Chairman,

**Schemes:** the Mirror Group Pension Scheme, the MGN Pension Scheme and (where applicable) the MGN Past Service Pension Scheme,

**Secretary:** the Secretary or, if there are joint Secretaries, one of the joint Secretaries appointed in accordance with Article 13

## **1.2** In these Articles, where the context allows

**1.2.1** words in the singular shall include the plural (and vice versa),

**1.2.2** words of one gender or in the neuter shall include the masculine, feminine and neuter, and

**1.2.3** references to legislation shall include modifications, pre-enactments and re-enactments of and regulations made under that legislation

**1.3** Headings above or at the beginning of text are for convenience only and shall not affect the interpretation of that text

**1.4** This document comprises the Articles of Association of the Company and no regulations set out in any statute or statutory instrument concerning companies shall apply as Articles of Association of the Company

#### **PART I: DIRECTORS AND DIRECTORS' BUSINESS**

**2.1** The maximum number of Directors (including the Chairman) shall be fifteen. No person may be a Director of the Company if that person -

**2.1.1** was before 6 December 1991 a trustee (or a director of a company which was a trustee) of any pension scheme which then related to employment with a Maxwell Company, unless the Directors and the Employer Shareholder each confirm that they are content for such person to be a Director of the Company, and/or,

**2.1.2** is, whether directly or indirectly, beneficially interested in or holds 3 per cent or more in value of any class of stock, shares, debentures or other securities of Mirror Group or any Employer Shareholder or any of their respective subsidiaries or holding companies from time to time, and/or

**2.1.3** is the Secretary or a Deputy Secretary (unless in either case the Directors in their absolute discretion have decided to waive this requirement for the time being),

and in the case of a candidate for election as a "B" or a "C" Director the Directors and the Employer Shareholder shall give any confirmation such as is referred to in Article 2.1.1 as a condition of the candidate name being included in any ballot

#### **2.2 Appointment and removal of "A" Directors**

**2.2.1** The Employer Shareholder shall be entitled to appoint up to seven Directors (the "A" Directors) to hold office at any time, and to remove from office any "A" Director and to fill the office of any "A" Director who dies, resigns, or otherwise ceases to be an "A" Director in accordance with the provisions of these Articles, provided that the number of "A" Directors from time to time must not exceed the total number of "B" and "C" Directors (ignoring casual vacancies)

**2.2.2** Any appointment or removal under this Article 2.2 shall be made by written notice to the Company under the hand of any director of the Employer Shareholder and any such appointment or removal shall take effect from the date on which such notice is lodged at the registered office of the Company or such later date, if any, as is specified in the notice.



- 2.2.3** On any resolution proposed at a general meeting of the Company's shareholders to remove an "A" Director from office, each "A" Share shall carry the right to cast two votes on that resolution

**2.3** **Appointment of "B" Directors**

- 2.3.1** Members of the Schemes who are not yet in receipt of a pension payable under the Schemes ("the electorate") shall be entitled to appoint up to five Directors (the "B" Directors) in accordance with the following provisions of this Article 2 3, the number being decided from time to time by the Directors, subject to Articles 2 1 and 2 2

- 2.3.2** The electorate shall be divided into no more than five constituencies. The number and boundaries of the constituencies (which may, without limitation, be fixed by reference to sites of current or last employment with a Participating Employer or other boundaries) are to be determined by the Directors from time to time, after consultation with the Employer Shareholder.

- 2.3.3** The electorate in each constituency shall be entitled to appoint one "B" Director in respect of that constituency

Each member of the electorate shall be entitled to one vote which must be cast for a candidate standing in the same constituency as his or her own constituency

- 2.3.4** The Employer Shareholder shall bear the costs of the election of each of the "B" Directors from the constituencies including, but without limitation, the fees and expenses of the Election Administrator. The elections shall be administered by the Election Administrator. Each election shall take place in the manner provided by this Article 2.3 as amended or supplemented from time to time by the Directors with, in the case of an amendment or supplement increasing the cost of such election, the consent of the Employer Shareholder (such consent not to be unreasonably withheld or delayed)

- 2.3.5** Within 31 days after the date on which the "B" Directors or the "B" Director concerned ceases to be a Director, notices in writing shall be given by the Employer Shareholder in such manner as the Directors may prescribe from time to time to members of the relevant constituency inviting them to nominate in writing within 28 days of the date of the notice to the Election Administrator, a member of the electorate in their constituency to stand for election as a "B" Director for that constituency. The notices shall be sent by post to the members' home addresses

- 2.3 6** In order to be validly nominated as a candidate for "B" Directorship, an individual must

- be nominated by at least 10 members of their constituency, and
- prepare an election statement, for distribution to the relevant electorate, complying with the guidelines set by the Directors from time to time. The election statement must include
  - a confirmation that the candidate is resident or ordinarily resident in the United Kingdom,

- a confirmation that the candidate is willing to accept a position as a "B" Director,
- a confirmation that the candidate is willing to enter into a confidentiality agreement with the Employer Shareholder and the Participating Employers, and
- details of the candidate's current employment (if any) together with a confirmation that they do not expect their employment or any other personal circumstances to prevent them from regularly attending trustee meetings or properly discharging their duties as a "B" Director,

and may in addition include a statement of the reasons that the individual is seeking election

- 2.3.7** If no valid nominations are received by the date that the time for the making of nominations has expired, the Election Administrator shall notify the Employer Shareholder accordingly within 7 days (or as soon as practicable thereafter) of that date and the Employer Shareholder shall reissue notices inviting nominations to the electorate in the relevant constituency within a further 14 days (or such longer period as the remaining "B" Directors may agree)

If no valid nominations are received by the end of a further 21 day period (commencing with the date of the reissued notices) the Directors may (with the consent of any remaining "B" Director(s)) determine that the vacancy shall continue (and shall be treated as a casual vacancy) until such time as they may determine (which may not be later than the time when, had a "B" Director been elected, he or she would have been required to retire by rotation in accordance with Article 3 1)

- 2.3.8** If the Election Administrator declares that only one valid nomination for any particular vacancy has been received by the date that the time for the making of nominations has expired, that nominee will be appointed as a "B" Director for that particular constituency without the need for a secret ballot to be conducted in accordance with Article 2.3 9

A notice inviting nominations shall be re-issued in accordance with Article 2 3 7 in respect of any remaining vacancies

- 2.3.9** Subject to Articles 2 3 7 and 2.3 8 the Election Administrator shall organise a secret ballot to be conducted no earlier than 7 days and no later than 21 days after the time for the making of nominations has expired The Election Administrator may extend the period of 21 days if it considers it necessary to do so.

