

REGISTERED NUMBER: 3782949

Formatted: Font: (Default) Calibri, 11 pt

**NEW ARTICLES OF ASSOCIATION OF
ELEXON LIMITED**

Deleted: MEMORANDUM AND

Deleted: Document reference¶
Issue - Conformed ¶
Date conformed - 22/01/2013¶

Deleted: CB003697757¶

The Companies Acts

Company Limited by Shares

NEW ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on 30th November, 1999)
(Amended by Special Resolution passed on 10th August, 2000)

of

ELEXON LIMITED

DEFINITIONS AND INTERPRETATION

1. Definitions

1.1 In these Articles and the applicable regulations of Table A (as defined below) the following words and expressions have the meanings set opposite them:

Table with 2 columns: Term and Definition. Terms include "Act", "2006 Act", "BSCCo Nominee", and "Code".

Deleted: Company No: 3782949
The Companies Acts
Company Limited by Shares
MEMORANDUM OF ASSOCIATION
ELEXON LIMITED
The Company's name is "ELEXON LIMITED"
The Company's registered office is to be situated in England and Wales.
The Company's objects are:
to act as, and perform the functions which are ascribed to, BSCCo as set out in the Balancing and Settlement Code established and from time to time modified pursuant to the licence granted under Section 6(1)(b) of the Electricity Act 1989 (as amended), the authorised area of which is Great Britain and Offshore, and in furtherance of this principal object the further objects set out in the following sub-clauses;
to employ the funds of the Company in the development and expansion of the business of the Company and all or any of its subsidiary or associated companies and in any other company whether now existing or hereafter to be formed and engaged in any like business of the Company or any of its subsidiary or associated companies or in any other industry ancillary thereto or in any business which can conveniently be carried on in connection therewith;
to co-ordinate the administration, policies, management, supervising, control, research, development, planning, manufacture, trading and any and all other activities of, and to act as consultants to, any company or companies or group of companies now or hereafter formed or incorporated or acquired which may be or may become related or associated in any way with the Company or with any company related or associated therewith and either without remuneration or on such terms as to remuneration as may be agreed;
to advance and lend money with or without security and to guarantee the performance of the contracts or obligations or the repayment of capital, principal, dividends, interest or premiums payable on any stock, shares, securities or debentures of, or other investments in, any company or person and in particular (but without limiting the generality of the foregoing) of any company which is for the time being the Company's holding company (as defined by section 736 Companies Act 1985) or another subsidiary (as defined by that section) of the Company's holding company and to give all kinds of indemnities;
to organise, incorporate, reorganise, finance, aid and assist, financially or otherwise, companies, corporations, syndicates, partnerships, associations and firms of all kinds and to underwrite or guarantee the subscription of shares, stocks, debentures, debenture stock, bonds, loans, obligations, securities or notes of ...
Deleted: 4
Deleted: 5

"Committee"	a committee of the board of directors of the Company duly appointed pursuant to these Articles
"Offshore"	has the meaning given to that term in the Code (as amended from time to time).
"Statutes"	every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) for the time being in force concerning companies and affecting the Company
"Table A"	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
"these Articles"	these articles of association as originally adopted or as altered from time to time

Deleted: 6

"Transmission Licence"	means the Transmission Licence as defined in the Code from time to time
------------------------	---

Deleted: "Transmission Company"

Deleted: Transmission Company as defined in the Code from time to time.⁷

Deleted: 8

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

Words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations. Headings to these Articles are inserted for convenience and shall not affect their construction.

Liability of Members

1A. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Formatted: Indent: Left: 0", Hanging: 0.5"

2. **Table A**

The regulations contained in Table A shall apply to the Company except in so far as they are excluded by or are inconsistent with these Articles. Regulations 8 to 22 (inclusive), 24, 32(a), 34, 40, 41, 60 to 62 inclusive, 65, 67, 73 to 78 (inclusive), 80, 82,

Deleted: 9

83, 84, 87, 94 to 98 (inclusive), 102 to 108 (inclusive), 110, 111 to 116, 117 and 118 of Table A shall not apply to the Company.

SHARE CAPITAL

3. Directors' power to allot shares

In accordance with paragraph 43(1) of Schedule 2 to the Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008 (SI 2008/2860), the Directors may, subject to the restriction in the Code (including as to the Company's permitted shareholders), allot shares in the Company or grant rights to subscribe for or to convert any security into such shares in the Company under section 550 of the 2006 Act. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 of the Act or section 551 of the 2006 Act.

