

**THE COMPANIES ACTS 1985 AND 2006**

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

**NEW**

**ARTICLES OF ASSOCIATION**

**(as adopted by a special resolution passed on 17 September 2009)**

**of**

**SEERA LIMITED**

**1 INTERPRETATION**

1.1 The regulations contained in Table C in The Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company.

1.2 In these Articles:-

**"the Act"**

or any numbered section of it, means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the 2006 Act for the time being in force;

**"the 2006 Act"**

means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

**"AGM"**

has the meaning given in Article 3.1;

**"Application Form"**

means the application form to be delivered pursuant to Article 2.3 and which shall require an applicant to designate the Category applicable to such application and which shall otherwise be in such form and contain such obligations as the directors may, in their absolute discretion, from time to time require or determine;

**"these Articles"**

means these Articles of Association of the Company as from time to time amended;

**"Board"**

means the board of directors of the Company (or any duly authorised committee thereof) from time to time;

**"Categories"**

means the following categories:

- County Council;
- District Council; and
- Unitary Authority;

and any variations or additions to, or deletions or revisions of, the same as the Board may from time to time determine; references to "**Category**" shall be construed accordingly;

**"chairman"**

has the meaning given in Article 10.4;

**"chairman of the meeting"**

has the meaning given in Article 5.5;

**"clear days"**

in relation to the period of a notice, means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**"the Company"**

means the company intended to be regulated by these Articles;

**"conflicted director"**

means that term as defined in Article 8.7.2;

**"document" or "notice"**

includes, unless otherwise specified, any document or notice sent or supplied by electronic communication;

**"electronic communication"**

means any document or information sent or supplied in electronic form within the meaning of section 1168 of the Act;

**"eligible director"**

means a director of the Company who, in accordance with these Articles and the Act, would have been entitled to vote on a matter had such matter been proposed as a resolution at a meeting of the Board but excluding any director whose vote is not to be counted in respect of the particular matter;

**"Leaders"**

means that term as defined in Article 7.12.1;

**"member"**

means any person becoming a member in accordance with Article 2 and, to the extent applicable, any successor in title or interest to any such member;

**"Office"**

means the registered office of the Company;

**"ordinary resolution"**

has the meaning given in section 282 of the Act and includes such a resolution passed by written resolution;

**"Other Directors"**

means that term as defined in Article 7.12.2;

**"person"**

includes any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation,

- or any association, partnership or unincorporated body of two or more of the foregoing (whether or not having separate legal personality and wherever incorporated or established);
- "proxy notice"** has the meaning given in Article 6.5;
- "Region"** means the south east of England comprising the geographical county areas of Berkshire, Buckinghamshire, East Sussex, Hampshire, Isle of Wight, Kent, Oxfordshire, Surrey and West Sussex;
- "secretary"** means the secretary of the Company and/or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
- "SEEC"** means the body currently known as the South East England Councils;
- "SEEC Executive"** means the Executive Board of SEEC as from time to time constituted;
- "special resolution"** has the meaning given in section 283 of the Act and includes such a resolution passed by written resolution;
- "Statutes"** means the Act, the 2006 Act and every other statute for the time being in force concerning companies and affecting the Company;
- "the United Kingdom"** means Great Britain and Northern Ireland; and
- "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.
- 1.3 Words denoting the singular shall include the plural and vice versa as the context shall permit.
- 1.4 Subject as aforesaid, words or expressions contained in these Articles shall, unless the context requires otherwise, bear the same meaning as in the Act.
- 1.5 References to statutes or regulations include references to any statutes or regulations amending, re-enacting or replacing the same.
- 2 MEMBERSHIP**
- 2.1 The members of the Company shall be:
- 2.1.1 subject as provided in this Article 2.1, the directors of the Company who shall automatically be deemed to have been admitted as members on their election to the Board; and
- 2.1.2 such other persons as are admitted to membership in accordance with this Article 2.

The directors shall cease automatically without further formality to be members of the Company with effect from the later of (a) the conclusion of the annual general meeting in 2009 and (b) the date on which the second person (as referred to in Article 2.1.2) to apply for membership pursuant to Article 2.3 has been admitted to membership pursuant to this Article 2.

2.2 No person (other than a director of the Company) shall be admitted as a member of the Company unless it is a local authority within the south east of England and has complied with the procedure set out in this Article 2.

