

**Telford City Technology College Trust
Limited**

Company No. 2414699

Memorandum and Articles of Association

THE COMPANIES ACT 1985

**A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

MEMORANDUM OF ASSOCIATION

OF

**TELFORD CITY TECHNOLOGY COLLEGE TRUST
LIMITED**

Number 2414699

Incorporated on 18th August 1989

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED

1. The Company's name is Telford City Technology College Trust Limited
2. The Company's registered office is to be situated in England.
3. The Company's objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing maintaining carrying on and developing one or more secondary schools or colleges offering a broad curriculum with a strong emphasis on science, technology, and their practical applications.

Originally registered as Tarmac City Technology College Limited on the 18th day of August, 1989, name changed on the 9th day of May, 1990.

In furtherance of the above objects but not further or otherwise the Company shall have the following powers:-

- (a) To establish maintain carry on and develop a City Technology College in the West Midlands for young people of secondary school age whom the Governing Body of the Company considers will benefit from a curriculum with an emphasis on science, technology and their practical applications.
- (b) To establish or acquire other colleges or schools elsewhere in the United Kingdom for like purposes and to carry on any colleges or schools established or acquired by the Company as educational charities.
- (c) To equip, furnish, fit up and maintain any college, school, schoolhouses, rooms and other buildings and land for any of the purposes of the Company.
- (d) To offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils.
- (e) To provide educational facilities and services to students of all ages for the public benefit.

- (f) To carry out research into the development and application of new techniques in secondary, technical and vocational education and to publish the results of such research, and to develop means of benefiting from the application of the experience of industry and commerce to the education of pupils in city technology colleges.
- (g) To procure commission print record publish issue and distribute whether in conjunction with any other persons or companies or otherwise books pamphlets leaflets newspapers advertisements films broadcasts gramophone recordings or other forms of publications or recording in furtherance of the Company's objects.
- (h) Subject to such consents as may be required by law to borrow and raise money for the furtherance of the objects of the Company in such manner and on such security as the Company may think fit.
- (i) To raise funds (by way of appeals or otherwise) and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation or otherwise and whether subject to terms and conditions specified by the relevant contributor or not provided that the Company shall not undertake any permanent trading activities in raising funds for the above mentioned charitable objects.
- (j) To invest the moneys of the Company not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law; and to facilitate the same to:
 - (i) deposit or invest funds;
 - (ii) employ a professional fund manager; and
 - (iii) arrange for the investments or other property of the Company to be held in the name of a nominee;

in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000.
- (k) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter any buildings or erections which the Company may think necessary for the promotion of its objects.
- (l) Subject to such consents as may be required by law to sell,

*Amended by Special Resolution
passed on the 31st day of March,
2005.*

let, mortgage, dispose of or turn to account all or any of the property or assets of the Company with a view to the furtherance of its objects.

- (m) Subject to Clause 4 hereof, to engage, employ and pay such teachers, administrators, architects, surveyors, solicitors and other professional persons, workmen, clerks and other staff as are considered necessary for furthering the objects of the Company.
- (n) To make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their widows and other dependants.
- (o) To subscribe to, become a member of, or amalgamate or co-operate with any other exclusively charitable organisation, institution, society or body not formed or established for purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Company and which by its Constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof and to purchase or otherwise acquire and undertake all such part of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Company of any such charitable organisation, institution, society or body.
- (p) To establish and support or aid the establishment and support of any charitable trusts, associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with or calculated to further any of the objects of the Company.
- (q) To act as trustees or managers of any property endowment legacy bequest or gift for charitable educational purposes only.
- (r) To do all of the things hereinbefore authorised either alone or in conjunction with any other charitable organisation, institution, society or body with which this Company is authorised to amalgamate.
- (s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company.
- (t) To do all such other lawful things as are necessary for the attainment of the above objects or any of them.
- (u) (i) To provide indemnity insurance for the Governors or any other officer of the Company in relation to

*Inserted by Special Resolution
passed on the 10th day of April,
2006.*

any such liability as is mentioned in sub-clause (ii) of this clause, but subject to the restrictions specified in sub-clause (iii) of the clause.

