

Dated 12 February 2021

**ARTICLES OF ASSOCIATION
FOR A PRIVATE COMPANY
LIMITED BY GUARANTEE**

**BUSINESS BANKING
RESOLUTION SERVICE**



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
BUSINESS BANKING RESOLUTION SERVICE (the Company)
(adopted by special resolution passed on 12 February 2021)

1 Definitions and Interpretation

1.1 In these Articles, unless the context otherwise requires:

Act means the Companies Act 2006;

Annual Funding Commitment means the agreed annual funding amount to be provided to the Company by the Participating Institutions in accordance with any Funding Agreement;

Appointments Policy means the nomination, appointment and remuneration policy for directors adopted by the Company;

Approval Right means the Bank Appointed Member's right of approval with respect to the matters set out in the Schedule pursuant to Article 8.1;

Articles means the Company's articles of association for the time being in force;

Awards has the meaning given in the Scheme Rules;

Bank Appointed Member means such person or entity admitted to Membership by the Board in accordance with Article 33 and who, subject to its Approval Right and Article 6, shall not be entitled to exercise any voting right at general meetings;

Bank Consultation means a consultation process conducted between the Company and the Bank Appointed Member as may be agreed from time to time between the Company and the Bank Appointed Member;

Bank Consultation Period means the period in which a Bank Consultation is conducted;

Banking Experienced Director means an individual appointed to the Board as an Independent Director from time to time in accordance with Article 24;

Bank Liaison Panel means the liaison panel to be established pursuant to Article 10.1 and in accordance with the terms of reference for the Bank Liaison Panel, the members of which shall include a representative from each Participating Institution as appointed from time to time in accordance with the terms of reference for the Bank Liaison Panel;

Board means the board of directors of the Company, or the members of such board of directors present at a duly convened meeting of directors;

Business Day means any day (other than a Saturday, Sunday or public holiday in England, Scotland or Northern Ireland) when banks in London, Edinburgh and Belfast are open for business;

Chairperson means:

- (i) such Independent Director appointed as chairperson of the Board from time to time by a decision of the directors; or
- (ii) such person who is appointed to chair a meeting in accordance with Article 17.2 or Article 38.2;

Chief Adjudicator means such person appointed as chief adjudicator of the Company (including any deputy of the Chief Adjudicator, however appointed) in accordance with Article 29;

Chief Executive Officer means such person appointed as chief executive officer of the Company in accordance with Article 22;

Company's Business and Operating Principles means the principles that have informed the design of the Scheme being, in relation to the provision of the Scheme: independence, in both its structure and operations; fairness, in its processes and decision-making; transparency in its reasons for decisions and actions; accessibility to its service; and accountability of its actions to its stakeholders at all times;

Company's Object means the object for which the Company is established set out in Article 2;

Conflict means a situation in which a director has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

Corporate Governance Code means the UK Corporate Governance Code published by the Financial Reporting Council as at the date of these Articles, as may be amended, supplemented or superceded from time to time;

director means a director of the Company and includes any person occupying the position of director, by whatever name called (including the Chairperson, the Chief Adjudicator, the Chief Executive Officer and any Independent Director);

document includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form has the meaning given in section 1168 of the Act;

Eligible Director means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 19, any director whose vote is not to be counted in respect of the particular matter);

Eligible Financial Institution means:

- (i) a person that under Part 4A of the Financial Services and Markets Act 2000 has permission to accept deposits and which has its head office, or one or more branches, in the United Kingdom; or
- (ii) a holding company registered in the United Kingdom of a person under (i) above;

Executive Directors means the Chief Adjudicator, the Chief Executive Officer and such other person appointed as an executive member of the Board;

FCA means the Financial Conduct Authority of the United Kingdom (or any successor authority or authorities);

Funding Agreement means any agreement to provide funding for the Scheme as may be entered into between a Participating Institution and the Company from time to time;

Independent Director means any non-executive director appointed by the Board from time to time in accordance with Article 22, Article 23 and/or Article 24 who is considered by the Board, having regard to the principles of independence as set out in the Corporate Governance Code, to be independent from the Company, any Participating Institutions and any SME;