2.3 Every person (other than a director of the Company) who wishes to become a member shall deliver to the Company an Application Form duly executed by or on behalf of such person. On receipt by the Company of such signed Application Form and of any fees payable by such applicant as set out in the Application Form, such person shall:

2.3.1 in the case of any such Application Form and fees received by the Company prior to the annual general meeting of the Company in 2009, automatically be deemed to have been admitted as a member of the Company immediately prior to the commencement of such annual general meeting in 2009 (but not earlier); and

2.3.2 after the commencement of the annual general meeting in 2009, automatically be deemed to have been admitted as a member of the Company on receipt by the Company of any such Application Form and fees.

2.4 The Company may invite any person who is not a member to attend its general meetings as an observer but without power to vote. Directors may attend and speak at general meetings, whether or not they are members.

2.5 Any member may at any time withdraw from the Company by giving at least seven clear days' notice to that effect to the Company. Any such notice to withdraw shall take effect from the date so specified in the notice or, if no such date is specified, one month after receipt of the same by the Company. Membership shall not be transferable and shall cease on death, dissolution or insolvency.

2.6 Any member of the Company shall also forthwith automatically and without further formality cease to be a member if:

2.6.1 he/she/it shall be removed from membership by a resolution passed by a majority of not less than three-fourths of the members present and voting at a general meeting of the Company; or

2.6.2 he/she/it shall have failed to pay all moneys due by him/her/it to the Company within two months of receiving notice requiring it so to do.

2.7 Any member which is not an individual shall be treated as a corporation for the purposes of section 323 of the Act and may accordingly authorise, remove and replace a person to act as its representative at a general meeting of the Company.

2.8 Every member of the Company undertakes to contribute such amount as may be required not exceeding £1 to the Company's assets if it should be wound up whilst he/she is a member or within one year after he/she ceases to be a member for payment of the Company's debts and liabilities contracted before he/she 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.

### 3 GENERAL MEETINGS

3.1 The Company shall hold an annual general meeting in 2009 and thereafter in each year in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it. The annual general meeting ("AGM") shall be held at such time and place as the directors shall appoint.

- 3.2 Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next.

- 3.3 The directors may call general meetings and, following requisition in accordance with the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

#### 4 NOTICE OF GENERAL MEETINGS

- 4.1 An annual general meeting shall be called by at least 21 clear days' notice. All general meetings other than an annual general meeting shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

4.1.1 in the case of an annual general meeting, by all the members entitled to attend and vote; and

4.1.2 in the case of any other meeting, by a majority in number of members having a right to attend and vote, being a majority together holding not less than 90 per cent. of the total voting rights at the meeting of all the members.

- 4.2 Every notice calling a general meeting shall specify the place and the day and hour of the meeting. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote instead of him and that a proxy need not be a member of the company. The text of each special resolution to be proposed at the general meeting shall be set out in the notice. Either the text of, or sufficient information to enable a member to understand the purpose of, each ordinary resolution shall be set out in the notice.

- 4.3 The notice shall be given to all the members and to the directors and auditors. The Company may give such notice by any means or combination of means permitted by the Act.

- 4.4 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.

#### 5 PROCEEDINGS AT GENERAL MEETINGS

- 5.1 No business shall be transacted at any meeting unless a quorum is present. Two qualifying persons (as defined in section 318(3) of the 2006 Act but including for this purpose any person appointed as a representative pursuant to Article 2.7) or one quarter of the total number of such qualifying persons for the time being, whichever is the greater, shall constitute a quorum.

- 5.2 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.

- 5.3 The chairman, if any, of the directors or in his/her absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman of the meeting and, if there is only one director present and willing to act, he/she shall be chairman of the meeting.

- 5.4 If no director is willing to act as chairman of the meeting, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting including for this purpose any proxy.

- 5.5 The person chairing a meeting in accordance with this Article 5 is referred to as the "**chairman of the meeting**".

- 5.6 The chairman of the meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time or *sine die* and from place to place. The chairman of the meeting may also adjourn a general meeting at which a quorum is present if it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 5.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:
- 5.7.1 by the chairman of the meeting; or
  - 5.7.2 by at least two members having the right to vote on the resolution; or
  - 5.7.3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - 5.7.4 the directors;
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
- 5.8 Unless a poll is duly demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 5.9 The demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the chairman of the meeting. The withdrawal of a demand for a poll shall not invalidate the result of a show of hands declared before the demand for the poll was made.
- 5.10 A poll shall be taken in such manner as the chairman of the meeting directs and he/she may appoint scrutineers (who need not be members) and may fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 5.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a casting vote in addition to any other vote he/she may have.
- 5.12 A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairman of the meeting directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent continuance of a meeting for the transaction of any business other than the question on which the poll is demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 5.13 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In other cases at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 5.14 All or any of the members or persons permitted to attend general meetings under these Articles may participate in the meeting by means of a conference telephone or any

communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A member so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in the quorum accordingly.