Deleted: Subject to any direction to the contrary which may be given by the Company in general meeting, the directors are unconditionally authorised to allot, create, deal with or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Act) to such persons (including any director) on such terms and at such time or times as they think fit, provided that no shares shall be issued at a discount and provided further that no shares in the Company shall be issued unless such issue has first been approved in accordance with the Code.

4. Not used

Deleted: Extent of directors' power to allot shares

Deleted: The maximum nominal amount of share capital which the directors may allot or otherwise dispose of in accordance with article 3 shall be the nominal amount of unissued share capital at the date of adoption of this article or such other amount as shall be authorised by the Company in general meeting.

5. Not used

Deleted: Duration of directors' power to allot shares

6. Disapplication of statutory pre-emption provisions

The directors of the Company may allot equity securities (as defined by section 560 of the 2006 Act) as if section 561 of the 2006 Act did not apply to any such allotment.

Deleted: The authority conferred on the directors by articles 3 and 4 shall remain in force for a period of five years from the date of adoption of this article and thereafter provided this authority is renewed from time to time by the Company in general meeting in accordance with section 80 of the Act.

Deleted: In accordance with section 91(1) of the Act, the provisions of sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the share capital of the Company (present and future).

LIEN

7. Not used

Deleted: Company's lien

7.1

Deleted: <#>The Company shall have a first paramount lien on every share for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all monies owing to the Company from him or his estate either alone or jointly with any other person whether as a member or not and whether such monies are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it. Subject to the provisions of the Act and these Articles, a forfeited share shall become the property of the Company and 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.

Deleted: unless it has first been approved

TRANSFER OF SHARES

8. Right to refuse registration

The directors may, subject to the provisions of the Code with respect to the transfer of shares but otherwise in their absolute discretion and without giving any reason, decline to register any transfer of any share whether or not it is a fully paid share and the directors may not approve any transfer other than in accordance with the Code.

PROCEEDINGS AT GENERAL MEETINGS**9. Quorum**

No business shall be transacted at any general meeting unless a quorum is present. Subject to article 10 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, shall be a quorum.

10. Quorum if only a sole member

If and for so long as the Company has only one member, that member present in person or by proxy or if that member is a corporation by a duly authorised representative shall be a quorum.

11. Procedure if a quorum is not present

If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to such day and at such 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 for the meeting, the members present shall be a quorum.

12. Procedure if a single member company

- 12.1 If the membership of the Company falls to one member or, having had one member, increases to more than one member an appropriate statement of such event shall together with the date of that event be entered in the register of members in accordance with section 352A of the Act.
- 12.2 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting save that this article shall not apply to resolutions passed pursuant to sections 303 and 391 of the Act. Any decision taken by a member pursuant to this article shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 12.3 If and for so long as the Company has only one member and that member is a director, the Company shall, except as to contracts in the ordinary course of the Company's business, comply with the obligation in section 322B of the Act to ensure that any contract between the Company and that member is in writing or set out in a memorandum in writing or is recorded in the minutes of the first meeting of the directors following the making of that contract.

13. Signature by or on behalf of members

In the case of:

- 13.1 a member which is a corporation the signature of:
- (A) any director or the secretary of that corporation; or
- (B) any other person authorised in that behalf either generally or in a particular case by notice in writing to the Company in accordance with subparagraph 13.1(A) above; and,
- 13.2 a share registered in the name of joint holders, the signature of any one of such joint holders, shall be deemed to be and shall be accepted as the signature of the member or members concerned for all purposes including the signature of any form of proxy, resolution in writing, notice or other document signed or approved pursuant to any provision of these Articles.

14. Right to demand a poll

14.1 A poll on a resolution may be demanded:

- (A) in advance of the general meeting where it is to be put to the vote, or
- (B) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 14.2 A poll may be demanded at any general meeting by the chair, the directors, or any member (or his proxy or, in the case of a corporation, his duly authorised representative) entitled to vote thereat. Regulation 46 of Table A shall be modified accordingly.