Interested Director has the meaning given in Article 19.2;

Members means the Voting Members and the Bank Appointed Member whose names are entered in the register of members of the Company and **Member** and **Membership** shall each be construed accordingly;

Model Articles means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the date of adoption of these Articles;

ordinary resolution has the meaning given in section 282 of the Act;

participate in relation to a Board meeting, has the meaning given in Article 13.2;

Participating Institution means a person that:

- (i) is an Eligible Financial Institution;
- (ii) provides, or is the holding company of a person that provides, business banking products and services to its customers; and
- (iii) is a participant in the Scheme from time to time,

and **Participating Institutions** shall be construed accordingly;

proxy notice has the meaning given in Article 45.1;

Public Authority means:

- (i) any central or local government department or agency within the United Kingdom or any public body that is classified by the Office of National Statistics as operating within the public sector in the United Kingdom;
- (ii) Tax Authority; or
- (iii) any person having regulatory or supervisory authority over all or any part of the business of the Company or any Participating Institution,

and **Public Authorities** shall be construed accordingly;

Request for Approval means the notice of a request for approval as set out in Article 8.2;

Scheme means the dispute resolution services provided by the Company to SMEs in accordance with the Company's Object and the Scheme Rules;

Scheme Documents means the Scheme Rules and each other document entered into or adopted by the Company to constitute or give effect to the Scheme, and **Scheme Document** shall be construed accordingly;

Scheme Rules means the rules governing the Scheme as adopted and published by the Company from time to time;

secretary means the secretary of the Company from time to time and any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

SME means a small and/or medium-sized enterprise that is eligible to use the Scheme pursuant to the Scheme Rules;

SME Consultation means a consultation process conducted between the Company and the SME Liaison Panel in accordance with the terms of reference for the SME Liaison Panel;

SME Liaison Panel means the liaison panel to be established pursuant to Article 10.2 and in accordance with the terms of reference for the SME Liaison Panel, the members of which shall include representatives from the SME community as appointed from time to time in accordance with the terms of reference for the SME Liaison Panel;

special resolution has the meaning given in section 283 of the Act;

subsidiary has the meaning given in section 1159 of the Act;

Tax means any tax, impost, levy duty or other charge or withholding in the nature of taxes including (without limitation) corporation tax, payroll taxes and VAT and any penalty, fine, surcharge or interest payable in connection with any of the above;

Tax Authority means any taxing or other authority competent to impose any liability in respect of Tax or responsible for the administration and/or collection of Tax or the enforcement of any law in relation to Tax;

VAT means:

- (i) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (ii) any other tax of a similar nature imposed in the United Kingdom imposed in substitution for or levied in addition to such tax referred to under (i) above, or imposed elsewhere;

Voting Members mean the persons admitted to Membership from time to time in accordance with Article 32 and who shall be entitled to exercise voting rights at general meetings; and

Walker Review means the report, published on 23 October 2018 by Simon Walker CBE, on the findings of an independent review into the complaints and alternative dispute resolute landscape for the United Kingdom's SME market;

Winding Up Resolution has the meaning given to such term in Article 51.1;

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.

- 1.2 Unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **Article** is a reference to the relevant article of these Articles, unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 Unless inconsistent with the context or otherwise specified, words importing gender shall include each gender. Words importing persons shall include natural persons, corporations and unincorporated associations.
- 1.8 Unless the context otherwise requires, words in the singular shall include the plural and vice-versa.
- 1.9 The Model Articles shall not apply to the Company.

2 Company's Object

The Company has been established in light of the recommendations of the Walker Review to provide a scheme for the resolution of eligible historical and future disputes between SMEs and the Participating Institutions, delivering fair and independent outcomes without the need for litigation.

3 Guarantee

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 they are a Member or within one year after they cease to be a Member, for:

- (a) payment of the Company's debts and liabilities contracted before they cease to be a Member;
- (b) payment of the costs, charges and expenses of the winding up; and
- (c) adjustment of the rights of the contributories among themselves.