- 5.15 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

5.15.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

5.15.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

- 5.16 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

5.16.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

5.16.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

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

## 6 VOTES OF MEMBERS

- 6.1 On a show of hands and on a poll, every member who (being an individual) is present in person or by proxy or (or being a corporation or treated as a corporation pursuant to Article 2.7) is present by a duly authorised representative or by proxy shall have one vote.

- 6.2 No member shall be entitled to vote at any general meeting unless all moneys then payable by him/her/it to the Company have been paid.

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

- 6.4 A vote given or poll demanded by a proxy or a duly authorised representative of a member (not being an individual) shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, at the time appointed for taking the poll.

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

6.5.1 states the name and address of the member appointing the proxy;

6.5.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

6.5.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and

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

- 6.6 The Company may require proxy notices to be delivered in a particular form and, subject to the Act, by a particular time and may specify different forms for different purposes.

- 6.7 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.
- 6.8 Unless a proxy notice indicates otherwise, it must be treated as:
  - 6.8.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - 6.8.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 6.9 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.
- 6.10 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.
- 6.11 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.
- 6.12 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## 7 THE BOARD OF DIRECTORS

- 7.1 Subject as set out in these Articles, the minimum number of directors shall be two and there shall be no maximum number.
- 7.2 The Company may by special resolution from time to time set and/or vary the minimum number and/or maximum number of directors.
- 7.3 If at any point in time there are less than two directors and the vacant position(s) cannot be filled pursuant to those Articles, the Board may fill such position as a casual vacancy provided that any such person who is so appointed satisfies the requirements of Article 7.11 and must (subject as set out in this Article 7) retire at the AGM next following his/her appointment. If the number of directors falls below two and the Board is unable for whatever reason to fill the vacant position(s) in accordance with these Articles, then this shall not be deemed to be a breach of these Articles and the minimum number of directors shall, for so long as necessary, be deemed to be such number of directors below two who remain as directors.
- 7.4 The Company may by special resolution remove any director from office (notwithstanding any provision of the Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement). The Company may by special resolution appoint any person to be a director either to fill a casual vacancy or as an additional director provided that he satisfies the requirements of Article 7.11 but any such director must retire at the next AGM and may not be re-appointed or re-elected unless he satisfies the requirements of Articles 7.11 to 7.15 (inclusive).
- 7.5 Until the later of (a) the conclusion of the annual general meeting of the Company in 2009 and (b) the date on which there are at least two members of the Company who or which are not also directors (the "**final date**"), the Board may appoint any person to be a director either to fill a casual vacancy or as an additional director. With effect from the final date, no person (other than any person holding or to hold executive office as managing director or chief executive officer or an equivalent position) may then be appointed or elected as a director unless he has been nominated (but it is not obligatory for any person so nominated to be appointed or elected) or otherwise appointed or elected in accordance with this Article 7.
- 7.6 The directors may from time to time appoint any one or more persons to be a director provided such person is or is to be the holder of any executive office (including, where considered



appropriate, the office of chairman) on such terms and such period as they may (subject to the provisions of the Statutes) determine. The directors may, without limiting or prejudicing in any way the terms of any contract entered into in any particular case, at any time revoke or vary the terms of any such appointment.