- (ii) The liabilities referred to in (i) above are:
 - (a) any liability that by virtue of any rule of law would otherwise attach to a director of a company in respect of any negligence, default, breach of duty or breach of trust of which he or she may be guilty in relation to the Company;
 - (b) the liability to make a contribution to the Company's assets as specified in Section 214 of the Insolvency Act 1986.
- (iii) (a) The following liabilities are excluded from sub-clause (ii)(a):
 - (1) fines;
 - (2) costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud, dishonesty or wilful misconduct of the Governor or other officer;
 - (3) liabilities to the Company that result from conduct that the Governor or other officer knew or must be assumed to have known was not in the best interests of the Company or about which the person concerned did not care whether or not it was in the best interests of the Company.
- (b) There is excluded from sub-clause (ii)(b) any liability to make such a contribution where the basis of the Governor's liability is his or her knowledge prior to the insolvent liquidation of the Company (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Company would avoid going into insolvent liquidation.

Provided that:-

- (i) In case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
 - (ii) The objects of the Company shall not extend to the regulation or relations between workers and employers or organisations of workers and organisations of employers.
 - (iii) In case the Company shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Company shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and, as regards any such property, the Governing Body of the Company shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Governing Body have been if no incorporation had been effected and the incorporation of the Company shall not diminish or impair any control or authority exercisable by the Chancery Division of the High Court of Justice or the Charity Commissioners over such Governing Body but they shall, as regards any such property, be subject jointly and separately to such control or authority as if the Company were not incorporated.
4. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company, and no member of its Governing Body shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company.

Nothing herein shall prevent the payment in good faith by the Company:-

- (a) of reasonable and proper remuneration to any other member, officer or servant of the Company (not being a member of its Governing Body) for any services rendered to the Company;
- (b) of interest on money lent by any member of the Company or of its Governing Body at a reasonable and proper rate per annum not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the

Governing Body;

- (c) of reasonable and proper rent for premises demised or let by any member of the Company or of its Governing Body;
- (d) of fees, remuneration or other benefit in money or money's worth to any company of which a member of the Governing Body may also be a member holding not more than 1/100th part of the capital of that Company; and
- (e) to any member of its Governing Body of reasonable out-of-pocket expenses.

5. The liability of the members is limited.
6. Every member of the Company undertakes to contribute such amount as may be required (not exceeding one pound) to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the Company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
7. If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some other educational charitable object approved in writing by the Secretary of State for Education and Science.
8. If and so long as the Company is a registered charity no alteration or addition shall be made to this Memorandum of Association without the prior consent of the Charity Commissioners.

We, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum.

Names and Addresses of Subscribers

Witnesses to Signatures:-

- | | | |
|----|--|--|
| 1. | Tarmac PLC
Hilton Hall
Hilton Lane
Essington
Wolverhampton
WV11 2BQ | R G M Tupper
2 Birchfield Avenue
Tettenhall
Wolverhampton
WV6 8TG
SOLICITOR |
| 2. | Jack Mawdsley
1 Wightwick Court
Wightwick Bank
Wightwick
Wolverhampton
WV6 8AE | R G M Tupper
2 Birchfield Avenue
Tettenhall
Wolverhampton
WV6 8TG
SOLICITOR |
| 3. | Samuel Frank Pickstock
The Crows Nest Holding
Coton End
Gnosall
Stafford
ST20 0EF | R G M Tupper
2 Birchfield Avenue
Tettenhall
Wolverhampton
WV6 8TG
SOLICITOR |
| 4. | Cyril Julian Hebden Taylor
1 Lexham Walk
London
W8 | MARY EATON
37 Queens Gate
London, SW7 1AB
PERSONAL ASSISTANT |
-

Dated the 4th day of August 1989

No. 2414699.

THE COMPANIES ACT 1985
A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

NEW ARTICLES OF ASSOCIATION

of

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED

(Adopted by Special Resolution passed on the
16th day of May, 1991)

Incorporated on 18 August 1989
(Name changed from Tarmac City Technology
College Limited on 9 May 1990)

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

NEW ARTICLES OF ASSOCIATION

of

TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED*

(Adopted by Special Resolution passed on the
16th day of May, 1991)

INTERPRETATION

1. In these Articles:

"the Act" means the Companies Act, 1985;

"these Articles" means these Articles of Association as altered
from time to time;

"Associate Member" means a person appointed in accordance with
Article 6;

"Governor" means a Governor of the Company;

"Nominated Governor" means a Governor appointed under Article 33(a);