15. Not used

Deleted: Resolution in writing

16. Voting

Deleted: A resolution in writing such as is referred to in regulation 53 of Table A executed by or on behalf of a member may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the directors may from time to time resolve.¶

- 16.1 On a show of hands or on a poll votes may be given either personally or by proxy and regulation 54 of Table A shall be construed accordingly. ▼

Deleted: In the case of a member which is a corporation, a director or the secretary shall be deemed to be a duly authorised representative of that corporation for the purposes of regulation 54 of Table A and for the purpose of agreeing to short notice of, or attending and voting at, any general meeting of the Company.¶

- 16.2 Subject to any rights or restrictions attached to any shares,
- (A) 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 (not being himself a member entitled to vote) and every person (not being entitled to vote in any other capacity) present as a proxy for a member or members shall have one vote; and

- (B) on a poll every member (or his proxy) shall have one vote for every share of which he (or the member by whom he was appointed) is the holder.

16.3 Regulation 59 of Table A shall be amended by the addition of the following:

"On a show of hands or by poll, votes may be given either personally or by proxy. "

Deleted: a

Deleted: A member may appoint more than one proxy to attend on the same occasion and a member entitled to more than one vote on a poll need not use all his votes or cast all his votes used in the same way. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting."¶

17. Proxies

17.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

- (A) states the name and address of the member appointing the proxy;
- (B) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (C) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (D) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

17.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

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

17.4 Unless a proxy notice indicates otherwise, it must be treated as:

- (A) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (B) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

17.5 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

17.6 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

17.7 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

17.8 If a proxy notice is not executed by the person appointing the proxy, the proxy notice must be accompanied by written evidence that the person who executed it has the authority to execute it on the appointor's behalf.

Deleted: An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director, the secretary or other officer thereof or by its duly appointed attorney or duly authorised representative. Regulation 60 of Table A shall be construed accordingly. The directors may at their discretion treat a copy of a faxed or machine made instrument appointing a proxy as an instrument of proxy. Appointment of a proxy may be accepted by the directors at any time prior to the meeting at which the person named in the instrument proposes to vote (or, where a poll is demanded at the meeting, but not taken forthwith, at any time prior to the taking of the poll). An instrument of proxy may be revoked at any time prior to the commencement of the meeting by notice of revocation given by such means as an instrument of proxy may be given under these Articles. Regulation 62 of Table A shall be construed accordingly...**NUMBER**

POWERS OF DIRECTORS

Deleted: NUMBER

18. Powers of Directors

Deleted: Number

Regulation 70 of Table A shall be amended by substituting for the sentence:Deleted: Not used¹⁰

"Subject to the provisions of the Act, the memorandum and the 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."

For the following sentence:

"Subject to the provisions of the Act, the articles and to any directions given by special resolution in accordance with the Code, the business of the company shall be managed by the directors who may exercise all the powers of the company."

ALTERNATE DIRECTORS**19. Appointment, Removal and Cessation**

Any director (other than an alternative director) may appoint any person to be an alternate director and may remove from office an alternate director so appointed by him. An alternate director shall cease to be an alternate director if his appointor ceases to be a director.

20. Powers of an alternate director

If his appointor is for the time being unavailable or temporarily unable to act through ill health or disability, the signature of an alternate director to any resolution in writing of the directors shall be as effective as the signature of his appointor.

21. Alternate acting for more than one director

When an alternate director is also a director or acts as an alternate director for more than one director, such alternate director shall have one vote for every director so represented by him (in addition to his own vote if he is himself a director) and when so acting shall be considered as two directors for the purpose or making a quorum if the quorum exceeds two.

DELEGATION OF POWERS**22. Committees**

The following sentences shall be inserted in place of the first sentence of regulation 72 of Table A:

"The directors may delegate any of their powers to any Committee consisting of one or more persons. Any Committee shall have the power unless the directors direct otherwise to co-opt as a member or as members of the Committee for any specific purpose any person or persons not being a director or directors of the Company."

APPOINTMENT AND RETIREMENT OF DIRECTORS

23. **Not used**

Deleted: Restrictions on appointment of directors

24. **No retirement by rotation**

Subject to the provisions of the Code in relation to the appointment or reappointment of directors at Annual BSC Meetings, the directors shall not be subject to retirement by rotation and accordingly the final two sentences of regulation 79 of Table A shall not apply to the Company.

Deleted: No person who is a director of the Transmission Company or any subsidiary of the Transmission Company shall be appointed as a director and the office of a director shall be vacated by any director who becomes a director of the Transmission Company or any subsidiary of the Transmission Company.¶

25. **Casual vacancy**

The Company may by ordinary resolution appoint a person who is willing to act as a director either to fill a vacancy or as an additional director.

26. **Appointing directors**

Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director in accordance with the provisions of the Code.