The election will be conducted by postal ballot with the option for members of the electorate to cast their votes by such other means as is agreed by the Directors with the Election Administrator Postage costs (including the cost of pre-paid envelopes for the return of ballot papers to the Election Administrator) will form part of the expenses of the Election Administrator to be met by the Employer Shareholder

The Election Administrator must send to the electorate.

- the list of candidates for election,
- the election statements prepared by those candidates,
- notice in writing (in the form and manner prescribed by the Directors) giving details of the time limit for returning voting papers to the Election Administrator (or for registering a vote by any other means which has been agreed by the Directors) and (if applicable) attaching pre-paid envelopes in which voting papers may be returned to the Election Administrator

Such information shall be sent by post to the individuals' home addresses and the Employer Shareholder shall provide a list of such addresses to the Election Administrator. The ballot shall be open for 14 days or such longer period as the notice prescribes.

**2.3.10** The Election Administrator shall act as independent scrutineer. Immediately following the conclusion of the ballot in accordance with Article 2.3.9, the Election Administrator shall count such votes as have been cast and shall verify that the ballot has been conducted in accordance with the procedures provided in this Article 2.3 as supplemented from time to time by the Directors and shall verify the result of the ballot. The individual in each constituency who receives the most votes shall be elected as the "B" Director of the constituency concerned.

**2.3.11** Notice in the manner prescribed by the Directors shall be given by the Directors to the electorate of the results of the election as soon as is practicable after the Election Administrator acting as independent scrutineer has verified the result of the ballot. The decision of the Election Administrator shall be final. Any appointment under this Article 2.3 shall take effect from the date on which the notice referred to above is issued by the Directors to the electorate.

**2.3.12** If the Employer Shareholder fails to seek nominations within 28 days of the date on which a "B" Director ceases to hold office or the date of retirement referred to in Article 3 or to co-operate in the conduct of a ballot in accordance with this Article or to comply with Article 2.3.6 or 2.3.7 above, the remaining "B" Directors may carry out any of the functions of the Employer Shareholder under this Article subject to reimbursement by the Employer Shareholder of all costs and expenses involved in holding such elections.

**2.3.13** On any resolution proposed at a general meeting of the Company's shareholders to remove a "B" Director from office, each "A" and "C" Share shall carry the right to cast one vote, but each "B" Share shall carry the right to cast the number of votes calculated in accordance with this Article 2.3.13. The number of votes that each "B" Share shall carry the right to cast shall be the same. It will be the smallest number of votes necessary to ensure that, of the total number of votes capable of being cast, at least two-thirds shall be votes to be cast by holders of "B" Shares.

## **2.4 Appointment of "C" Directors**

**2.4.1** Members of the Schemes who are in receipt of a pension payable under the Schemes but excluding persons receiving a spouse's or dependant's pension ("the Pensioners") shall be entitled to appoint a minimum of two Directors (the "C" Directors) in accordance with the following provisions of this Article 2.4, the

number being decided from time to time by the Directors, subject to Articles 2 1 and 2 2

**2.4.2** Each Pensioner shall be entitled to one vote in respect of each vacancy for a "C" Director

**2.4.3** The Employer Shareholder shall bear the costs of the election of each of the "C" Directors including, but without limitation, the fees and expenses of the Election Administrator. The elections shall be administered by the Election Administrator. Each election shall take place in the manner provided by this Article 2.4 as amended or supplemented from time to time by the Directors with, in the case of an amendment or supplement increasing the cost of such election, the consent of the Employer Shareholder (such consent not to be unreasonably withheld or delayed)

**2.4.4** Within 31 days after the date on which the "C" Directors or the "C" Director concerned ceases to be a Director, notices in writing shall be given by the Election Administrator in such manner as the Directors may prescribe from time to time to the Pensioners inviting them to nominate in writing within 28 days of the date of the notice to the Election Administrator, a Pensioner to stand for election as a "C" Director. The notices shall be sent by post to the Pensioners' home address

**2.4.5** In order to be validly nominated as a candidate for "C" Directorship, an individual must

- be nominated by at least five Pensioners, and
- prepare an election statement, for distribution to the Pensioners, complying with the guidelines set by the Directors from time to time. The election statement must include
  - a confirmation that the candidate is resident or ordinarily resident in the United Kingdom,
  - a confirmation that the candidate is willing to accept a position as a "C" Director,
  - a confirmation that the candidate is willing to enter into a confidentiality agreement with the Employer Shareholder and the Participating Employers, and
  - details of the candidate's current employment (if any) together with a confirmation that they do not expect their employment or any other personal circumstances to prevent them from regularly attending trustee meetings or properly discharging their duties as a "C" Director,

and may in addition include a statement of the reasons that the individual is seeking election

**2.4.6** If no valid nominations are received by the date that the time for the making of nominations has expired, the notice inviting nominations shall be reissued by the Election Administrator within 14 days of the end of the earlier period

If no valid nominations are received by the end of a further 21 day period (commencing with the date of the reissued notice) the Directors may (with the

consent of any remaining "C" Director(s)) determine that the vacancy shall continue (and shall be treated as a casual vacancy) until such time as they may determine (which may not be later than the time when, had a "C" Director been elected, he or she would have been required to retire by rotation in accordance with Article 3 1)

- 2.4.7** If the number of valid nominations received by the date that the time for the making of nominations has expired is less than or equal to the number of vacancies, those nominees will be appointed as "C" Directors without the need for a secret ballot to be conducted in accordance with Article 2 4 8

A notice inviting nominations shall be re-issued in accordance with Article 2 4.6 in respect of any remaining vacancies

- 2.4.8** Subject to Articles 2 4 6 and 2 4 7 the Election Administrator shall organise a secret ballot to be conducted no earlier than 7 days and no later than 21 days after the time for the making of nominations has expired. The Election Administrator may extend the period of 21 days if it considers it necessary to do so

The election will be conducted by postal ballot with the option for Pensioners to cast their votes by such other means as is agreed by the Directors with the Election Administrator. Postage costs (including the cost of pre-paid envelopes for the return of ballot papers to the Election Administrator) will form part of the expenses of the Election Administrator to be met by the Employer Shareholder.