*Name changed from Tarmac City Technology College Limited on 9 May 1990

- "Co-opted Governor" means a Governor appointed under Article 33(b);
- "member" means a member of the Company (not being an Associate Member) and as such is bound by the undertaking contained in Clause 6 of the Company's Memorandum of Association;
- "primary members" means the members of the Company named in or from time to time nominated under Article 4;
- "Scheme" means the Scheme of Government referred to in Article 40;
- "seal" means the common seal of the Company;
- "secretary" means any person appointed to perform the duties of the secretary of the Company;
- "Secretary of State" means the Secretary of State for Education and Science;
- "Sponsors" means The Mercers' Company and Tarmac PLC;
- "The Mercers' Company" means The Master Wardens and Commonalty of the Mystery of Mercers of the City of London (known as The Mercers' Company) being a body incorporated by Royal Charter.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Company.

OBJECTS

2. The Company is established for the objects expressed in the Memorandum of Association.

MEMBERS OF THE COMPANY

3. The number of members with which the Company proposes to be registered does not exceed fifty, but the Company may from time to time register an increase of members.

4. The primary members of the Company at the date of adoption of these Articles are the Sponsors, John Roundell The Earl of Selborne, KBE, DL, and Julian Philip Gerard Wathen being persons nominated by The Mercers' Company, Jack Mawdsley and Terence Harold Mason being persons nominated by Tarmac PLC and Sir Cyril Julian Hebden Taylor being a person nominated by the Secretary of State. Each of the Sponsors and the Secretary of State shall have the right from time to time by written notice delivered to the Company's registered office to remove any primary member nominated by it and/or to appoint a new primary member to fill a vacancy whether resulting from removal as aforesaid or otherwise howsoever. If either Sponsor shall go into liquidation or otherwise cease to exist its right to appoint primary members under

this Article and to join in nominating additional members under Article 5 shall vest in the other Sponsor, and if both Sponsors shall go into liquidation or otherwise cease to exist such rights shall vest in the remaining members.

5. The Sponsors and the Secretary of State may jointly in writing nominate such additional members of the Company as they think fit and may jointly remove any such additional member.

6. The Sponsors may jointly in writing nominate such Associate Members of the Company as they think fit and may jointly remove any such Associate Members. Associate Members shall have the right to receive notice of all general meetings of the Company and to attend and speak thereat but shall have no right to cast a vote at such meetings or to request the calling thereof, or to appoint a proxy. An Associate Member may at any time resign by notice in writing delivered to the secretary.

7. Every person nominated to be a member of the Company shall either sign a written consent to become a member or sign the register of members on becoming a member.

8. The other members of the Company may in their absolute discretion permit any member of the Company to resign provided that after such resignation the number of members of the Company is not less than three. A member of the Company shall cease to be one immediately on the receipt by the Company of a notice in writing signed by the person or persons entitled to remove him under Articles 4 or 5 provided

that no such notice shall take effect when the number of members of the Company is less than three unless it contains or is accompanied by the appointment of a replacement Member.

9. The members of the Company at any time shall join in taking whatever action may be necessary in order to give effect to Articles 4, 5, 6 and 7.

GENERAL MEETINGS

10. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Board shall appoint. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

11. The Board may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act. In addition any two members of the Company may convene an Extraordinary General

Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

12. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:-

- (a) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent of the total voting rights at that meeting of all the members.

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

PROCEEDINGS AT GENERAL MEETINGS

14. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Governors and auditors, and the appointment of, and the fixing of the remuneration, of the auditors.

15. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members or one tenth of the members (if greater) present in person shall be a quorum. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine.

16. The chairman, if any, of the Governors shall preside as chairman at every General Meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the primary members present shall elect one of their number to be chairman of the meeting.

17. If at any meeting no Governor is willing to act as chairman or if no Governor is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

18. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

19. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

(a) by the chairman; or

- (b) by at least two members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

20. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

21. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote.

22. Subject to the provisions of the Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of two or more documents in like form each signed by one or more of such members.

VOTES OF MEMBERS OF THE COMPANY

23. Every member shall have one vote.

24. On a poll votes may be given either personally or by proxy.

25. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.

26. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the

instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

27. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

"TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED

I/We _____ of _____ in the County of _____
being a member/members of the above named
Company, hereby appoint _____
of _____ or failing him
of _____ as my/our proxy to vote for me/us on
my/our behalf at the (Annual or Extraordinary, as the case may
be) General Meeting of the Company to be held on the
day of _____ 19 __, and at any adjournment thereof.

