

**THE COMPANIES ACT 2006
SPECIAL RESOLUTION
PAYCARE
COMPANY NO. 00820791
ADOPTION OF NEW ARTICLES OF ASSOCIATION – AGENDA ITEM 1**

At a general meeting of the members of the above named company to be held at Paycare House on 23rd May 2019 at 5.10pm.

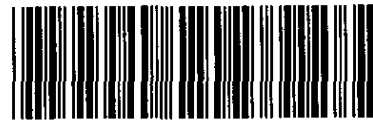
The following Special Resolution is proposed:

The Company's existing Articles of Association be amended so as to take the form of the Articles of Association attached to this resolution, in substitution for, and to the exclusion of, any Articles of Association previously registered with the Registrar of Companies.



Kevin Rogers
Company Secretary

TUESDAY



A18 *A86G5CXF* #63
28/05/2019
COMPANIES HOUSE

THE COMPANIES ACT 1948 - 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION OF PAYCARE

(Amended by Special Resolution on 15th May 1998, 15th June 2000, 4th April 2006, 15th April 2010 and 23rd May 2019)

NAME

1. The name of the company (hereinafter called "the Company") is Paycare.

INTERPRETATION

- 2.1 In these articles, unless the context requires otherwise:

"the Act"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company (including any statutory modification or re-enactment thereof for the time being in force);
"articles"	means the company's articles of association;
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
"clear days"	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"connected person"	has the meaning given in article 68;
"director"	means a director of the Company, and includes any person occupying the position of director, by whatever name called;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"electronic form"	has the meaning given in section 1168 of the Companies Act 2006;
"executive directors"	all salaried employees of the Company who are subsequently appointed or elected as directors;
"independent non-executive director"	has the meaning given in article 69;
"member"	has the meaning given in section 112 of the Companies Act 2006;
"objects"	has the meaning given in article 4;
"office"	means the registered office of the Company;
"ordinary resolution"	has the meaning given in section 282 of the Companies Act 2006;
"policyholder"	means a holder of an insurance policy issued and underwritten by the Company;
"proxy notice"	has the meaning given in article 25;
"secretary"	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint assistant or deputy secretary;
"special resolution"	has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006; 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.

2.2 Words importing one gender shall include all genders, and the singular includes the plural and vice versa.

2.3 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

LIABILITY OF MEMBERS

3 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:

3.1 payment of the company’s debts and liabilities contracted before he ceases to be a member;

3.2 payment of the costs, charges and expenses of winding up; and

3.3 adjustment of the rights of the contributories among themselves.

OBJECTS AND POWERS

4 Objects

The objects for which the Company is established are:

4.1 to carry on general insurance business of the type specified in Schedule 2 of the Insurance Companies Act 1982 or such similar insurance business specified in any statutory modification or re-enactment thereof;

4.2 to provide cash benefits, health services, treatments for medical conditions and such other benefits as may from time to time be approved by the Company to policyholders and their eligible dependents;

4.3 to support community organisations to promote social inclusion; and

4.4 to support or contribute to any charitable objects.

5 Powers

To further its objects the Company may:

5.1 raise, collect and receive money and funds by way of premiums, subscriptions, donations, legacies, grants, periodical contributions or otherwise in any such manner and subject or not to any such conditions as are lawful;

5.2 undertake or accept any trusts or obligations which may seem in accordance with the objects of the Company and to perform any services in connection with the objects of the Company gratuitously or otherwise;

5.3 invest the moneys of the Company not immediately required for its purposes 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 by law;

5.4 borrow money and to charge the whole or any part of the property belonging to the Company as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation;

5.5 make, draw, accept, endorse, execute and issue debentures and negotiable or transferable instruments;