The Election Administrator must send to the Pensioners

- the list of candidates for election,
- the election statements prepared by those candidates,
- notice in writing (in the form and manner prescribed by the Directors) giving details of the time limit for returning voting papers to the Election Administrator (or for registering a vote by any other means which has been agreed by the Directors) and (if applicable) attaching pre-paid envelopes in which voting papers may be returned to the Election Administrator.

Such information shall be sent by post to the Pensioners' home addresses and the Employer Shareholder shall provide a list of such addresses to the Election Administrator. The ballot shall be open for 14 days or such longer period as the notice prescribes

- 2.4.9** The Election Administrator shall act as independent scrutineer. Immediately following the conclusion of the ballot in accordance with Article 2 4 8, the Election Administrator shall count such votes as have been cast and shall verify that the ballot has been conducted in accordance with the procedures provided in this Article 2 4 as supplemented from time to time by the Directors and shall verify the result of the ballot. The individual in each election who receives the most votes shall be elected as a "C" Director. If there is more than one vacancy then the individual who receives the second, and where relevant, the third highest number of votes shall also be elected as a "C" Director

- 2.4.10** Notice in the manner prescribed by the Directors shall be given by the Directors to the Pensioners of the results of the election as soon as is practicable after the Election Administrator acting as independent scrutineer has verified the result of the ballot. The decision of the Election Administrator shall be final. Any appointment under this Article 2.4 shall take effect from the date on which the notice referred to above is issued by the Directors to the Pensioners.
- 2.4.11** On any resolution proposed at a general meeting of the Company's shareholders to remove a "C" Director from office, each "A" and "B" Share shall carry the right to cast one vote, but each "C" Share shall carry the right to cast the number of votes calculated in accordance with this Article 2.4.11. The number of votes that each "C" Share shall carry the right to cast shall be the same. It will be the smallest number of votes necessary to ensure that, of the total number of votes capable of being cast, at least two-thirds shall be votes to be cast by holders of "C" Shares.

#### **Retirement by rotation and cessation of office as a Director**

- 3.1** The "A" Directors shall not be required to retire by rotation. The "B" Directors and the "C" Directors shall be required to retire by rotation in accordance with the provisions of this Article 3. Subject to Article 3.4 below, every three years after his respective election date, each "B" Director and each "C" Director shall retire and elections in accordance with Article 2.3 and 2.4 respectively shall be held to appoint new "B" Directors and "C" Directors (as the case may be). Retiring "B" Directors and "C" Directors may, subject to the terms of these Articles, offer themselves for re-election and shall remain in office until such time as the elections referred to above have taken place at which time they shall, unless re-elected, automatically cease to hold office when the new Directors have taken up office.
- 3.2** The office of a Director shall be vacated if he -
- 3.2.1** ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director,
  - 3.2.2** becomes bankrupt or makes any arrangement or composition with his creditors generally,
  - 3.2.3** is, or may be, suffering from mental disorder and either -
    - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
    - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,
  - 3.2.4** dies,
  - 3.2.5** resigns his office by notice to the Company,
  - 3.2.6** transfers all of his accrued benefits out of the Schemes,

3.2.7 is given board status; or

3.2.8 falls within the exclusions defined in Articles 2.1 1, 2 1 2 or 2 1 3 above

### **Removal of Directors from office**

3.3 A Director will be removed from office if all of the remaining Directors for the time being are in agreement including, but without limitation or obligation, in the following circumstances, if he.-

3.3.1 has been absent without the permission of his fellow Directors from at least three consecutive meetings of Directors,

3.3.2 ceases to be resident or ordinarily resident in the United Kingdom, or

3.3.3 ceases to be in the employment of a Participating Employer for reasons of gross misconduct provided that no appeal with the Participating Employer or claim in the employment tribunal or other court in respect of the dismissal is ongoing (unless all of the remaining Directors agree that he should be removed notwithstanding the appeal or claim)

3.4 An election shall be held in accordance with the procedures set out in Article 2 3 or 2 4, as appropriate, if any "B" Director or "C" Director vacates office before the expiry of his term

### **Replacement Directors**

4. If any Director ceases to be a Director in accordance with the terms of these Articles -

4.1 in the case of an "A" Director, he shall be replaced, in accordance with Article 2 2,

4.2 in the case of a "B" Director or a "C" Director, the person (if any) who was last appointed by the retiring Director as his or her alternate director in accordance with Article 5 shall have one additional vote until such time as a replacement "B" or "C" Director (as the case may be) is appointed (or until a reduction in the number of "B" or "C" Directors (as the case may be) is determined or decided by operation of Article 2 3 1 or 2 4 1) and Articles 5 3 and 5 4 shall apply as if the retiring Director remained a Director

### **Alternate Directors**

5.1 Any Director (other than an alternate director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him Any appointment or removal of an alternate director shall be by written notice to the Company signed by the Director making or revoking the appointment or by email or in any other manner approved by the Directors An appointment may be made for such specific purposes as a Director specifies in the notice of appointment

5.2 A Director, may act as an alternate director to represent more than one Director except that an "A" Director may act as an alternate for no more than two other "A" Directors

- 5.3** An alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of Committees of which his appointor is a member and in respect of which his appointment is valid and to attend any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence. An alternate director shall not be entitled to receive any remuneration from the Company for his services as an alternate director. It shall not be necessary to give notice of any meeting to an alternate director who is absent from the United Kingdom.
- 5.4** An alternate director shall be entitled at any meeting of the Directors or of any Committee to one vote for every Director whom he represents in addition to his own vote (if any) as a Director.
- 5.5** Subject to Article 4.2, an alternate director shall cease to be an alternate director if his appointor ceases to be a Director, but, if a "B" or "C" Director retires by rotation but is reappointed, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 5.6** Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

#### **Remuneration of Directors and Directors' Expenses**

- 6.1** The Chairman (but for the avoidance of doubt no other Director) shall be entitled to such remuneration, if any, as the Directors shall determine.
- 6.2** The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or meetings of the shareholders or class meetings or otherwise in connection with the discharge of their duties.

#### **Proceedings of Directors**

- 7.1** 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. Not less than 7 days' written notice of a Directors' meeting or of a Committee (other than the Corporate Developments Committee) shall be given except that the Directors may authorise the Secretary to call Directors' meetings by such procedure (otherwise than by giving at least 7 days' written notice and which must include reasonable endeavours to contact Directors by telephone or other electronic means) and for the purpose or purposes only as shall be specified in the authorisation. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom.
- 7.2** Questions arising at a Directors' meeting or a meeting of any Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall be entitled to a second casting vote.
- 7.3** The quorum for the transaction of the business of the Directors shall be six, of whom at least three must be "A" Directors and at least three must be either "B" Directors or "C" Directors (of which three, at least one must be a "B" Director and one must be a "C" Director).