4 Company's Powers and Responsibilities

- 4.1 Without limiting the Company's powers in any way and without prejudice to Article 2, the following powers may be exercised by the Company to achieve the Company's Object:

- (a) to enter into any Funding Agreement (and, for the avoidance of doubt, the Company shall not have the power to enter into any other funding or financing arrangement, other than as expressly permitted under the terms of any Funding Agreement);
- (b) to appoint and instruct appropriately qualified conciliators, mediators, adjudicators and experts on such terms as it sees fit;
- (c) to enter into and execute agreements with Participating Institutions or SMEs to constitute and operate the Scheme;
- (d) to collaborate with any Public Authority or any other companies, bodies corporate or persons on matters relating to the Scheme and the settlement of complaints in relation thereto;
- (e) to promote public awareness and understanding of the Company's Object and facilities provided by the Company, including by way of publication of relevant material in such manner as may be thought expedient;
- (f) to engage, retain or employ skilled, professional or technical advisers or workers in connection with the Company's Object and to pay such fees, remuneration or benefits as may be thought expedient and appropriate;
- (g) to encourage research in and to carry out or commission such investigations or research as may seem necessary in connection with the Company's Object; and
- (h) to do all such lawful things as may be necessary or desirable to further the Company's Object, including (but without limitation) borrowing or raising and securing funds upon such terms as may be thought fit and reasonable for the purpose of the Company's Object.

5 Not for profit

- 5.1 The Company is not established or conducted for private gain and any income, surplus or assets of the Company (from wherever derived) shall be applied solely in promoting the Company's Object.
- 5.2 Subject to the provisions of these Articles, no distribution shall be paid, or capital otherwise returned, to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company:
- (a) of reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - (b) of any monies held on trust by the Company pursuant to any funding arrangements between the Company and the Participating Institutions;
 - (c) of any interest on money lent by any Member or any director at a reasonable and proper rate;
 - (d) of reasonable and proper rent for premises demised or let by any Member or director;
 - (e) of reasonable out-of-pocket expenses properly incurred by any director; and/or

- (f) by way of reimbursement and/or credit to the Participating Institutions (in any form) of surplus funds provided by the Participating Institutions in the event that the Company's expenditure is less than the Annual Funding Commitment applicable from time to time.

6 Winding up

- 6.1 On the winding up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid shall, subject to Article 6.2, be returned to the Bank Appointed Member or (at the option of a majority in number of those Participating Institutions who have funded the Company pursuant to any Funding Agreement from time to time) to the Participating Institutions on a pro rata basis calculated by reference to the amount that each Participating Institution has funded the Company.
- 6.2 If the aggregate amount to be paid or distributed to the Bank Appointed Member or the Participating Institutions pursuant to Article 6.1 is not greater than £10,000, then such amount shall be transferred to a body the objects of which are for the promotion of charity and anything incidental or conducive to charity. Such body is to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the directors at or before the time of winding up or dissolution.

Directors' Powers and Responsibilities

7 Directors' general authority

- 7.1 Subject to these Articles, the directors are responsible for the management of the Company's activities, for which purpose they may exercise all the powers of the Company in the furtherance of the Company's Object.
- 7.2 Without prejudice to Article 7.1 and to the powers and responsibilities set out elsewhere in these Articles, the directors powers and responsibilities shall include without limitation:
 - (a) to establish appropriate and transparent processes, which are readily understandable to users and other stakeholders, to operate the Scheme;
 - (b) appoint the Chief Adjudicator and determine their terms and conditions of appointment;
 - (c) to ensure that the independence of the Company, the Board, the Chief Adjudicator and decision-making in respect of case determination is safeguarded and maintained;
 - (d) to ensure that the Scheme is administered satisfactorily in accordance with the Company's Object;
 - (e) to ensure that the income and assets of the Company shall be applied solely towards the promotion of the Company's Object;
 - (f) to set and monitor quality-of-service and performance standards of the Scheme (including, without limitation, timeliness and quality-of-service) and review and monitor the performance of the Executive Directors against agreed performance goals and criteria determined by the Board;
 - (g) to give such assistance and advice to the Executive Directors as the Board shall reasonably consider appropriate but (with the exception of the Chief Adjudicator) not to

take part in, nor direct, the consideration of any individual complaint or dispute brought under the Scheme;