- 5.6 co-operate with or aid financially or otherwise any persons or bodies having objects similar wholly or partially to those of the Company and upon such terms and conditions as may seem desirable;
- 5.7 take over, federate or amalgamate with, affiliate or become affiliated to any body having objects similar wholly or partially to those of the Company and which by its constitution prohibits the distribution of income and property amongst its members to an extent at least as great as is imposed on the Company by these articles and to acquire and undertake all or any part which may lawfully be taken over by the Company of the assets, liabilities and engagements of any such body;
- 5.8 purchase, take on lease, mortgage or in exchange, hire or otherwise acquire in any manner any real or personal property and any rights or privileges which the Company may think necessary or convenient for its purposes;
- 5.9 construct, alter, demolish, decorate, maintain, furnish, equip and improve whether wholly or in part any buildings and undertake and execute any works necessary or convenient for the purposes of the Company;
- 5.10 sell, improve, manage, develop, exchange, demise, let, mortgage, dispose of, turn to account or otherwise alienate or deal with all or any part of the property rights and privileges (including land) of the Company as may be deemed expedient with a view of the promotion of its objects or any of them;
- 5.11 employ and remunerate such staff as are necessary for carrying out the work of the Company;
- 5.12 arrange for investments or other property of the Company to be held in the name of a nominee or nominees (being a corporate body registered or having a place of business in England and Wales) under the control of the Board or of a Financial Expert or Experts acting under their instructions and pay any reasonable fee required;
- 5.13 publish for issue and circulate gratuitously or otherwise reports, periodicals, books, pamphlets, leaflets or other documents as the Company thinks fit for the furtherance of the objects of the Company or any of them;
- 5.14 advertise and pay for advertising the activities of the Company and provide such hospitality as may be reasonable to further the objects of the Company or any of them;
- 5.15 arrange and provide for or join in arranging and providing for the holding of exhibitions, meetings, lectures and classes calculated directly or indirectly to further the objects of the Company or any of them;
- 5.16 make, prepare, adapt, alter, vary amend and enforce rules, regulations and bye-laws for the provision, administration and carrying out of the objects of the Company or any of them;
- 5.17 to provide indemnity insurance for the directors and other officers of the Company;
- 5.18 pay the expenses of the incorporation of the Company; and
- 5.19 do all such other lawful things as may further the Company's objects or any of them.

LIMITATION ON PRIVATE BENEFITS

- 6.1 The income and property of the Company shall be applied solely towards the promotion of its objects.
- 6.2 No part of the income and property of the Company may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member, policy holder, director or other officer of the Company otherwise than by:
 - 6.2.1 the payment to members who are policy holders or eligible dependents thereof (whether or not they are directors or other officers of the Company) of benefits in accordance with the objects of the Company;

- 6.2.2 the payment in good faith of reasonable and proper remuneration to a member, director or other officer of the Company for any professional services or goods supplied to the Company in furtherance of its objects;
 - 6.2.3 the payment to a member, director or other officer of the Company of interest at a rate not exceeding a reasonable market rate on money lent by such persons to the Company;
 - 6.2.4 the payment of rent to a member, director or other officer of the Company for premises let by such persons to the Company not exceeding a reasonable market rate;
 - 6.2.5 payment to the Secretary in money or money's worth in return for providing services to the Company as an employee provided such payment does not exceed a reasonable and fair market rate;
 - 6.2.6 the reimbursement of reasonable and proper out of pocket expenses incurred by any of the directors and the secretary in the execution of their duties on behalf of the Company; and
 - 6.2.7 the remuneration of the directors pursuant to the Company's articles of association.
- 6.3 The restrictions contained in this article applying to directors and other officers shall apply equally to any company of which a director or other officer is a shareholder holding more than one hundredth part of the issued capital.

MEMBERS

- 7.1 Subject to article 8.2, the members of the Company shall be the subscribers to the memorandum of association of the Company, those persons who were members and also directors at the time of the adoption of these articles and such other persons (individual members) and incorporated bodies (corporate members) admitted to membership in accordance with these articles.
- 7.2 No person or incorporated body may become a member of the Company unless:
- 7.2.1 that person or incorporated body has applied for membership in a manner approved by the directors; and
 - 7.2.2 the directors have approved the application.
- 7.3 A non-executive director appointed as an independent non-executive director shall not be a member.
- 7.4 The directors may in their absolute discretion decline to accept any person or incorporated body as a member and need not give reasons for so doing.
- 7.5 A corporate member may by resolution of its directors or other governing body authorise a person or persons to act as its authorised representative or representatives at any meeting of the Company. Evidence of the appointment of the representative must be provided in the form of:
- 7.5.1 a letter confirming the appointment of the representative on the letterhead of the corporate member signed by a duly authorised individual and submitted with evidence of the authority under which it was signed; or
 - 7.5.2 such other form as the directors may reasonably require.
- 7.6 A person authorised under Article 7.5 may exercise (on behalf of the corporate member) the same powers as the corporate member could exercise if it were an individual member.
- 7.7 The directors may from time to time prescribe criteria for membership but the directors will not be obliged to accept persons fulfilling those criteria as members.
- 8.1 A member may at any time terminate his membership with the Company by giving at least seven clear days' notice to the Company.
- 8.2 Membership is not transferable and shall cease if:
- 8.2.1 an individual member dies; or

- 8.2.2 a corporate member ceases to exist; or
- 8.2.3 the member is removed from membership by special resolution passed at a general meeting of the Company at which that member has been given the opportunity to be heard.