Director) An alternate director shall count as one only for the purpose of determining whether a quorum is present at any meeting of the Directors. If within an hour from the time appointed for holding the meeting of the Directors a quorum is not present the meeting shall stand adjourned until a meeting that is quorate can be arranged.

- 7.4** With the authority of the Directors and subject to such restrictions (if any) and for such purposes only as shall be specified in the authorisation, a Director may be deemed to be present at a meeting of the Directors or of a Committee if via telephones he is able to hear all other persons present at the meeting and they are able to hear him.
- 7.5** All acts done by a meeting of Directors, or of a Committee, or by a person acting as a Director shall, notwithstanding that it is discovered later 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.
- 7.6** A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a Committee 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 duly convened and held and may consist of several documents in the like form each signed by one or more Directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 7.7** Subject to Articles 7.10 to 7.16, a Director may vote (and his vote shall be counted), at any meeting of the Directors or of any Committee, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, whether by reason of his membership of the Schemes or otherwise, and in relation to any such resolution he shall (whether or not he exercises his vote) be taken into account in calculating the quorum present at the meeting.
- 7.8** If a question arises at a meeting of Directors or of a Committee as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman and his ruling in relation to any Director other than himself shall be final and conclusive.
- 7.9** A Director, including an alternate director, who is in any way, whether directly or indirectly, interested in any shares of Mirror Group or its holding company or any of its subsidiaries from time to time shall immediately give written notice of the nature of his interest to the Directors at the registered office.
- 7.10** A Director of the Company may at any time
- be a member of the Schemes,
  - subject to the requirements of Article 3.2.7, be a director, officer or employee of any Participating Employer, or of an associate of any such company;
  - be a shareholder, share option holder or debenture holder of any such company,
  - be a member of, or hold an office within, any trade union applicable to any employment in relation to the Schemes, or other relevant representative or consultative group,

- be a trustee, or a director or other officer of a corporate trustee, of any other pension or benefit arrangement,
- have an interest which conflicts, or possibly may conflict, with the interests of the Company which is disclosed to the Company and managed in accordance with any policy relating to conflicts of interest adopted by the Company from time to time, or
- have a family member who has one of the above interests

## **7.11 A Director**

- 7.11.1** shall not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him or her otherwise than by virtue of his or her position as a Director, whether in a capacity described in Article 7 10 or otherwise, if to do so would breach any duty of confidentiality to a third party,
- 7.11.2** shall not be obliged to account to the Company for any remuneration or other benefits received in consequence of being in a situation described in Article 7 10,
- 7.11.3** shall (unless otherwise authorised by the Directors of the Company) maintain in the strictest confidence all confidential information relating to the Company, and
- 7.11.4** shall, if the existence of any confidential information (such as is mentioned in Article 7 11 1 or otherwise) would or might give rise to a conflict of interests, take such steps to manage or avoid that conflict as are required in any policy relating to conflicts of interest adopted by the Company from time to time

## **7.12 Without prejudice to the generality of Article 7 10, if a situation arises or exists in which a Director has or could have a direct or indirect interest that conflicts, or may potentially conflict, with the interests of the Company (other than an interest arising in relation to a transaction or arrangement with the Company subject to Articles 7 15 or 7 16 below or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest) (a "Relevant Conflict Situation") the Director concerned, or any other Director, may propose to the other Directors that such Relevant Conflict Situation be authorised, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the Directors, in each case setting out particulars of the Relevant Conflict Situation In accordance with section 180(4)(a) of the Act, these Articles permit the Directors to authorise any such Relevant Conflict Situation and the continuing performance by the relevant Director of his or her duties as a Director of the Company on such terms as they may think fit (and without resort to the procedure specifically envisaged by section 175(5) of the Act) Those terms may include, without limitation, terms that the relevant Director**

- 7.12.1** is not obliged to disclose to the Company or any other Director or use for the benefit of the Company any confidential information received by him or her otherwise than by virtue of his or her position as a Director, if to do so would breach any duty of confidentiality to a third party,
- 7.12.2** is required by the Company to maintain in the strictest confidence any confidential information relating to the Company which also relates to the Relevant Conflict Situation,

- 7.12.3** shall not attend any part of a meeting of the Directors at which any matter which may be relevant to the Relevant Conflict Situation is to be discussed, and any papers relating to such matters may be withheld from that Director, or
- 7.12 4** is not obliged to account to the Company for any remuneration or other benefits received in consequence of the Relevant Conflict Situation
- 7.13** Where a proposal is made under Article 7 12, the relevant Director shall not be counted in the quorum at the relevant part of the meeting of the Directors to authorise the Relevant Conflict Situation as mentioned in that Article nor be entitled to vote on the resolution authorising such Relevant Conflict Situation When giving such authorisation for a particular Director, any other interested Director (who would be within the meaning of section 175(6)(a) of the Act) may be counted in the quorum and may vote in relation to such resolution if the interest arises only by reason of that other interested Director being a director or employee of a Participating Employer, or of an associate of such an employer, or by reason of being a member of the Schemes
- 7.14** No contract entered into shall be liable to be avoided by virtue of any Director having an interest of the type referred to in Article 7 10 or where the Relevant Conflict Situation has been approved as provided by Article 7 12
- 7.15** The provisions of Articles 7 12 to 7 14 shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this Article 7 15 and Article 7 16 shall so apply Any Director may be interested in an existing or proposed transaction or arrangement with the Company provided that he or she complies with the Act and the other provisions of these Articles.
- 7.16** Without prejudice to the obligation of each Director to declare an interest in a proposed or existing transaction or arrangement in accordance with the Act, a Director may vote at a meeting of the Directors or of a Committee on any resolution concerning a matter in which he or she has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he or she has a duty Having so declared any such interest or duty he or she may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if he or she votes on such resolution his or her vote shall be counted
- 7.17** The Directors of the Company from time to time are authorised to accept benefits from third parties, within the meaning of section 176 of the Act, consisting of remuneration, reimbursement of expenses, indemnification or similar payment from a Participating Employer, or an associate of such an employer, under arrangements that have been disclosed to the Directors