Signed this day of 19 ."

28. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

"TELFORD CITY TECHNOLOGY COLLEGE TRUST LIMITED

I/We of in the County of
being a member/members of the above named
Company, hereby appoint of or
failing him of as my/our proxy
to vote for me/us on my/our behalf at the (Annual or
Extraordinary, as the case may be) General Meeting of the
Company to be held on the day of
19 , and at any adjournment thereof.

Signed this day of 19 .

This form is to be used *in favour of/against the resolution. Unless
otherwise instructed, the proxy will vote as he thinks fit.

*Strike out whichever is not desired."

29. The instrument appointing a proxy shall be deemed to confer
authority to demand or join in demanding a poll.

30. A vote given in accordance with the terms of an instrument of
proxy shall be valid notwithstanding the previous death or insanity of
the principal or revocation of the proxy or of the authority under
which the proxy was executed, provided that no intimation in writing of
such death, insanity or revocation as aforesaid shall have been
received by the Company at the office before the commencement of the
meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

31. Any corporation which is a member may by resolution of its board of directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

BOARD OF GOVERNORS

32. The maximum and minimum number of Governors shall be determined by the Company in General Meeting, but unless and until so fixed the maximum number shall be twenty and the minimum number shall be nine.

33.(a) Subject to such limits, the primary members may by ordinary resolution appoint a person nominated by one of the Sponsors to be a Governor, persons so appointed to be called Nominated Governors. The Nominated Governors nominated by each of the Sponsors shall be equal in number.

(b) The Nominated Governors shall appoint not fewer than four persons who are not members of the Company as Governors, subject to the approval in writing of a majority of the primary members, persons so appointed to be called Co-opted Governors.

(c) The number of Nominated Governors must exceed the number of Co-opted Governors.

(d) Co-opted Governors appointed under paragraph (b) of this Article shall hold office until the next Annual General Meeting of the Company but shall be eligible to be re-elected as Co-opted Governors at such Meeting.

(e) Governors shall cease to hold office upon their seventieth birthday or if absent from meetings of the Governors during a continuous period of one year (unless the other Governors otherwise resolve) or in the other circumstances prescribed in these Articles.

(f) The following Governors holding office at the date of the adoption of these Articles shall be Nominated Governors: Anthony John Collins, Michael Kenneth Collins, OBE, Terence Harold Mason, Jack Mawdsley, John Roundell The Earl of Selborne, KBE, DOL, Geoffrey Michael Montgomery Wakeford, Julian Philip Gerard Wathen and Neville Allan Soper. All other Governors holding office at such date shall be Co-opted Governors.

34. At each Annual General Meeting of the Company one third (or the number nearest to one third) of the Governors shall retire by rotation but shall be eligible to be re-elected at that Meeting. The Governors to retire shall be those who have been longest in office since their last election or appointment by the members. As between Governors of equal seniority those to retire shall in the absence of agreement be determined by lot.

35. Governors are not required to be or become members.

36. Governors shall not be entitled to any remuneration nor shall they receive any profit from their position as Governors but they shall be paid all out of pocket expenses properly incurred by them in the course of their duties as Governors.

37. Those Governors who are not members shall be entitled to receive notice of and attend General Meetings of the Company but not to vote at them.

BORROWING POWERS

38. The Governors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF THE BOARD OF GOVERNORS

39. The affairs of the Company shall be managed by the Governors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Act, of these Articles and to such regulations (including any Scheme adopted under Article 40) as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall

invalidate any prior act of the Governors which would have been valid if that regulation had not been made.

40. The Company may at any time by special resolution adopt a Scheme of Government approved by the Secretary of State in which event and not by way of limitation the Governors shall have such powers and exercise such duties as may be specified in the Scheme.

41. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Governors shall from time to time by resolution determine.

42. The Governors shall cause minutes to be made in books provided for the purpose:-

(a) of all appointments of officers made by the Governors;

(b) of the names of the Governors present at each meeting of the Governors and of any committee of the Governors;

(c) of all resolutions and proceedings at all meetings of the Company, and of the Governors, and of committees of the Governors.

43. A Governor shall not vote in respect of any contract in which he is in so far as may be permitted by Clause 4 of the Memorandum of

Association of the Company interested or any matter arising thereout, and if he does so vote his vote shall not be counted.