Not used

Deleted: Majority shareholders' right to appoint and remove directors
Not used

27. **No age limit for directors**

There shall be no age limit for directors of the Company.

Deleted: Any member or members holding a majority in nominal amount of the issued ordinary share capital which confers the right to attend and vote at general meetings may at any time appoint any person to be a director, whether as an additional director or to fill a vacancy, and may remove from office any director howsoever appointed provided that no such appointment or removal shall take effect unless it has first been approved in accordance with the Code. Any such appointment or removal shall be effected by notice in writing to the Company signed by the member or members making the same or in the case of a corporate member signed by any director thereof or by any person so authorised by resolution of the directors or of any other governing body thereof. Any such appointment or removal shall take effect when the notice effecting the same is delivered to the registered office or to the secretary of the Company, or is produced at a meeting of the directors. Any such removal shall be without prejudice to any claim which a director may have under any contract between him and the Company.¶

28. **No directors' shareholding requirement**

A director shall not be required to hold any qualification shares in the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS**29. Disqualification**

Regulation 81 of Table A shall be amended by substituting for paragraphs (c) and (e) thereof the following provisions:

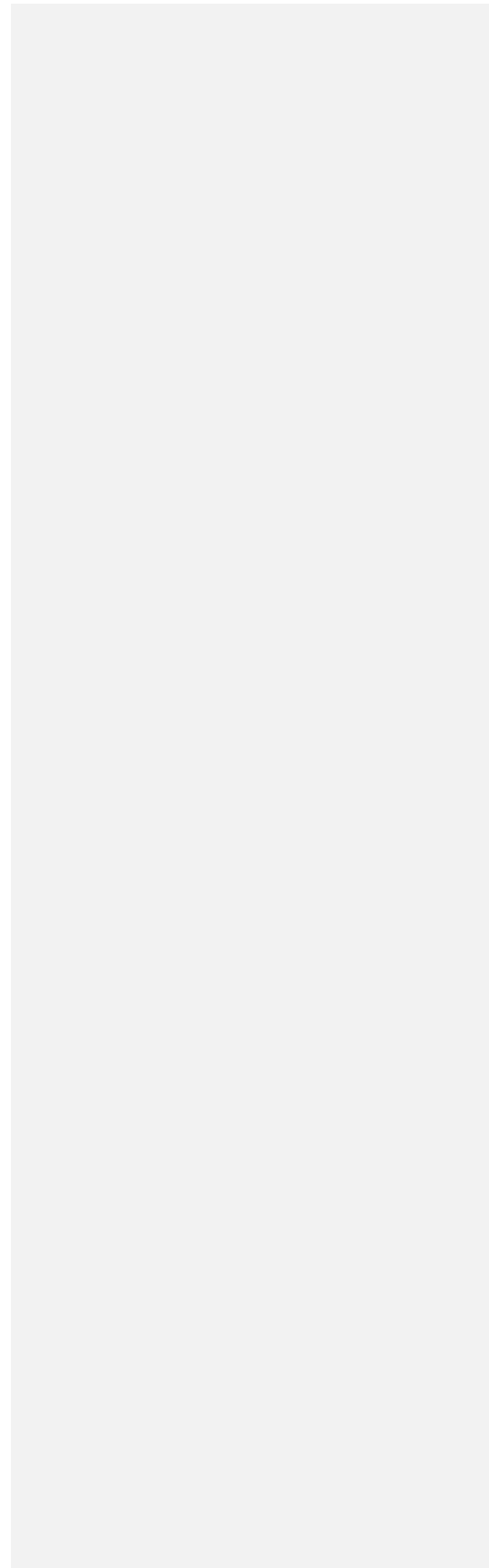
- (A) “(c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a director; or”
- (B) “(e) he is otherwise duly removed from office including where a director is removed from office pursuant to the Code.”

REMUNERATION OF DIRECTORS**30. Remuneration**

- 30.1 Directors may undertake any services for the Company that the directors decide.
- 30.2 Directors are entitled to such remuneration as the directors determine:
 - (A) for their services to the Company as directors, and
 - (B) for any other service which they undertake for the Company.
- 30.3 Subject to the articles, a director’s remuneration may:
 - (A) take any form; and
 - (B) in respect of any director who holds executive office with the Company, include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 30.4 Unless the directors decide otherwise, directors’ remuneration accrues from day to day.
- 30.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company’s subsidiaries or of any other body corporate in which the Company is interested.