#### **Powers of Directors**

- 8.1** Subject to the provisions of the Act, the Memorandum of Association 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 of Association or of these 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 A meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors The Directors may

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

**8.2** Any decision or resolution on any of prescribed matters (as defined below) may only be passed by the votes of a Qualified Majority of the Directors present at and entitled to vote at the relevant Directors' meeting at which such prescribed matters are considered. For these purposes a Director may be deemed to be present at the meeting as described in Article 7.4

**8.3** In this Article "any scheme" means any of the Schemes, and the "prescribed matters" means any or all of the following -

**8.3.1** overall investment policy in relation to the funds of any scheme or any change in the identity of the investment manager of any scheme,

**8.3.2** augmentation of benefits under any scheme or the application of surplus in relation to any scheme;

**8.3.3** the making of any payment to any employer under any scheme,

**8.3.4** bulk transfers or any other transfer without the consent of the person in respect of whom it is made into or out of any scheme or the inclusion in any scheme of any associated company of Mirror Group,

**8.3.5** the funding of any scheme,

**8.3.6** any question relating to the removal of the Company as trustee of any scheme,

**8.3.7** the amendment of any scheme;

**8.3.8** any authorisation by the Directors pursuant to Article 7.1,

**8.3.9** any authorisation by the Directors pursuant to Article 7.4,

**8.3.10** the exercise by the Company of any power which it may have to borrow,

**8.3.11** any delegation to a Committee under Article 10 by the Directors regarding any prescribed matter,

**8.3.12** any delegation under Article 10 to the Management Committee,

**8.3.13** any determination of the boundaries of a constituency for the election of "B" Directors under Article 2.3.2,

**8.3.14** any decision under Article 2.3.9 or 2.4.8 to allow for votes to be cast in the election of a "B" Director or a "C" Director otherwise than in a postal ballot,

**8.3.15** the appointment under Article 13 of a body corporate as Secretary or Deputy Secretary,

**8.3.16** the setting of the Chairman's remuneration in accordance with Article 6 1

**Borrowing Powers**

9. The Directors may, subject only to the terms of the Schemes and these Articles, exercise all the powers of the Company to borrow money and grant any mortgage, charge or standard security over its undertaking and property, or any part of it as security for any debt, liability or obligation of the Company

**Delegation to Committees**

- 10.1** The Directors may collectively delegate any of their powers, authorities and discretions (including its powers, authorities and discretions in respect of prescribed matters) for such time and upon such terms and subject to such conditions as it thinks fit to any Committee Except for the Management Committee and the Corporate Developments Committee, a Committee shall consist of an equal number or equal numbers of "A" and "B"/"C" Directors, and the Chairman (unless the Directors decide otherwise). The Directors may from time to time revoke, withdraw, alter or vary all or any of such powers and discharge any such Committee in whole or in part Any delegation under this Article by the Directors of their powers in respect of prescribed matters shall be subject to the provisions of Article 10 3
- 10.2** Subject to Article 10 3, a Committee (other than the Management Committee and the Corporate Developments Committee) shall include and only be quorate if at least one "A" Director, one "B" Director and one "C" Director are present For these purposes only, an alternate director shall count for the Director who appointed him as an alternate as well as himself (if he is a Director) in determining whether a quorum is present
- 10.3** The extent of any delegation by the Directors of their powers in respect of a prescribed matter must be clearly defined Without prejudice to Articles 10 1 and 10.2, any Committee (other than the Management Committee) dealing with prescribed matters shall be chaired by the Chairman or in his absence the "A" Deputy Chairman or the "B"/"C" Deputy Chairman who shall have been nominated to act as deputy chairman of such Committee in accordance with Article 12. When dealing with prescribed matters the quorum for a meeting of a Committee (other than the Corporate Developments Committee) shall be one "A" Director, one "B" Director and one "C" Director An alternate director shall count as one only for the purpose of determining whether a quorum is present at such a meeting. Any decision or resolution on any prescribed matter may only be passed by the votes of all the Directors present and entitled to vote at the Committee meeting at which such prescribed matters are considered
- 10.4** Subject to Article 8 3 12, the Management Committee shall be a Committee to which Articles 10 1 to 10 3 apply, save that Articles 10 5 to 10 9 shall apply (and in the event of inconsistency shall override any contrary provisions in Articles 10 1 to 10 3)
- 10.5** The Management Committee shall have 10 members, comprising
- 10.5.1** 3 "A" Directors, nominated by the Directors,
- 10.5.2** 2 "B" Directors, nominated by the Directors,

**10.5.3** 3 persons, being deferred Members of the Schemes but not being Directors, selected by the Directors, and

**10.5.4** 2 persons, not being Directors, nominated by the Employer Shareholder

In making their nomination under Article 10 5 2 and their selection under Article 10 5.3, the Directors shall have regard to the desirability of maintaining a balance of representation between the constituencies (as determined for the time being under Article 2 3 3) from which the Management Committee members are drawn

**10.6** A member of the Management Committee appointed under Article 10 5 3 shall automatically cease to hold office if his pension under the Schemes comes into payment, if he transfers all of his accrued benefits out of the Schemes. Otherwise, there shall be no fixed terms of office for members of the Management Committee. A member of the Management Committee appointed under Articles 10 5 1 or 10 5 2 shall automatically cease to hold office if he ceases to be a Director. Members of the Management Committee may resign, and the Directors (or, in the case only of the members referred to in Article 10 5 4, the Employer Shareholder) shall have the power to remove a member of the Management Committee. The Directors shall review the composition of the Management Committee at least once every three years with a view to considering whether an exercise of the power to remove members appointed or selected under Articles 10.5 1 to 10 5 3, and to make a fresh nomination or selection, would be appropriate

**10.7** The chairmanship of the Management Committee shall alternate on a yearly basis between.

**10.7.1** the "A" Director who is nominated for the time being for that purpose by the members of the Management Committee who are "A" Directors, and

**10.7.2** the "B" Director who is nominated for the time being for that purpose by the members of the Management Committee who are "B" Directors

**10.8** Subject to any modifications imposed by the Directors in a delegation under Article 10 1, the quorum for the transaction of business of the Management Committee shall be six of which at least three shall be "B" Directors or persons appointed in accordance with Article 10 5 3 and at least three shall be "A" Directors or persons nominated by the Employer Shareholder in accordance with Article 10 5 4

**10.9** Subject to any modifications imposed by the Directors in a delegation under Article 10 1, Articles 7 and 14, to the extent that they relate to proceedings of Committees, shall apply to the proceedings of the Management Committee with the following modifications