GENERAL MEETINGS

- 9 The directors may call a general meeting at any time.
- 10 The directors must call a general meeting if required to do so by the members under the Act.

NOTICE OF GENERAL MEETINGS

- 11 All general meetings shall be called by:
 - 11.1 at least fourteen clear days' notice; or
 - 11.2 by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at that meeting. Any such majority must together represent at least ninety percent of the total voting rights at that meeting of all the members.
- 12.1 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.
- 12.2 If a special resolution is to be proposed, the notice must include the proposed resolution and specify that it is proposed as a special resolution.
- 12.3 In every notice calling a meeting of the Company there must appear with reasonable prominence a statement informing the member of his rights to appoint another person as his proxy at a meeting of the Company.
- 12.4 If the Company gives an electronic address in a notice calling a meeting, it will be deemed to have agreed that any document or information relating to proceedings at the meeting may be sent by electronic means to that address (subject to any conditions or limitations specified in the notice).
- 13 The notice shall be given to all the members and to the directors and auditors.
- 14 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

- 15 No business shall be transacted at any meeting unless a quorum is present. A quorum shall be:
 - 15.1 two persons entitled to vote upon the business to be transacted, each being a member or his proxy; or
 - 15.2 fifty percent of the total membership entitled to vote upon the business to be transacted present in person or by proxy. The number of Non-Executive Directors present must always be greater than the number of Executive Directors present. A minimum of one Executive director should be present;whichever is the greater.
- 16 Where a person is appointed proxy for more than one member entitled to vote upon the business to be transacted, he shall be deemed present for each proxy held by him and accordingly shall be counted more than once for the purpose of determining whether a quorum is present.
- 17 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
- 18 The chairman of the board of directors elected from time to time by the directors shall preside as chairman of the meeting, but if the chairman is not present within fifteen minutes

after the time appointed for holding the meeting, the directors present shall elect one of their number who is willing to act to be chairman for the purpose of the meeting in question and, if there is only one director present and willing to act, he shall be chairman.

- 19 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote or their proxies may choose one of their number to be chairman.
- 20 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 21 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 22 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 a show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:
 - 22.1 the chairman of the meeting;
 - 22.2 the directors;
 - 22.3 any person, who, by virtue of being appointed proxy or authorised representative of a corporate member for one or more members having the right to vote on the resolution, holds two or more votes; or
 - 22.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- 23.1 The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- 23.2 The result of the vote must be recorded in the minutes of the Company but the number or proportion of the votes cast need not be recorded.
- 23.3 A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting.
- 23.4 If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
- 23.5 A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
- 23.6 The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 23.7 A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
- 23.8 A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
- 23.9 The poll must be taken within thirty days after it has been demanded.
- 23.10 If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 23.11 If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

WRITTEN RESOLUTIONS

- 24.1 A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:
- 24.1.1 a copy of the proposed resolution has been sent to every eligible member;
 - 24.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of members has signified its agreement to the resolution; and
 - 24.1.3 it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date.
- 24.2 A resolution in writing may comprise several documents to which one or more members have signified their agreement.
- 24.3 In the case of a corporate member, its authorised representative may signify its agreement.

CONTENT OF PROXY NOTICES

- 25.1 Proxies may only validly be appointed by a notice in writing (a 'proxy notice') which:
- 25.1.1 states the name and address of the member appointing the proxy;
 - 25.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 25.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 25.1.4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 25.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 25.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 25.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 25.4.1 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
 - 25.4.2 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.

DELIVERY OF PROXY NOTICES

- 26.1 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.
- 26.2 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.
- 26.3 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.
- 26.4 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 appointer's behalf.

VOTING AT GENERAL MEETINGS

- 27 No person other than a member duly registered or his proxy shall be entitled to vote on any question at any meeting.
- 28 Every member present in person or by proxy shall have one vote.
- 29 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- 30.1 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.
- 30.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

AMENDMENTS TO RESOLUTIONS

- 31.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 31.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
- 31.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 31.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 31.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 31.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 31.3 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.