- 7.7 The appointment of any person as a director to hold the executive office of managing director or chief executive officer or an equivalent position shall terminate automatically if he ceases to be a director but any such termination shall not, of itself, limit or reduce in any way any claim for damages which he may have for breach of any contract of service between him and the Company.
- 7.8 The appointment of any director to any other executive office shall not terminate automatically if he ceases to be a director, unless the contract or resolution under which he holds such executive office shall expressly state that such termination is to occur, in which event such termination shall not, of itself, limit or reduce in any way any claim for damages which he may have for breach of any contract of service between him and the Company.
- 7.9 The directors may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers. The directors may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 7.10 In addition to any director who is an executive director as provided by Article 7.6, six directors shall be appointed (or shall be deemed to be appointed) each year in the manner provided for and by these Articles, with and to the intent that they shall represent political proportionality and all tiers of local government in the Region.
- 7.11 Each of the six directors referred to in Article 7.10 must be:
  - 7.11.1 an elected member of a local authority which is a member of the Company; and
  - 7.11.2 a member of the SEEC Executive; and
 must remain so during their term of office.
- 7.12 In addition to the requirements set out in Article 7.11:
  - 7.12.1 three of the six directors referred to in Article 7.11 (the **"Leaders"**) shall be the leaders within the Region of the three political parties which received the most votes cast in the Region (calculated by reference to the templates based upon the proportion of electors represented by each political party in the Region following the local council elections held in the Region, which are recalculated annually before the AGM at which such directors are to be appointed pursuant to Article 7.14); and
  - 7.12.2 the remaining three directors shall be selected in the manner set out in Article 7.13 (the **"Other Directors"**)
- 7.13 The Other Directors shall be selected and nominated each year:
  - 7.13.1 by reference to the political party or parties then represented in the Region through elected members then holding office who belong to such party or parties; and
  - 7.13.2 based upon the number of votes cast in the Region for such party or parties (calculated by reference to the templates based upon the proportion of electors represented by each political party in the Region following the local council elections held in the Region, which are recalculated annually before the AGM at which such directors are to be appointed pursuant to Article 7.14).

The names of the Leaders and of the persons selected to be the Other Directors for the forthcoming year shall be notified to the Company by the then chairman of the SEEC Executive at any time before, and no later than one hour before, the time fixed for holding the

AGM in each year. Such notification must be accompanied by such form signed by each such prospective director as may then be required to be signed and/or filed by a director or prospective director in relation to his appointment pursuant to the Act (save where such person is deemed re-elected pursuant to Article 7.15). If any such form is required but is not supplied with the notification, the relative person shall not be deemed to have been appointed as a director pursuant to Article 7.13 unless and until such form is supplied to the Company.

- 7.14 At the conclusion of each AGM commencing at the AGM held in 2009, the persons selected to be the Leaders and the Other Directors who are notified to the Company pursuant to and in accordance with Article 7.13 shall be deemed automatically and without formality to have appointed as directors of the Company by the members. Such appointment shall be with effect from (subject as set out in Article 7.13) the conclusion of such AGM.
- 7.15 At the conclusion of each AGM commencing at the AGM held in 2009 (subject as set out in Article 7.16 and this Article 7.15), the directors who have held office since, in the case of the AGM held in 2009, 1 January 2009 and, otherwise since the conclusion of the previous AGM, shall be deemed to have retired automatically and without further formality from office. A director who would otherwise be required to retire pursuant to this Article but who is named on the notification delivered pursuant to Article 7.13 shall not be deemed to have retired automatically pursuant to this Article and shall accordingly continue in office without a break.
- 7.16 A director holding executive office as managing director or chief executive officer or an equivalent position shall not be required to retire nor be subject to the provisions relating to retirement and appointment set out in Articles 7.11 to 7.15 (inclusive). References to directors retiring in this Article 7 shall accordingly not apply to nor include any such director.
- 7.17 The office of a director shall be vacated in any of the following events, namely:
  - 7.17.1 if he shall become prohibited by law from acting as a director;
  - 7.17.2 if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the directors shall resolve to accept such offer;
  - 7.17.3 if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
  - 7.17.4 if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
  - 7.17.5 if, not having leave of absence from the directors, he fails to attend the meetings of the directors for twelve successive months unless prevented by illness, accident or other cause which may seem to the directors to be sufficient and the directors resolve that his office be vacated;
  - 7.17.6 if he shall be removed from office by notice in writing served upon him signed by all his co-directors, but so that, if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
  - 7.17.7 if, subject as provided in Article 7.8, in the case of a director who holds any executive office, he ceases to hold such office (whether because his appointment is terminated or expires) and the majority of his co-directors so resolve; or
  - 7.17.8 if he ceases to satisfy either of the conditions set out in Article 7.11.

- 7.18 Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a director or liable to vacate office as a director on account of such director having reached any specified age or requiring special notice or any other special formality in connection with the appointment or election of any director over a specified age, shall not apply to the Company.