DISQUALIFICATION AND REMOVAL OF GOVERNORS

44. The office of Governor shall be vacated if the relevant Governor:-

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited from being a Governor by reason of any order made under the Company Directors Disqualification Act 1986; or
- (c) is compulsorily admitted to hospital under the Mental Health Act 1983 or becomes a patient for the purposes of that Act; or
- (d) resigns his office by notice in writing to the Company.

45. In addition notwithstanding anything in these Articles or in any agreement between the Company and the relevant Governor the members may at any time remove a Governor by an Ordinary Resolution provided that no Governor may be removed without having been given not less than seven days notice of the relevant General Meeting and the opportunity to attend it and be heard regarding why he should not be removed.

PROCEEDINGS OF THE GOVERNORS

46. The Governors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. Any two Governors may, and the secretary on the requisition of any two Governors shall, at any time summon a meeting of the Governors. It shall not be necessary to give notice of a meeting of the Governors to any Governor for the time being absent from the United Kingdom.

47. The quorum, which shall not be less than three, necessary for the transaction of the business of the Governors may be fixed by the Governors. Until so fixed it shall be three, to include a majority comprised of Nominated Governors.

48. The continuing Governors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum for meetings of the Governors, the continuing Governors may act for the purpose of summoning a General Meeting of the Company, but for no other purpose.

49. The Governors may elect a Nominated Governor as chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding

the same, the Nominated Governors present may choose one of their number to be chairman of the meeting.

50. The Governors may delegate any of their powers to committees consisting of such Governors and other persons as they think fit, provided that Governors shall be a majority on such committees; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Governors and shall report all acts and proceedings to the Governors as soon as is reasonably practicable.

51. A committee may elect a chairman (being a Governor) of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Governors present may choose one of their number to be chairman of the meeting. The quorum necessary for the transaction of the business of a committee shall be not less than two, provided that the Governors are a majority of those present.

52. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes, and in the case of an equality of votes, the chairman shall have a second or casting vote.

53. All acts done by any meeting of the Governors or of a committee of the Governors, or by any person acting as a Governor shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Governor, or that any of them were

disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Governor.

54. A resolution in writing, signed by all the Governors for the time being entitled to receive notice of a meeting of the Governors, shall be as valid and effectual as if it had been passed at a meeting of the Governors duly convened and held. Any such resolution in writing may consist of two or more documents in like form each signed by one or more of such Governors.

55. In addition to their power to establish committees under Article 50 of these Articles the Governors may establish advisory committees comprising persons some or all of whom are not Governors. The Governors may not delegate any of their powers to any such advisory committee, which shall act merely in an advisory capacity.

SECRETARY

56. Subject to the provisions of the Act the secretary shall be appointed by the Governors 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. No Governor may receive a salary or fees for acting as secretary.

57. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a member of the Board and the secretary shall not be satisfied by its being done by or to the same

person acting both as a member of the Board and as, or in place of, the secretary.

PATRONS AND HONORARY OFFICERS

58. The Governors may from time to time appoint any person whether or not a member of the Company to be a patron of the Company or to hold any honorary office and may determine for what period he is to hold such office.

THE SEAL

59. The Governors shall provide for the safe custody of the seal, which shall only be used by the authority of the Governors or of a committee of the Governors authorised by the Governors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Governor and shall be countersigned by the secretary or by a second Governor or by some other person appointed by the Governors for that purpose.

ACCOUNTS

60. The Governors shall cause accounting records to be kept in accordance with the provisions of the Act. The accounting records shall be kept at the registered office of the Company or, subject to Sections 222(1) and 222(2) of the Act, at such other place or places as the Governors think fit, and shall always be open to the inspection of the officers of the Company.

61. The Governors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members of the Company not being Governors, and no member (not being a Governor) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Governors or by the Company in General Meeting.

62. The Governors shall from time to time in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those provisions.

63. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the auditors' report, and Governors' report, shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any debentures.

AUDIT

64. Auditors shall be appointed and their duties regulated in accordance with the relevant provisions of the Act.

NOTICES

65. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

66. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;

(b) every person being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and

(c) the auditor for the time being of the Company; and

(d) each Governor.

No other person shall be entitled to receive notices of General Meetings.

DISSOLUTION

67. Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles.

INDEMNITY

68. Subject to the provisions of and so far as may be consistent with the Act, every Governor, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality

of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