- (h) to ensure that the Board does not:
 - (i) direct or seek to direct the Chief Adjudicator's decision with respect to any individual complaint or dispute brought under the Scheme; or
 - (ii) take any decision or commit any act or omission that would undermine the role of the Chief Adjudicator under the Scheme or would compromise the ability of the Chief Adjudicator to decide complaints or disputes independently under the Scheme;
- (i) to receive any report from the Chief Adjudicator and publish such report (in accordance with any agreements which are entered into by the Company from time to time), incorporating any additional comments presented by the Chairperson and any other Executive Director as the Board decides are appropriate in the Board's sole and absolute discretion only as a foreword to the report and without changing the content of the report provided by the Chief Adjudicator;
- (j) to review the Scheme Documents;
- (k) subject to and in accordance with the terms of the Scheme Documents (including any applicable requirement to consult with the SME Liaison Panel or to consult with or obtain approval from the Bank Appointed Member) amend the terms of the Scheme Documents in accordance with the agreed recommendations of the Board;
- (l) to ensure that the affairs and activities of the Company are conducted in accordance with the Annual Funding Commitment applicable from time to time;
- (m) to communicate with the Members of the Company;
- (n) to communicate with the Participating Institutions and SMEs;
- (o) to communicate and consult with Public Authorities and stakeholders;
- (p) to comply and act in accordance with these Articles and (to the extent not inconsistent with these Articles) the Scheme Rules;
- (q) to ensure that the Scheme is appropriately advertised and promoted so as to enhance the Company's reputation and credibility and that such positive public profile is achieved and maintained;
- (r) to ensure that the Scheme is easily and widely accessible to SMEs where eligible;
- (s) to arrange publication from time to time of such information as it shall deem appropriate about the nature and work of the Scheme;
- (t) to procure the preparation of annual accounts in respect of the Company as required by the Act;
- (u) to determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and other documents; and

- (v) to determine who shall be entitled to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or employees or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
- 7.3 In exercising their functions in accordance with Article 7.1 and Article 7.2, the directors shall also have regard to:
- (a) their duty to act in good faith in a way that would most likely promote and achieve the furtherance of the Company's Object;
 - (b) the effective, economic and efficient operation of the Company and the Scheme; and
 - (c) the Company's Business and Operating Principles.
- 7.4 The Board may procure that the Company establish and maintain, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, service or arrangement of life assurance for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Company, together with their families and/or dependants, and to make payments for or towards the insurance of any such person.
- 7.5 No alteration of these Articles shall invalidate any prior act of the Board which was otherwise valid when made. The powers given by this Article 7 shall not be limited by any special power given to the Board by these Articles and a meeting of the Board (at which a quorum is present) may exercise all powers exercisable by the Board.

8 Request for Approval to the Bank Appointed Member

- 8.1 The Company and its directors shall not carry out any of the matters set out in the Schedule to these Articles without the prior written approval of the Bank Appointed Member.
- 8.2 Without prejudice to Article 8.1, the Board, prior to it or the Company resolving upon or exercising any power in relation to any matter that is subject to an Approval Right, shall provide written notice to the Bank Appointed Member (**Request for Approval**), setting out:
- (a) details of the relevant matter in respect of which the approval of the Bank Appointed Member is to be requested, including a reasonable supporting explanation;
 - (b) any additional information relating to such matter arising from any SME Consultation or otherwise which was not provided to the Bank Appointed Member as part of the Bank Consultation; and
 - (c) the period in which the Bank Appointed Member must respond to the Request for Approval, which shall be specified as being either:
 - (i) 10 Business Days from the date of service of the Request for Approval; or
 - (ii) such other longer period of time that the Board considers reasonable in the circumstances.
- 8.3 The Board shall only be permitted to provide a Request for Approval to the Bank Appointed Member in accordance with Article 8.1 following the conclusion of any Bank Consultation Period

(including any extensions to such Bank Consultation Period) and, where a Bank Consultation Period is restarted or extended after a Request for Approval has been issued, such Request for Approval shall be automatically deemed to be withdrawn.