## 8 REMUNERATION AND INTERESTS OF DIRECTORS

- 8.1 Except as set out in this Article 8, no ordinary remuneration or fees shall be payable to the directors unless and until determined by special resolution of the Company. Such remuneration (if so approved) shall (unless such special resolution provides to the contrary) be divisible among the directors as they may agree, or, failing agreement, equally, but any director who holds office for part only of the period in respect of which such remuneration is payable shall be entitled only to a proportion of such remuneration, related to the period during which he has held office.
- 8.2 Subject to clause 5 of the Company's Memorandum of Association, any director who holds any executive office or who serves on any committee of the directors or who otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director may be paid such remuneration or such extra remuneration by way of salary, commission or other means or may receive such other benefits if and only to the extent that the Board may determine.
- 8.3 Subject to clause 5 of the Company's Memorandum of Association, each director shall be entitled to be reimbursed all such reasonable expenses as he/she may incur in attending and returning from meetings of the directors or of any committee of the directors or members' meetings or otherwise in or in connection with or about the business of the Company.
- 8.4 Except to the extent permitted by clause 5 of the Company's Memorandum of Association and this Article 8, no director shall take or hold any interest in property belonging to the Company or receive remuneration or be interested otherwise than as a director in any other contract to which the Company is a party.
- 8.5 No gratuities, pensions or other retirement, superannuation, death or disability benefits shall be payable to (or to any person in respect of) any director or ex-director (other than any director holding executive office) unless and until determined by special resolution of the Company. If any such gratuities, pension or other benefits are so approved or are to be paid or payable to (or to any person in respect of) any director holding executive office, the directors shall (subject to clause 5 of the Memorandum) have power to pay and agree to pay the same and, for the purpose of providing any such gratuities, pensions or other benefits, to contribute to any scheme or fund or to pay premiums.
- 8.6 The following provisions of this Article 8 are subject to the provisions set out in clause 5 of the Company's Memorandum of Association.
- 8.7 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law any conflict or potential conflict which might otherwise amount to a breach of the duty set out in section 175 of the 2006 Act provided that:
- 8.7.1 the matter in question shall have been proposed in writing for consideration by the Board, or in such other manner as the Board may determine;
- 8.7.2 for this purpose the director in question and any other interested director (each a "**conflicted director**") are not counted in the quorum for any resolution at any Board meeting pursuant to which such conflict or potential conflict is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted; and
- 8.7.3 for the purpose of any meeting or part of any meeting held to authorise a director's conflict, if there is only one eligible director in office other than the conflicted

director(s), the quorum for such meeting (or part of a meeting) shall (if then permitted by the Statutes) be one eligible director.

8.8 Unless otherwise determined by the Board (excluding the conflicted directors), any authorisation of a matter under these Articles shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

8.9 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

8.9.1 disclose any such information to the Company, the Board or any other director of the Company; or

8.9.2 use or apply any such information in connection with the performance of his duties as a Director;

provided that, to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this Article shall apply only if such situation or relationship has been authorised by the Board under this Article 8.9 or is authorised under these Articles or by the members.

8.10 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter where the matter giving rise to such benefit has been authorised by the directors pursuant to this Article 8 (subject in any such case to any limits or conditions to which such authorisation was subject) or by the Company in general meeting or is otherwise authorised under these Articles and no contract shall be liable to be avoided on such grounds.

8.11 For the purposes of section 175 of the 2006 Act, no conflict of interest of situation shall be deemed to arise by virtue solely of a director being an employer, officer or elected member of a local authority, or otherwise contractually obligated, interested or connected in any way in, with or to any local authority. Such interest shall (if and to the extent necessary) accordingly be deemed to have been authorised under and pursuant to these Articles.

8.12 The directors shall comply with the provisions of sections 177 and 182 of the 2006 Act.

8.13 Subject to the provisions of the Statutes and these Articles and provided he has declared the nature and extent of his interest in accordance with the requirements of the 2006 Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

8.13.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

8.13.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;

8.13.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or vote on any written resolution of the directors, in respect of such contract or proposed contract in which he is interested;

8.13.4 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested;

8.13.5 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director; and

- 8.13.6 shall not, save as otherwise agreed, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the 2006 Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate;

and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act.