DIRECTORS

- 32.1 A director of the Company must be a natural person aged 16 years or older.
- 32.2 Unless otherwise determined by special resolution the maximum number of directors shall be 12 and the minimum number shall be 6, of which;
- 32.2.1 the minimum number of executive directors shall be 1 and shall never exceed 4 ;
- 32.2.2 the minimum number of independent non-executive directors shall be 2. An independent non-executive director is a director appointed in accordance with article 69.
- 32.3 If the limits in these articles shall ever be exceeded then the directors shall forthwith take such steps as they in their discretion consider reasonably necessary to remove directors or appoint such further directors to comply with this article.

MEMBERS' RESERVE POWER

- 33 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

POWERS OF DIRECTORS

- 34 Subject to the provisions of the Act, the articles of association and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all of the powers of the Company. No alteration of the articles and no direction by special resolution 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.

- 35 Any meeting of directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors.
- 36 The directors may by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as they determine including authority of the agent to delegate all or any of his powers.
- 37 No director shall count in any quorum or shall have a vote on any issue concerning the terms and conditions upon which he may be engaged by the Company.
- 38 If the number of directors is less than the number fixed as the quorum, the continuing directors may act only for the purpose of filling vacancies, admitting persons to membership or of calling a general meeting.

DELEGATION OF DIRECTORS' POWERS

- 39.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
- 39.1.1 to such person or committee;
 - 39.1.2 by such means (including by power of attorney);
 - 39.1.3 to such an extent;
 - 39.1.4 in relation to such matters; and
 - 39.1.5 on such terms and conditions;
as they think fit.
- 39.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 39.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

COMMITTEES

- 40.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 40.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 41.1 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and shall determine the term of that appointment up to a maximum of three years.
- 41.2 The directors may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and shall determine the term of that appointment up to a maximum of nine years provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.
- 42 A director who retires at the end of his term of appointment may be reappointed provided that no director who is appointed as an independent non-executive director serves as a director for more than six years.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 43 A person ceases to be a director as soon as:
- 43.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 43.2 a bankruptcy order is made against that person;

- 43.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 43.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 43.5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 43.6 that person is absent from three consecutive meetings of the directors without permission and the directors decide that his office be vacated;
- 43.7 that person has a living relative who is employed by the Company or he cohabits with a person who is employed by the Company; or
- 43.8 the Company decides by special resolution to remove that person as a director.

REMUNERATION OF DIRECTORS AND OTHER OFFICERS

- 44.1 The Company shall from time to time and at least every three years procure an independent report on the appropriate remuneration of directors and other officers (with the exception of any executive directors) and, based on the recommendations of that independent report, shall by ordinary resolution determine the remuneration of the directors and other officers for a fixed period. Any director holding office for part of the year shall be entitled to a proportionate part of any such remuneration in respect of such year.
- 44.2 The remuneration of the executive directors shall be determined from time to time by the directors who shall have the power to vary such remuneration.
- 44.3 Whenever the terms of employment of an executive director are to be discussed at a meeting of the directors the executive director concerned and any junior executive director must:
 - 44.3.1 withdraw from the meeting for that item unless expressly invited to remain in order to provide information,
 - 44.3.2 not be counted in the quorum for that part of the meeting, and
 - 44.3.3 withdraw during the vote and have no vote on the matter.

For the purpose of this article a junior executive director shall be an executive director declared as such by the chairman having regard to such matters as the person's role within the Company, salary, length of service and any other matters considered to be relevant to the chairman.

PRESIDENT AND VICE PRESIDENT

- 45 The directors may from time to time appoint any person to be the President or a Vice President (subject to a maximum of two Vice Presidents at any time) and the President and each Vice President shall hold such office on such terms and for such term as the directors shall determine.

CONFLICTS OF INTERESTS

- 46 A director must declare the nature and extent of any interest, direct or indirect, which he has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.
- 47.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 47.2 But if paragraph 47.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 47.3 This paragraph applies when:

- 47.3.1 the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - 47.3.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 47.3.3 the director's conflict of interest arises from a permitted cause.
- 47.4 For the purposes of this article, the following are permitted causes:
- 47.4.1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
 - 47.4.2 subscription, or an agreement to subscribe, for securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
 - 47.4.3 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 47.5 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 47.6 Subject to paragraph 47.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 47.7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 47.8 For the purposes of this article and article 46, an interest of a connected person to a director shall be treated as an interest of the director.