8.4 Subject to Article 8.1, in the event that the Board, acting reasonably and in good faith, determines that the circumstances require urgent resolution due to factors outside of the Company's control, the Board may specify in the Request for Approval that the relevant matter constitutes an urgent matter for the Board (and shall explain the reasons for this), in which case the Bank Appointed Member shall use its reasonable endeavours to respond to any such Request for Approval as soon as is reasonably practicable in the circumstances.

8.5 An Approval Right shall cease to apply in respect of a particular matter if, and to the extent that, the Bank Appointed Member has provided the Board with notice in writing confirming that the Bank Appointed Member has already been sufficiently consulted in relation to such matter and that the Bank Appointed Member does not require the Board to submit a Request for Approval to the Bank Appointed Member in respect of such matter. In such case, approval will be deemed granted.

9 Directors may delegate

9.1 Subject to these Articles, the directors may delegate any of the powers which are conferred on them under these Articles:

- (a) to such person or committee established by the Board (whether consisting of the directors or of other persons or of both);
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

in each case as they think fit (acting reasonably).

9.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

9.3 The directors may revoke any delegation in whole or in part, or alter its terms and conditions.

9.4 A committee 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 these Articles which govern the taking of decisions by directors.

9.5 In accordance with Article 9.1, the Chief Adjudicator may delegate any power to any person unless a provision of the Scheme Rules specifically prohibits the Chief Adjudicator from doing so.

10 Liaison Panels

10.1 The Board shall, with effect from the date of adoption of these Articles, establish the Bank Liaison Panel which shall continue to operate from time to time, in accordance with its terms of reference.

- 10.2 The Board shall, as soon as reasonably practicable after the date of adoption of these Articles, establish the SME Liaison Panel which shall continue to operate from time to time, in accordance with its terms of reference.
- 10.3 The Board may establish additional liaison or advisory panels if it considers they are required from time to time to facilitate the effective operation and furtherance of the Scheme and the Company's Object.

Proceedings of the Board

11 Directors to take decisions collectively

Subject to Article 8.1, the general rule about decision-making by directors is that any decision of the directors must be either a majority decision of Eligible Directors passed at a Board meeting or a decision taken in accordance with Article 16.

12 Calling a Board meeting

12.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Any director may at any time request a Board meeting by notice duly served.

12.2 Any director may call a Board meeting by giving not less than ten Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the secretary (if any) to give such notice.

12.3 Notice of any Board meeting must state:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

12.4 Notice of a Board meeting shall be given to each director in writing.

12.5 Notice of a Board meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

13 Participation in Board meetings

13.1 Subject to these Articles, any director may attend and validly participate in a Board meeting (or part of a Board meeting) or in a meeting of a committee of the Board when the meeting has been called and takes place in accordance with these Articles.

13.2 The Chief Adjudicator must not attend or participate in a Board meeting (or any part of one) where, acting reasonably, the Chief Adjudicator or the Board consider that, on review of the matters on the agenda, to do so would or might compromise their ability to determine a live complaint under the Scheme in accordance with the Scheme Rules.

13.3 Any director may validly participate in a Board meeting (or part of a Board meeting) or in a meeting of a committee of the Board by conference telephone, video conference or other form

of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A director so participating will be deemed to be present in person at the meeting and, subject to these Articles, will be counted in a quorum and be entitled to vote.

- 13.4 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is, provided it is in the United Kingdom.
- 13.5 In determining whether any director is participating in a Board meeting (or part of a Board meeting), it is irrelevant where any director is or how they communicate with each other.
- 13.6 The Chairperson of the Board meeting may permit a representative of any liaison panel, established in accordance with Article 10, to attend and speak at a Board meeting, whether in person or by any means described in Article 13.3.