**10.9.1** Articles 7 2 and 7 8 shall apply as if the reference to the Chairman was a reference to the chairman of the Management Committee, and

**10.9.2** Articles 7 4, 7.5, 7 6, 7 7, 7 8 and 14 2 shall apply as if references to Directors were references to members of the Management Committee

**10.10** The Corporate Developments Committee shall be a Committee to which Articles 10 1 to 10 3 apply, save that Articles 10 11-10 15 shall apply (and in the event of inconsistency

shall override any contrary provisions in Articles 10 1 to 10.3). Terms of reference imposed by the Company may vary these provisions save that Article 10 13 cannot be varied

**10.11** The Corporate Developments Committee shall have 3 members, comprising

**10.11.1** the Chairman,

**10.11.2** the "A" Deputy Chairman appointed under Article 12 1 1, and

**10.11.3** the "B"/"C" Deputy Chairman appointed under Article 12 1 1

**10.12** The quorum for the transaction of business of the Corporate Developments Committee shall be three

**10.13** The Corporate Developments Committee may not transact any business on behalf of the Company in the absence of a specific further delegation by the Company. In particular, it cannot, without such further delegation, exercise powers of the Company under the Schemes' trust deeds, and it cannot give any commitments binding on the Company. It does however have the power to enter into discussions with the Mirror Group or with other parties, to take such professional advice as it considers desirable on behalf of the Company, and to make recommendations to the Company about how the Company should exercise its powers. For the avoidance of doubt the shaping of recommendations in relation to matters which will be prescribed matters within the meaning of Article 8 2 and 8 3 shall not itself be a prescribed matter so as to bring Article 10 3 into play

**10.14** The Chairman (or in his absence a Deputy Chairman) may call a meeting of the Corporate Developments Committee if he considers it desirable to do so. As much notice as it reasonably practicable in the circumstances shall be given

**10.15** In the event that the Chairman is not available for a period of time and it is necessary or desirable for the Corporate Developments Committee to meet, the "A" Deputy Chairman shall appoint an "A" Director and the "B"/"C" Deputy Chairman shall appoint a "B" or a "C" Director, such that in those circumstances, the Corporate Developments Committee shall comprise four members. If either of the Deputy Chairman is not available for a period of time and it is necessary or desirable for the Corporate Developments Committee to meet, the Chairman shall appoint an "A" Director (if it is the "A" Deputy Chairman who is not available) and a "B" or a "C" Director (if it is the "B"/"C" Director who is not available)

#### **Chairman**

**11.1** The Directors shall include a person appointed as Chairman under this Article. On or before 31st March each year the Board shall consider whether the Chairman (if willing to be reappointed) should be reappointed for a further twelve months with effect from the immediately following 1st September. Any such reappointment must be approved by a Qualified Majority of the Directors at a meeting duly convened to consider such reappointment. (For the avoidance of doubt, the Chairman's term of office current at the date this Article 11 1 was amended to its current form is extended so that it expires on 31st August 2014 rather than 31st March 2014 )

**11.2** Upon the death of the Chairman or his otherwise ceasing to hold office, the Directors may appoint a new Chairman (subject to annual reappointment as mentioned above) provided

that such appointment is unanimously agreed by the Directors and that any new Chairman is not the Employer Shareholder, an "A" Director, a "B" Director, a "C" Director, the Secretary, an officer or employee of Mirror Group or any holding company of Mirror Group and/or the Employer Shareholder or any associated or connected company (as defined in the Act) of Mirror Group and/or the Employer Shareholder or a beneficiary under the Schemes

- 11.3** Save in the case of resignation, ill health or incapacity (as a result of which the Chairman's capacity to perform his duties is impaired), in which case the Chairman may be removed from office by resolution of the Directors, the Chairman shall not be removed from office unless a Qualified Majority of the Directors (but excluding the Chairman) so resolve at a Directors' meeting duly convened for that purpose
- 11.4** Subject to the provisions of this Article and Article 12 below the Chairman shall preside as chairman at all meetings of the Directors and of the shareholders

#### **Deputy Chairman**

- 12.1** The Chairman shall nominate the following annually on or before 31<sup>st</sup> March each year -
- 12.1.1** one "A" Director and one "B" Director or "C" Director to act as his deputy with effect from 1<sup>st</sup> April in that year, in his absence, at Director and shareholder meetings,
- 12.1.2** for the purposes of each Committee (other than the Management Committee and the Corporate Developments Committee), one "A" Director and one "B" or "C" Director from amongst the existing members of that committee or sub-committee to act as his deputy, in his absence, at meetings of such committee or sub-committee
- 12.2** All nominations made in accordance with Article 12 1 are subject to the approval of a meeting of the Directors, and if a nominee does not receive the approval of the Directors then the Chairman shall nominate another Director who is eligible For the avoidance of doubt, the Chairman's nomination under Article 12 1 is validly made even if he or she is not reappointed with effect from the 1<sup>st</sup> September next following For the purposes of these Articles any person so nominated and approved by the Directors under this Article shall be referred to as the "A" Deputy Chairman if he is an "A" Director and the "B"/"C" Deputy Chairman if he is a "B" or a "C" Director
- 12.3** On the first occasion that the Chairman is absent from a Directors' meeting the "A" Deputy Chairman shall be chairman of such Directors' meeting and on the following occasion that the Chairman is absent, the "B"/"C" Deputy Chairman shall be chairman of that Directors' meeting Thereafter, on each occasion that the Chairman is absent the chairing of Directors' meetings shall alternate between the "A" Deputy Chairman and the "B"/"C" Deputy Chairman If the Chairman is not present at a meeting of the Directors and the Deputy Chairman who was due to chair that meeting is also absent, the other Deputy Chairman (if present) should take the chair In that event, the person due to take the chair when next the Chairman was absent from a meeting of Directors should be the Deputy Chairman who was absent at the said earlier meeting (with alternation between the Deputy Chairmen for future meetings thereafter as described above)



- 12.4** If at a meeting of the Directors the Chairman and both Deputy Chairmen are all absent, and in the absence of the Chairman, the "A" Deputy Chairman would have been due to chair that meeting, the "A" Directors present shall choose a chairman for that meeting and, if in the absence of the Chairman the "B/C" Deputy Chairman would have been due to chair that meeting the "B" and "C" Directors present shall choose a chairman for that meeting. In this eventuality, the Deputy Chairman due to take the chair at the next meeting of Directors at which the Chairman was absent should be the same Deputy Chairman who had been due to take the chair at the said earlier meeting. For the avoidance of doubt, an alternate of the Chairman or a Deputy Chairman should not be entitled to chair a meeting for that reason alone.
- 12.5** Any Deputy Chairman or person appointed as chairman in the absence of the Chairman and the Deputy Chairmen shall not have a casting vote in addition to his vote as a Director.
- 12.6** The provisions of Articles 12.3, 12.4 and 12.5 above shall apply, mutatis mutandis, to meetings of the Company's shareholders and to the meetings of each committee and sub-committee of the Directors.