PROCEEDINGS OF DIRECTORS

- 48 Subject to the provisions of the articles the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. 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.
- 49 The quorum for the transaction of the business of the directors shall be at least one half of the number of directors at the time and must include:
- 49.1 one executive director, unless no executive director can be counted in the quorum because article 44.3 applies;
 - 49.2 one independent non-executive director; and
 - 49.3 two other non-executive directors.
- 50.1 The directors shall appoint one of their number to be the chairman of the board of directors. Unless he is unwilling to do so the director so appointed shall preside at every meeting of the directors at which he is present but if there is no director holding that office or if the director holding it is not willing to preside or is not present within five minutes after the time appointed for the meeting the directors present may appoint one of their number to be chairman of that meeting.
- 50.2 The chairman shall retire from his position of chairman after one year of the date of being first elected but may be reappointed provided that his term as chairman would not exceed five continuous years.
- 51 All acts done by a meeting of directors or of a committee of directors or by a person acting as a director shall notwithstanding that it be afterwards discovered that there was a defect

in the appointment of any director or that any of them were disqualified from holding office or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

- 52 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.
- 53 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 54 If a question arises at a meeting of directors or a committee of directors as to the right of a director to vote the question may before the conclusion of the meeting be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

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

MINUTES

- 56 The directors shall cause minutes to be made in books kept for the purpose:
- 56.1 of all appointments of officers made by the directors; and
- 56.2 of all proceedings at meetings of the Company and of the directors and of committees of directors including the names of the directors present at each such meeting.

THE SEAL

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

ACCOUNTS

- 58 No member shall have any right of inspecting any accounting records or other books or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

MEANS OF COMMUNICATION TO BE USED

- 59 Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 60 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.
- 61 Any notice to be given to or by any person pursuant to the articles:
- 61.1 must be in writing; or
- 61.2 must be given in electronic form.
- 62.1 The Company may give any notice to a member either:
- 62.1.1 personally; or

- 62.1.2 by sending it by post in a prepaid envelope addressed to the member at his address; or
 - 62.1.3 by leaving it at the address of the member; or
 - 62.1.4 by giving it in electronic form to the member's address; or
 - 62.1.5 by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place, date and time of the meeting.
- 62.2 A member who does not register an address with the Company or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the charity.
- 63 A member present in person at any meeting of the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 64.1 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- 64.2 Proof that an electronic form of notice was given shall be conclusive where the Company can demonstrate that it was properly addressed and sent, in accordance the Act.
- 64.3 In accordance with the Act notice shall be deemed to be given:
- 64.3.1 48 hours after the envelope containing it was posted; or
 - 64.3.2 in the case of an electronic form of communication, 48 hours after it was sent.

INDEMNITY

- 65.1 Subject to paragraph 65.2, a relevant director of the Company or an associated company may be indemnified out of the company's assets against:
- 65.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an Associated Company;
 - 65.1.2 any liability incurred by that director in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
 - 65.1.3 any other liability incurred by that director as an officer of the Company or an Associated Company.
- 65.2 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.
- 65.3 In this article:
- 65.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 65.3.2 a "relevant director" means any director or former director of the Company or an Associated Company.

INSURANCE

- 66.1 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.
- 66.2 In this article:
- 66.2.1 a "relevant director" means any director or former director of the Company or an Associated Company;
 - 66.2.2 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

66.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

DISSOLUTION

67 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, policyholders, directors or other officers of the Company, but shall be given or transferred to some other 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 amongst its or their members to an extent at least as great as is imposed on the Company under or by virtue of the articles, such 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 the aforesaid provision then to some charitable object.

INTERPRETATION

68 In articles 47 and 69, 'connected person' means:

- (1) a child, parent, grandchild, grandparent, brother or sister of the director;
- (2) the spouse or civil partner of the director or of any person falling within sub-clause (1) above;
- (3) a person carrying on business in partnership with the director or with any person falling within sub-clauses (1) and (2) above;
- (4) an institution which is controlled:
 - (a) by the director or any connected person falling within sub-clauses (1), (2) or (3) above; or
 - (b) by two or more persons falling within sub-clause (4)(a), when taken together;
- (5) a body corporate in which:
 - (a) the director or any connected person falling within sub-clauses (1), (2) or (3) above has a substantial interest; or
 - (b) two or more persons falling within sub-clause (5)(a), when taken together, have a substantial interest.

69 An independent non-executive director, is a director who is appointed to be independent in judgement and character and:

- (1) he or any connected person is not nor has ever been a policyholder;
- (2) he or any connected person is not nor has ever been a member of the Company;
- (3) he or any connected person is not nor has ever been an employee of the Company;
- (4) he or any connected person has not directly or indirectly had any material business relationship with the Company;
- (5) he or any connected person does not have significant links with other directors through involvement in other companies or bodies; and
- (6) he or any connected person does not have close family ties with any of the Company's advisers, directors or senior employees.