31. Directors’ expenses

The directors (including alternate directors) may be paid all travelling, hotel, and other expenses properly and reasonably incurred by them in connection with their attendance at meetings of directors or Committees 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.



PROCEEDINGS OF DIRECTORS

32. Notice to directors outside the United Kingdom.

32.1 Regulation 88 of Table A shall be amended by substituting for the sentence:

“It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.”

the following sentence:

“Notice of every meeting of directors shall be given to each director or his alternate director, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company their address outside the United Kingdom.”

The final sentence of regulation 66 of Table A shall accordingly not apply to the Company.

32.2 In determining whether the quorum requirements fixed by or in accordance with these Articles are fulfilled as regards the transaction of business at any meeting of the directors or of a Committee, the following shall be counted in the quorum:

(A) in the case of a resolution approved by a meeting of the directors or of a Committee held by telephone communication, all directors participating in such meeting;

(B) in the case of a meeting of the directors or of a Committee, the directors actually present at such meeting and any other director in telephone communication with such meeting; and

in the case of a meeting held by means of facsimile transmissions, all directors participating in such meeting by that means.

32.3 References in this Article to a director shall include references to an alternate director who at the relevant time is entitled to receive notice of and to attend a meeting of the directors or, as the case may be, the relevant Committee.

33. Directors as corporations

Where a director is a corporation, a director, the secretary or other officer thereof shall be deemed to be a duly authorised representative of that corporation for the purposes of signing any written resolution of directors of the Company.

34. Sole director

If and so long as the minimum number of directors specified under these Articles is one, a sole director may exercise all the powers conferred on the directors by these Articles, and shall do so by written resolution under his hand and, so long as there is such sole director, regulations 88 to 90 of Table A shall not apply to the Company and article 32 shall have no effect.

35. Resolution in writing

~~35.1 Any director may propose a directors' written resolution.~~

~~35.2 The company secretary must propose a directors' written resolution if a director so requests.~~

~~35.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.~~

~~35.4 Notice of a proposed directors' written resolution must indicate—~~

~~(A) the proposed resolution, and~~

~~(B) the time by which it is proposed that the directors should adopt it.~~

~~35.5 Notice of a proposed directors' written resolution must be given in writing to each director.~~

~~35.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.~~

~~35.7 A proposed directors' written resolution is adopted when a simple majority of the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.~~

~~35.8 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.~~

~~35.9 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.~~

~~35.10 The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.~~

Deleted: A resolution in writing such as is referred to in regulation 93 of Table A signed by any relevant director, alternative director or member of a Committee may be evidenced by letter, telex, cable, electronic mail, facsimile or otherwise as the directors may from time to time resolve. Any director may propose a dir

36. Participation at meetings by telephone

36.1 Directors (or their alternates) or other persons participating in the manner described in this Article shall be deemed to be present in person and to be holding a meeting.

36.2 Any director (including an alternate director) or other person may participate in a meeting of the directors or a Committee of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. Resolutions and decisions of the kind normally made or taken at a physical meeting of the directors or a Committee in accordance with these Articles can accordingly be so made or taken in circumstances where none or only some of the directors or other persons are physically present with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is.

37. Directors' interests

3.2

37.1 In this article:

- (A) authorise means to authorise in accordance with section 175(5)(a) CA 2006 and 'authorisation', 'authorised' and cognate expressions shall be construed accordingly; a 'conflict of interest' includes a conflict of interest and duty and a conflict of duties;
- (B) conflicted director means a director in relation to whom there is a conflicting matter;
- (C) conflicting matter means a matter which would or might (if not authorised or if not permitted under articles 37.7 and 37.8) constitute or give rise to a breach of the duty of a director under section 175(1) CA 2006 to avoid a conflict situation;
- (D) means a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company (including a conflict of interest);
- (E) interested director means a director who has, in any way, a material direct or indirect interest in a matter or decision; a conflicting matter, conflict situation or interest is not 'material' unless it cannot reasonably be regarded as likely to give rise to a conflict of interest; and

Deleted: Subject to such disclosure as is required by section 317 of the Act a director shall be counted for the purposes of calculating whether there is a quorum and shall be entitled to vote at a meeting of directors or of a Committee 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.

(F) other directors means, in relation to a particular conflicting matter, directors who are not interested directors in relation to that conflicting matter.

37.2 Exercise of the power of the directors to authorise a conflicting matter shall be subject to the provisions of this article.