- 8.14 If any question shall arise at any time as to whether a director's interest can or cannot reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman (or if the director concerned is the chairman to the other directors at the meeting) and his or their ruling (as the case may be) shall be final and conclusive except in a case where the nature or extent of the interests of such director has not been fairly disclosed.
- 8.15 For the purposes of this Article 8, an interest of a person who is connected with a director (within the meaning of section 252 of the 2006 Act) shall be treated as an interest of the director.
- 8.16 To the extent permitted by the Statutes, the members may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of sections 175 and/or 177 of the 2006 Act.

## **9 POWERS OF DIRECTORS**

- 9.1 Subject to the provisions of the Act, the Company's Memorandum of Association and these Articles and subject to the instructions and directions of the members, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the Company's Memorandum of Association or these Articles and no such instruction or direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by these Articles and a meeting of directors at which a quorum is present may exercise all the powers exercisable by the directors.
- 9.2 In addition to all powers hereby expressly conferred upon them and subject to the instructions and directions of the members but without otherwise detracting from the generality of their powers under these Articles, the directors shall have the following powers, namely:
- 9.2.1 to expend the funds of the Company in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Company such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objects of the company, but at all times subject to the provisions set out in the memorandum;
- 9.2.2 to enter into contracts on behalf of the Company;
- 9.2.3 to borrow or raise money without limit as to the amount and upon such terms and in such manner as they think fit and to mortgage or charge its undertaking and property as security for any debt, liability or obligation of the Company or of any third party.

## **10 PROCEEDINGS OF DIRECTORS**

- 10.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a

meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Any such notice shall specify where, when and how the meeting is to be held. Any director may waive notice of any meeting either prospectively or retrospectively and, if he does so, it shall be no objection to the validity of the meeting that notice was not given to him. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

- 10.2 The quorum for the transaction of the business of the directors may be fixed by the directors but (subject to Articles 8.7.3 and 8.13.2) shall not be less than one third of their number or two directors, whichever is the greater.
- 10.3 The directors may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of calling a general meeting.
- 10.4 The directors shall by simple majority resolution elect from their number a chairman of the Board (the "**chairman**") who shall hold office for twelve months. At the end of each such period of twelve months, the directors shall elect a new chairman to hold office for the succeeding period of twelve months. A retiring chairman may be re-elected as chairman.
- 10.5 Unless he/she is unwilling to do so, the chairman so appointed shall preside at every meeting of directors at which he/she is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the Board meeting.
- 10.6 The directors may delegate any of their powers, authorities and discretions for such time and on such terms and conditions as they think fit to any committee consisting of two or more directors.
- 10.7 Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, the provisions shall be construed as permitting the exercise of the power, authority or discretion by the committee.
- 10.8 All acts done by a meeting of directors, or of a committee of directors, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 10.9 A resolution in writing, signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors, shall be as valid and effective as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held.
- 10.10 For the purposes of Article 10.9:
  - 10.10.1 a resolution shall consist of one or more written instruments (including faxes) or one or more electronic communications sent to an address specified for the purpose by the secretary, or a combination of them, provided that each such written instrument and electronic communication (if more than one) is to the same effect;
  - 10.10.2 a written instrument is executed when the person executing it signs it;
  - 10.10.3 an electronic communication is executed when the person executing it sends it provided that it has been authenticated in such manner (if any) as the secretary shall prescribe;

- 10.10.4 the directors, or (as the case may be) members of a committee constituted under these Articles, need not execute the same written instrument or electronic communication;
  - 10.10.5 a resolution shall be effective when the secretary certifies that sufficient evidence has been received by him/her that the resolution has been executed in accordance with this Article 10.10;
  - 10.10.6 unless the members by special resolution or the directors have previously otherwise resolved, such a resolution can be passed by a majority and the chairman shall, in the case of equality of votes, have a second or casting vote; and
  - 10.10.7 if no secretary is appointed, the chairman shall perform the functions of the secretary under this Article 10.10.
- 10.11 Any person entitled to attend and speak at a meeting of the directors or a committee of the directors may participate by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. 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 then is.
- 10.12 Any bank account in which any part of the assets of the Company is deposited shall be operated by the directors and shall indicate the name of the Company. All cheques and orders for the payment of money from such account shall be signed by persons appointed by the directors.

## 11 SECRETARY

Subject to the provisions of the Statutes, 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.