#### **Secretary**

- 13.1** Subject to the provisions of the Act, one or more persons shall be appointed by the Directors to act as Secretary for such term, at such remuneration, if any, and upon such conditions as they may think fit, and any person so appointed may be removed by them. The person so appointed may be a body corporate.
- 13.2** Subject to the provisions of the Act, one or more persons may be appointed by the Directors to act as Deputy Secretary for such term, at such remuneration, if any, and upon such conditions as they may think fit, and any person so appointed may be removed by them. The person so appointed may be a body corporate.

#### **Minutes**

- 14.** The Directors shall ensure that minutes are kept of:
- 14.1** all appointments of officers made by the Directors, and
- 14.2** all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Directors, and of any Committee including the names of the Directors present at each such meeting.

#### **The Seal**

- 15.1** The Company's seal shall be used only with the authority of 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 two Directors.
- 15.2** The Company may exercise the powers conferred by section 49 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

#### **Directors' Interests**

**16.1** 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 -

**16.1.1** may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,

**16.1.2** 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

**16.1.3** 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

**16.2** For the purposes of Article 16 1:-

**16.2.1** 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

**16.2.2** an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

### **Indemnity**

**17.1** Every Director or other officer or auditor 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 661 or section 1157 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 But this Article shall have effect only in so far as its provisions are not avoided by section 532 of the Act

**17.2** The Directors shall have power to purchase and maintain for any Director, officer or auditor of the Company insurance against any such liability as is referred to in section 532(1) of the Act

## **PART II: SHARE CAPITAL AND SHAREHOLDERS' BUSINESS**

### **Share Capital**

**18.1** Subject as provided in Articles 18.2 and 18 3, the share capital of the Company is £14 divided into six "A" Ordinary shares of £1 each ("A" Shares"), three "B" Ordinary shares of £1 each ("B" Shares"), three "C" Ordinary shares of £1 each ("C" Shares") and two "D"

Ordinary Shares of £1 each ("D" Shares") "D" Shares of £1 each may come into being and cease to exist as described in Articles 18.2 and 18.3. Save as provided in these Articles the "A" Shares, the "B" Shares, the "C" Shares and any "D" Shares shall rank pari passu in all respects

**18.2** If at any time the number of "B" or "C" Directors reduces (disregarding any casual vacancies) (whether as a result of the number of constituencies for the election of "B" Directors determined for the time being under Article 2.3.2 being reduced, or as a result of a decision to reduce the number of "C" Directors under Article 2.4.1):

**18.2.1** the number of "A" Shares and "B" Shares shall each be reduced by the number corresponding to the reduction in the number of constituencies for the election of "B" Directors determined under Article 2.3.1,

**18.2.2** the number of "A" Shares and "C" Shares shall each be reduced by the number corresponding to the reduction in the number of "C" Directors being made under Article 2.4.1,

**18.2.3** "A" Shares, "B" Shares and "C" Shares of a number corresponding to the reduction in the number of shares of each class, shall be re-classified as "D" Shares, being further classified as "former "A" Shares", "former "B" Shares" and "former "C" Shares" respectively

**18.3** When there are "D" Shares in existence

**18.3.1** if the number of Directors is increased as a result of an increase in the number of constituencies being determined under Article 2.3.1, one "D" Share shall be re-classified as an "A" Share, and one as a "B" Share, for each additional constituency so determined;

**18.3.2** if the number of Directors is increased as a result of an increase in the number of "C" Directors being decided under Article 2.4.1, one "D" Share shall be reclassified as an "A" Share and one as a "C" Share, for each additional "C" Director so decided

Any "D" Share to be reclassified as an "A" Share must be a former "A" Share

Any "D" Share to be reclassified as a "B" Share must be a former "B" Share or, if there are none, a former "C" Share

Any "D" Share to be reclassified as a "C" Share must be a former "C" Share or, if there are none, a former "B" Share

For the avoidance of doubt, if an increase in the number of "B" Directors (or "C" Directors) is determined (or decided) at the same time as a corresponding reduction in the number "C" Directors (or "B" Directors, as the case may be) then the "D" Shares falling to be reclassified under this Article 18.3 may be the very shares that are classified as "D" Shares at that same moment by operation of Article 18.2

**18.4** No person other than -

- 18.4.1** a Participating Employer may be the registered holder of or beneficially interested in the "A" Shares,
- 18.4.2** a "B" Director from time to time may be the registered holder of or beneficially interested in any "B" Share;
- 18.4.3** a "C" Director from time to time may be the registered holder of or beneficially interested in any "C" Share,
- 18.4.4** the Chairman from time to time may be the registered holder of or beneficially interested in any "D" Share
- 18.5** For the purposes of section 630 of the Act, (i) the "A" Shares, (ii) the "B" Shares together with the "C" Shares, and (iii) the "D" Shares shall constitute separate classes of share. Subject to the provisions of these Articles, any increase in the issued share capital of the Company, any consolidation or sub-division of any shares in the Company and any alteration of any of the provisions of the Company's Memorandum of Association or of these Articles (each being a "Variation Event") shall be deemed to be a variation of the special class rights attached to (i) the "A" Shares, and (ii) the "B" Shares together with the "C" Shares. For the avoidance of doubt, a Variation Event shall not be deemed to be a variation of the special class rights attached to the "D" Shares
- 18.6** No share in the capital of the Company may be issued except in accordance with these Articles
- 18.7** Subject to Part 17, Chapter 9 and any other applicable provisions of the Act, the provisions contained in these Articles relating to general meetings shall, so far as applicable, apply in relation to any meeting of shareholders required by sections 334 and 630 of the Act or otherwise to take place in connection with the variation of the rights attached to a class of shares, and shall so apply with the necessary modifications and subject to the following provisions -

  - 18.7.1** the necessary quorum at any meeting of the holders of "B" and "C" Shares shall be equal to the total number of "B" and "C" Shares in issue, less two,
  - 18.7.2** any holder of shares of the class in question present in person or by proxy may demand a poll, and
  - 18.7.3** any resolution to vary the rights attached to the "B" and "C" Shares will be passed but only if the number of holders of "B" or "C" Shares who vote in favour of such resolution number no fewer than the total number of "B" and "C" Shares in issue, less two
- 18.8** A resolution in writing executed or signed by or on behalf of each shareholder (or his attorney) who would have been entitled to vote upon it if it had been proposed at either a separate meeting of the holders of a class of shares or at a general meeting of the Company's shareholders shall be as effectual as if it had been passed at any such meeting duly convened and held and may consist of separate instruments in like form each executed by or on behalf of one or more shareholders.