37.3 The provisions of articles 37.2 to 37.6 (inclusive) apply:

(G) subject to article 37.7 and 37.8; and

(H) without prejudice (and subject) to the provisions of section 175(6) CA 2006.

Nothing in these articles shall invalidate an authorisation.

37.4 A conflicted director seeking authorisation of any conflicting matter shall disclose to the other directors the nature and extent of the conflicting matter as soon as is reasonably practicable. The conflicted director shall provide the other directors with such details of the conflicting matter as are necessary for the other directors to decide how to address the conflicting matter, together with such additional information as may be requested by the other directors.

37.5 Any director (including the conflicted director) may propose that a conflicted director's conflicting matter be authorised. Any such proposal, and any authorisation given by the directors, shall be effected in the same way as any other matter that may be proposed to and resolved on by the directors under the provisions of these articles, except that:

(A) the conflicted director and any other interested director shall not count towards the quorum nor vote on any resolution giving that authorisation; and

(B) the conflicted director and any other interested director may, if the other directors so decide, be excluded from any meeting of the directors while the conflicting matter and the giving of that authorisation are under consideration.

37.6 Where the directors authorise a conflicted director's conflicting matter:

(A) the directors may (whether at the time of giving the authorisation or subsequently): (i) require that the conflicted director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) in relation to which any actual or potential conflict of interest may arise from the conflicting matter; and (ii) impose on the conflicted director such other terms or conditions for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine;

(B) the conflicted director shall conduct himself in accordance with any terms or conditions imposed by the directors (whether at the time of giving that authorisation or subsequently);

- (C) the directors may provide that, where the conflicted director obtains (otherwise than through his position as a director) information that is confidential to a third party, the conflicted director will not be obliged to disclose the information to the company, or to use or apply the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;
- (D) the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded); and
- (E) the directors may revoke or vary the authorisation at any time but no such action will affect anything done by the conflicted director prior to revocation provided that the directors actions were in accordance with the terms of the previous authorisation.

Permitted conflict situations

37.7 If a director or a connected person of a director:

- (A) is or becomes a member, director, manager or employee of the company or any other Group Company; or
- (B) acquires and holds shares in the capital of any other body corporate, wherever incorporated, provided that the shares held by the director and his connected persons do not exceed 3% of the nominal value of the issued share capital of that body corporate,

then any conflict situation which arises only by reason of such a conflicting matter is permitted by this article. In addition, the relevant conflicting matter does not require disclosure and authorisation in accordance with articles 37.2 to 37.6.

37.8 A director shall not, by reason of his office or of the resulting fiduciary relationship, be liable to account to the company for any benefit which he (or a person connected with him) derives from:

- (A) a conflicting matter authorised by the directors;
- (B) a conflicting matter to which article 37.7 applies; or
- (C) a decision of the directors in relation to which, in accordance with article 37.10, the director is an eligible director, notwithstanding his relevant conflicting interest.

and no transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

Directors' interests and decision making

37.9 A director who has a direct or indirect interest or duty that conflicts with the interests of the company in relation to a proposed decision of the directors is not an eligible director in relation to that decision unless article 37.10 applies to him.

37.10 A director who has a direct or indirect interest that conflicts with the interests of the company in relation to a proposed decision of the directors (a 'relevant conflicting interest') shall be an eligible director in relation to that decision, provided that:

(A) in a case where the relevant conflicting interest is in an actual or proposed transaction or arrangement with the company, the nature and extent of the relevant conflicting interest either:

- (i) has been duly declared to the other directors in accordance with section 177 or section 182 CA 2006, as the case may require; or
- (ii) is not required by the terms of either of those sections to be declared; and

(a) where the relevant conflicting interest is constituted by, or arises from, a conflicting matter of the director and:

- (1) that conflicting matter (or any breach of the relevant director's duty under section 175(1) CA 2006 by reason of that conflicting matter) is or has been authorised, permitted, approved or ratified, either in accordance with this article 37 or by the members (and that authorisation, permission, approval or ratification has not been revoked, withdrawn or reversed); and
- (2) the relevant director has not been required to be excluded from participation in discussions and/or the making of decisions in relation to which the director has the relevant conflicting interest; or

(b) where the relevant conflicting interest is constituted by, or arises from, a conflicting matter of the director and that conflicting matter (or any breach of the relevant director's duty under section 175(1) CA 2006 by reason of that conflicting matter) is not or has not been authorised, permitted, approved or ratified, either in accordance with this article 37 or by the members:

- (1) the conflict situation arising by reason of that conflicting matter is not material; or
- (2) the other directors are aware of the relevant conflicting interest and have determined that the

director shall be an eligible director in relation to that decision; and

(B) in any other case:

- (i) the director has disclosed the nature and extent of the relevant conflicting interest, or has not done so where:
 - (a) it cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (b) the other directors are already aware of it; and
- (ii) where the relevant conflicting interest is constituted by, or arises from, a conflicting matter of the director and:
 - (a) that conflicting matter (or any breach of the relevant director's duty under section 175(1) CA 2006 by reason of that conflicting matter) is or has been authorised, permitted, approved or ratified, either in accordance with this article 37 or by the members (and that authorisation, permission, approval or ratification has not been revoked, withdrawn or reversed); and
 - (b) the relevant director has not been required to be excluded from participation in discussions and/or the making of decisions in relation to which the director has the relevant conflicting interest; or
- (iii) where the relevant conflicting interest is constituted by, or arises from, a conflicting matter of the director and that conflicting matter (or any breach of the relevant director's duty under section 175(1) CA 2006 by reason of that conflicting matter) is not or has not been authorised, permitted, approved or ratified, either in accordance with this article 37 or by the members:
 - (a) the conflict situation arising by reason of that conflicting matter is not material; or
 - (b) the other directors are aware of the relevant conflicting interest and have determined that the director shall be an eligible director in relation to that decision; but

the provisions of this article do not apply in relation to a decision under article 37.5.

For the purposes of this article, the other directors are to be treated as aware of anything of which they ought reasonably to be aware.

37.11 If a question arises at a meeting of the directors about whether or not a director (other than the chair of the meeting):

- (A) has a material conflict situation for the purposes of this article 37;
- (B) can vote (where that director does not agree to abstain from voting) on the issue in relation to which the conflict situation arises; or
- (C) can be counted in the quorum (where that director does not agree not to be counted in the quorum) for the purpose of voting on the issue in relation to which the conflict arises.

then the question must (unless article 37.12 applies) be referred to the chair of the meeting. The ruling of the chair of the meeting in accordance with this article 37.11 about any director other than himself is final and conclusive, unless the nature or extent of the director's conflict situation (so far as it is known to him) has not been fairly disclosed to the other directors.

37.12 If in relation to a question of the kind referred to in article 37.11 the chair of the meeting is an interested director, the question must be referred to the other directors in accordance with article 37.12 as if it were a question about the chair of the meeting.

37.13 If a question of the kind referred to in article 37.11 arises about the chair of the meeting (or if article 37.12 applies), the question shall be decided by a resolution of the other directors. The chair of the meeting (or conflicted director) cannot vote on the question but can be counted in the quorum. The other directors' resolution about the chair of the meeting (or conflicted director) is conclusive, unless the nature and extent of the chair's (or conflicted director's) conflict situation (so far as it is known to him) has not been fairly disclosed to the other directors.

37.14 For the purposes of:

- (A) any meeting (or part of a meeting) held in accordance with article 3 to authorise a director's conflict; or
- (B) any determination in accordance with article 37.11 or 37.13,

if there is only one director present who is not an interested director for the purpose of that authorisation or determination, the quorum for that meeting (or part of a meeting) is one eligible director.

37.15 For the purposes of:

- (A) any written directors' resolution to authorise a director's conflict in accordance with 37.2 to 37.6 (inclusive); or
- (B) any written determination in accordance with article 37.11 or 37.13,

if there is only one director in office who is not an interested director for the purpose of that authorisation or determination, the quorum for the purpose of signing that resolution or determination is one eligible director.

37.16 Nothing in articles 37.9 to 37.17 (inclusive) shall be taken as absolving any director from any of the obligations set out in articles 37.2 to 37.6 (inclusive). A determination by the directors in accordance with article 37.10(A)(ii)(b)(2) or 37.10(B)(iii)(b) that a conflicted director may be an eligible director in relation to a decision of the directors does not amount to authorisation of the relevant conflict situation.

37.17 The company may, by ordinary resolution, ratify any transaction, arrangement or other matter which has not been properly authorised by reason of a contravention of these articles.

38. Secretary

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. If thought fit, two or more persons may be appointed as joint secretaries. The directors may also appoint from time to time on such terms as they think fit one or more assistant or deputy secretaries.