## 12 NOTICES

- 12.1 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 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.
- 12.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 12.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## 13 INDEMNITY AND INSURANCE

- 13.1 Subject to Article 13.2, a relevant director or secretary of the Company or an associated company may be indemnified out of the Company's assets against:
  - 13.1.1 any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
  - 13.1.2 any liability incurred by that officer in connection with the activities of the Company or an associated company in his capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and

- 13.1.3 any other liability incurred by that officer as an officer of the Company or an associated company.
- 13.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 13.3 In this Article:
- 13.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 13.3.2 a "relevant director" means any director or former director of the Company or an associated company.
- 13.4 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the Board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any director, alternate director, secretary or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as an auditor) in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.
- 13.5 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss. In this Article:
- 13.5.1 a "relevant director" means any director or former director of the Company or an associated company;
- 13.5.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.
- 13.6 The preceding provisions of this Article 13 are subject to the provisions set out in clause 5 of the Company's Memorandum of Association.

## 14 RULES

- 14.1 The directors may from time to time make such rules or bye-laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company, and in particular but without prejudice to the generality of the foregoing, they may by such rules or bye laws regulate:
- 14.1.1 the procedure at general meetings and meetings of the directors and committees of the directors in so far as such procedure is not regulated by these Articles; and
- 14.1.2 generally, all such matters as are commonly the subject matter of company rules.
- 14.2 The Company in general meeting shall have power to alter, add to or repeal the rules or bye-laws and the directors shall adopt such means as they think sufficient to bring to the notice of members of the Company all such rules or bye laws, which shall be binding on all members of the Company provided that no rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Company's Memorandum of Association or these Articles.



Signatures, Names and Addresses of Subscribers

David Shakespeare  
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Hammersley Lane  
High Wycombe  
Bucks  
HP13 7BY

L Silverman  
10 Adams Way  
Earley  
Reading  
Berks  
RG6 5UT

Dated: 9 August 2000

Witness to the above Signatures:

Name: Susan Traver  
Address: 54 Elderwood Place  
London  
SE27 0HL

Occupation: Head of Secretariat, SEERA



**SEERA LIMITED****SCHEDULE TO THE APPLICATION FORM**

Each person by whom, or on whose behalf, an Application Form is executed and accepted, irrevocably agrees and undertakes, by such execution and acceptance, that:

**1 DEFINITIONS**

- 1.1 words and expressions defined in the Company's Articles of Association (as amended from time to time) shall have the same meanings in the this Schedule (as from time to time revised);

**2 FEES**

- 2.1 it will contribute such amount as may be required both following an application for membership and subsequently at such times during each year of membership, as may be determined, in its absolute discretion, by the Company from time to time.<sup>2</sup> (Details of the relevant fees will be available from the Company on application to the Office);
- 2.2 no refund of any such fees as are referred to in paragraph 2.1 above shall be made if, at any time, it ceases to be a member;
- 2.3 if it ceases to be a member, it shall nonetheless remain liable for all fees due to the Company remaining unpaid at the date of the cessation of the membership;
- 2.4 except as may otherwise be agreed or determined in accordance with the Company's Articles of Association, it will be responsible for all expenses and other costs incurred by it or by its representatives or personnel (including those who may act as directors of the Company) in connection with the Company and its activities;

**3 BYE-LAWS**

- 3.1 it shall abide by any bye-laws or rules from time to time made by the directors pursuant to the Articles of Association (as varied from time to time), details of which are available from the Office upon application;

**4 CONFIDENTIAL INFORMATION**

- 4.1 it shall keep confidential all information of whatever kind and contained in the whatever media given, disclosed or supplied by any other member of the Company or otherwise by or to the Company for the purpose of promoting, assisting or furthering the objects of the Company and all documents or other material produced by or for any such member of the Company which contains or reflects such information ("**Confidential Information**"). However, information shall not be regarded as constituting Confidential Information unless it is clearly designated, labelled or marked as confidential or its equivalent at the time of disclosure or is otherwise disclosed in circumstances or on terms such that there is a clear implication that it is confidential;
- 4.2 it may not disclose any Confidential Information except to:
- 4.2.1 the directors, officers or employees of the Company or any other member who or which are directly involved in activities which promote, assist or further the objects of the Company and who need to know the same in connection with such activities;
- 4.2.2 the Company's professional advisers or those of any other member; and
- 4.2.3 any other party only if the owner of the Confidential Information to be disclosed has given its prior written consent;

<sup>2</sup>Note: members may be required to pay renewal fees on each anniversary of their membership.