#### **Share Certificates**

19. Upon becoming a shareholder a person shall be entitled to one certificate for all the shares of each class held by him. Every certificate shall either (i) be sealed with the Company seal in accordance with Article 15 or (ii) shall be signed by two Directors or one Director and the Secretary. Each certificate 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 in respect of it. 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.

#### **Directors' Qualification Shares and Transfer of Shares**

- 20.1 Each "B" Director and each "C" Director from time to time shall on appointment as a Director become the registered holder of one "B" Share or one "C" Share (as the case may be). Upon ceasing to be a Director, the individual concerned shall immediately transfer his share to his successor in office, or, if the share is to become a "D" Share in accordance with Article 18.2, to the Chairman. On ceasing to hold office as a Director, the Chairman shall transfer any "D" Shares to his successor. The Chairman shall also transfer a former "A" Share, a former "B" Share (as appropriate) to any "A" Director, "B" Director or "C" Director appointed following an increase in the number of constituencies as referred to in Article 18.3, or in the number of "C" Directors as referred to in Article 2.4.1. For the purpose of this Article 20.1, the Company is hereby constituted the agent of each "B" Director, "C" Director and the Chairman from time to time to execute on their behalf the stock transfer form and any other document required to give effect to such share transfer and to this end, any two "B" and/or "C" Directors may execute the same on behalf of the Company.
- 20.2 The Directors shall register the transfer of a share in the Company but only if it is:-
- 20.2.1 a transfer of an "A" Share by the Employer Shareholder for the time being to a subsidiary or holding company, or subsidiary of any holding company, of the Employer Shareholder, in each case which is a Participating Employer, at a time when all the "A" Shares in issue are being transferred en bloc, or
- 20.2.2 the transfer of a share in accordance with Article 20.1

#### **General Meetings and Resolutions**

- 21.1 The Directors may call general meetings at any time and, on the requisition of shareholders (in accordance with the provisions of the Act), shall proceed to convene a general meeting for a date not later than 8 weeks after receipt of the requisition.
- 21.2 Subject to Article 21.3 a general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice and any other general meetings shall be called by at least 14 clear days' notice.
- 21.3 A general meeting may be called by shorter notice if so agreed -
- 21.3.1 in the case of an annual general meeting, by all the shareholders entitled to attend and vote at such a meeting, and

- 21.3.2** in the case of any other general meeting by a majority in number of the shareholders having a right to attend and vote being a majority together holding not less than 95 per cent in nominal value of the shares giving that right
- 21.4** Every notice convening a general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted and shall comply with the provisions of section 325(1) of the Act as to the provision of information to shareholders regarding their right to appoint proxies, notices of and other communications relating to a general meeting which any shareholder is entitled to receive shall also be sent to the Directors and to the auditors, if any, for the time being of the Company.
- 21.5** The Chairman and any Director (notwithstanding in the case of the Chairman and an "A" Director that he is not a shareholder) shall 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
- 21.6** 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.
- 21.7** The quorum necessary for the transaction of the business of the Company shall be four shareholders, of whom one must be the Employer Shareholder and three must be holders of "B" Shares or of "C" Shares or, in any case, the duly appointed proxy of the shareholder concerned
- 21.8** If within half an hour from the time appointed for holding the meeting of the Company a quorum is not present the meeting shall stand adjourned until a meeting that is quorate can be arranged, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore such adjourned general meeting shall be dissolved
- 21.9** The Chairman may, with the consent of the shareholders present at a quorate general meeting (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 14 days or more, at least 7 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

#### **Votes of Members**

- 22.1** A resolution put to the vote of shareholders 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 by the Chairman or by a shareholder or shareholders or their respective proxies
- 22.2** Subject to the provisions of Article 2, on a show of hands every holder of an "A" Share, a "B" Share or a "C" Share present in person shall have one vote (Without prejudice to Article 22 3, the Chairman shall not have any right to vote in respect of any "D" Shares for the time being held by him or her ) On a poll each shareholder present in person or by proxy shall have one vote per share held by him Notwithstanding the other provisions of

this paragraph, in the event that the holder of any "B" Share shall have ceased to be a "B" Director without that Share being reclassified as a "D" Share, that holder shall not be entitled to any vote but the remaining "B" Directors may by unanimous decision decide among themselves how the voting rights in respect of that "B" Share shall be exercised whether on a show of hands or a poll. In the event that the holder of any "C" Share shall have ceased to be a "C" Director, the remaining "C" Director may exercise the voting rights in respect of that "C" Share, either on a show of hands or a poll.

- 22.3** In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman (but not a deputy or substitute chairman acting in his absence including, without limitation, any "A" Deputy Chairman and any "B"/"C" Deputy Chairman), shall have a casting vote. However, this Article 22.3 shall not apply on a resolution to remove a Director from office.
- 22.4** 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.
- 22.5** An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in such form as the Directors may approve. To be valid it must be deposited at such place and by such time 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.

#### **Notices**

- 23.1** Any notice to be given to or by any person pursuant to these Articles shall be in writing.
- 23.2** The Company may give any notice to a shareholder either personally or by sending it by post in a prepaid envelope addressed to the shareholder 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 shareholders in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A shareholder 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 shareholders shall be entitled to receive any notice from the Company.
- 23.3** A shareholder 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.
- 23.4** 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 shareholders, has been duly given to a person from whom he derives his title.
- 23.5** 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.
- 23.6** A notice may be given by the Company to the persons entitled to a share in consequence

of the death or bankruptcy of a shareholder by sending or delivering it, 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

#### **Liability of the members**

**24** The liability of the Members is limited

#### **Location of Registered Office**

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