THE SEAL

39. Sealing

39.1 If the Company has a seal it shall only be used with the authority of the directors or of a Committee. 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 second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.

39.2 The directors or a Committee authorised to do so by the directors may by telephone or telex communication or by facsimile reproduction authorise the secretary or any director to use the seal and the transmission of such authority shall constitute a determination in such a case that the secretary or the designated director above may sign any instrument to which the seal is to be affixed pursuant to that authority, and regulation 101 of Table A shall be modified accordingly.

40. Execution of a Document as a Deed

Where the Statutes so permit, any instrument signed by one director and the secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the seal, provided that no instrument shall be so signed

which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the directors or of a committee authorised by the directors in that behalf.

41. Official seal

In accordance with section 39 of the Act the Company may have an official seal for use in any territory, district or place outside the United Kingdom.

DIVIDENDS

42. Payment of dividends

The Company shall have no power or authority to, and the Company shall not at any time, declare or pay any dividends.

MEANS OF COMMUNIOICATION

43. Means of Communication to be used

43.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the 2006 Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

Deleted: NOTICES

Deleted: Form of Notice

Deleted: Any notice required by these Articles to be given by the Company may be given by any written documentary form including by means of telex, cable, electronic mail or facsimile, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 of Table A shall be amended accordingly.¶

INDEMNITY

44. Officers' indemnity

Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, expenses, losses and liabilities sustained or incurred by him in the actual or purported execution of his duties or in the exercise or purported exercise of his powers or otherwise in connection with his office including, but without prejudice to the generality of the foregoing, 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 which are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

45. Directors' power to purchase indemnity insurance

The directors shall have power to purchase and maintain for any director, secretary, auditor or other officer of the Company insurance against any such liability as is referred to in section 310(1) of the Act.

WINDING UP**46. Application of amounts on winding up**

On a winding up of the Company, any amounts which would otherwise be payable to the shareholder(s) of the Company shall be paid by the Company in such manner and to such person(s) as shall be designated in accordance with the provisions of the Code and the shareholder(s) of the Company shall if so required execute any waivers or other documents or waivers which may be necessary to give effect to the provisions of this Article.

THE CODE**47. Status of the Code**

In addition to the provisions of these Articles, the members shall be obliged (except to the extent, if any, prohibited by law) to give effect to the Code in force at the relevant time.

48. Status of BSC Nominee

The rights of the BSC Nominee as a shareholder shall (except to the extent, if any, prohibited by law) be subject to the restrictions set out in the Code in force at the relevant time.

Deleted: ¶
CB003697757

Deleted: CONTENTS¶

Memorandum of Association Pages 2 to 7¶

Articles of Association¶

1. Definitions 9¶
2. Table A 10¶
3. Directors' power to allot shares 10¶
4. Extent of directors' power to allot shares 11¶
5. Duration of directors' power to allot shares 11¶
6. Disapplication of statutory pre-emption provisions 11¶
7. Company's lien 11¶
8. Right to refuse registration 12¶
9. Quorum 12¶
10. Quorum if only a sole member 12¶
11. Procedure if a quorum is not present 12¶
12. Procedure if a single member company 13¶
13. Signature by or on behalf of members 13¶
14. Right to demand a poll 14¶
15. Resolution in writing 14¶
16. Voting 14¶
17. Proxies 15¶
18. Number of Directors 16¶
19. Appointment, Removal and Cessation 16¶
20. Powers of an alternate director 16¶
21. Alternate acting for more than one director 16¶
22. Committees 16¶
23. Restrictions on appointment of directors 17¶
24. No retirement by rotation 17¶
25. Casual vacancy 17¶
26. Majority shareholders' right to appoint and remove directors 17¶
27. No age limit for directors 18¶
28. No directors' shareholding requirement 18¶
29. Disqualification 18¶
30. Ordinary remuneration and extra remuneration 18¶
31. Directors' expenses 19¶
32. Notice to directors outside the United Kingdom. 20¶
33. Directors as corporations 20¶
34. Sole director 21¶
35. Resolution in writing 21¶
36. Participation at meetings by telephone 21¶
37. Directors' interests 21¶
38. Secretary 22¶
39. Sealing 22¶
40. Execution of a Document as a Deed 22¶
41. Official seal 23¶
42. Payment of dividends 23¶
43. Form of Notice 23¶
44. Officers' indemnity 23¶
45. Directors' power to purchase indemnity insurance 24¶
46. Application of amounts on winding up 24¶

...