- 4.3 it will use the same degree of care for each item of Confidential Information obtained from any other member or the Company as it would for its own Confidential Information of like importance and will otherwise use reasonable care in safeguarding against disclosure of any Confidential Information of any member or the Company; and
- 4.4 the obligations of confidentiality in this paragraph 4 shall cease to apply to each item of Confidential Information five years after such item of Confidential Information has been given, disclosed or supplied and in any event shall not apply to Confidential Information:
  - 4.4.1 which ceases to be confidential as a result of disclosure by someone other than it or any other member; or
  - 4.4.2 to the extent its disclosure is required by law or the rules or regulations of any regulatory body;
  - 4.4.3 if it is released in writing by the disclosing member or the Company without any restriction;
  - 4.4.4 if it is lawfully obtained from a third party who is not a member of the Company and in the absence of any obligation of confidentiality; or
  - 4.4.5 if the Confidential Information is known to it prior to such disclosure or is at any time developed by it independently of any such disclosure or disclosures from any other member or the Company; and
- 4.5 any Confidential Information received from a member or the Company shall at all times remain the property of the disclosing member or the Company;
- 4.6 upon it ceasing to be a member, it shall:
  - 4.6.1 return all Confidential Information and all copies of the whole or any part of the same to the rightful owner of that Confidential Information; or
  - 4.6.2 if so requested by the rightful owner, shall destroy the same and certify in writing to the rightful owner that the Confidential Information has been destroyed;
- 4.7 it authorises the Company to disclose Confidential Information supplied by it to any third party, body or entity for the purpose of, and in connection with, promoting, assisting or furthering the objects of the Company provided that such third party, body or entity agrees in writing with the Company to observe similar obligations as to confidentiality in relation to such Confidential Information as those set out in paragraphs 4.1 and 4.3 to 4.6 (inclusive) above;

## 5 FREEDOM OF INFORMATION

- 5.1 it recognises that another member or the Company may be subject to legal duties which may require the release of information under the Freedom of Information Act 2000 or under any other applicable legislation governing access to information (together the "FOI"), that such member or the Company may be under an obligation to provide information pursuant to a request made under such legislation (a "Request") and that such information may include Confidential Information;
- 5.2 if it receives a Request pursuant to which it may be required to disclose Confidential Information of any other member or the Company, it shall as soon as practicable and in any event within five (5) business days of its receipt forward to the relevant member or, as the case may be, the Company a copy of the Request, together with a statement whether or not it intends to make any disclosure of such Confidential Information pursuant to the Request and if so, details of the Confidential Information which it intends to disclose;
- 5.3 it shall as soon as practicable and in any event not less than five (5) business days prior to any disclosure consult with any such other member or the Company as to whether the Request is a valid request for information for the purposes of the FOI and, if it is, whether any

exemptions to disclosure apply in respect of any of such Confidential Information which would otherwise be disclosed pursuant to the Request;

5.4 no member nor the Company shall be:

5.4.1 prevented from disclosing Confidential Information following such consultation; or

5.4.2 liable for any costs, claims, liabilities, expenses, damages or losses (including, without limitation, any direct or indirect consequential losses) which any other member or the Company may incur or suffer as a result of any disclosure of any Confidential Information under a Request;

## 6 **ENGLISH LAW**

the obligations contained in the application form for membership (of which this Schedule (as from time to time revised) forms part) are legally binding upon it, that they will be construed and interpreted in accordance with English law and that:

6.1 in relation to any legal action or proceedings:

6.1.1 arising out of or in connection with the Application Form (including the provisions of this Schedule, as from time to time revised) or its implementation or effect; or

6.1.2 relating to any non-contractual obligations arising out of or in connection with the Application Form (including the provisions of this Schedule, as from time to time revised); or

6.2 otherwise in connection with its involvement in or with the Company;

it irrevocably submits to the exclusive jurisdiction of the English courts;

## 7 **OBLIGATIONS ENFORCEABLE**

7.1 the obligations contained in the Application Form (of which this Schedule forms part) are intended to be enforceable by and against and therefore between each member of the Company from time to time and by the Company against each such member (as if and to the intent that such obligations were set out in the Company's Articles of Association); and

7.2 it will be bound by and will observe all the obligations set out in this Schedule, as from time to time revised or varied by the directors of the Company in accordance with the Company's Articles of Association; and

## 8 **SURVIVAL OF RIGHTS**

8.1 the obligations contained in this Schedule (as from time to time revised) in respect of confidentiality shall survive termination of membership howsoever arising.