14 Quorum for Board meetings

- 14.1 At a Board meeting, unless a quorum is present, no proposal is to be voted on, except a proposal to call another meeting.
- 14.2 Subject to Article 14.3, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors, although however fixed it must never be less than:
 - (a) a majority of the Eligible Directors at the time; and
 - (b) of those Eligible Directors present, a majority being Independent Directors.
- 14.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 19 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 14.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the Voting Members to appoint further directors or to authorise a Conflict or otherwise to enable a quorum of directors to be formed.

15 Adjournment of Board meetings

- 15.1 If the persons attending a Board meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairperson must adjourn the meeting.
- 15.2 The Chairperson may adjourn a Board meeting at which a quorum is present if:
 - (a) the meeting consents to an adjournment; or
 - (b) it appears to the Chairperson 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.

- 15.3 The Chairperson must adjourn a Board meeting if directed to do so by the meeting.
- 15.4 In case of an adjournment, the Chairperson shall put forward a proposal to call another Board meeting on not less than three Business Days' notice, and the persons present at the meeting shall vote on the Chairperson's proposal. The Chairperson's proposal shall be approved by a majority decision of the persons present at the meeting.
- 15.5 Notwithstanding Article 15.4, the adjourned Board meeting can take place on less than three Business Days' notice provided that all directors agree to such shorter notice.
- 15.6 Save as may be otherwise agreed by all of the directors, no business may be transacted at an adjourned Board meeting which could not properly have been transacted at the Board meeting if the adjournment had not taken place.
- 15.7 The quorum for the transaction of business at an adjourned Board meeting will be, of those Eligible Directors present, a majority being Independent Directors.
- 15.8 If the persons attending an adjourned Board meeting within half an hour of the time at which the adjourned Board meeting was due to start do not constitute a quorum, or if during an adjourned Board meeting a quorum ceases to be present, the Chairperson must conclude the adjourned Board meeting, and the matters to be approved at the adjourned Board meeting shall be deemed to have been rejected by the directors.

16 Unanimous decisions

- 16.1 A decision of the directors is taken in accordance with this Article 16 when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 16.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 16.3 A decision may not be taken in accordance with this Article 16 if the Eligible Directors would not have formed a quorum at such meeting.

17 Chairing of Board meetings

- 17.1 The Chairperson shall chair a Board meeting and shall preside as chair at all Board meetings at which they shall be present.
- 17.2 If at any Board meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting or they are not willing to preside, the participating directors shall appoint an Independent Director to chair the meeting.
- 17.3 The directors may terminate the appointment of the Independent Director referred to in Article 17.2 at any time.

18 Casting vote

- 18.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chairperson chairing the meeting has a casting vote.
- 18.2 Article 18.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with these Articles, the Chairperson is not an Eligible Director for the purposes of that meeting (or part of a meeting).

19 Directors' conflicts of interest

- 19.1 Except as authorised or permitted in accordance with these Articles and the Act, each director of the Company must avoid a Conflict.
- 19.2 The Voting Members may by ordinary resolution authorise any Conflict. Otherwise, the directors may, in accordance with the requirements set out in this Article 19, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching their duty to avoid conflicts of interest under section 175 of the Act.
- 19.3 Any authorisation under this Article 19 shall be effective only if:
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 19.4 Any authorisation of a Conflict under this Article 19 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through their involvement in the Conflict and otherwise than through their position as a director of the Company) information that is confidential to a third party, they shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 19.5 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct themselves in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

- 19.6 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 19.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been properly authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 19.8 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and subject to any terms and conditions applied under Article 19.4, and provided they have declared the nature and extent of their interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) 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;
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
 - (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
 - (d) may act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a director;
 - (e) 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; and
 - (f) shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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 their duty under section 176 of the Act in each case to the greatest extent permitted by law.
- 19.9 For the purposes of this Article 19, references to proposed decisions and decision-making processes include any Board meeting or part of a Board meeting.
- 19.10 Subject to Article 19.11, 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 Chairperson whose ruling in relation to any director other than the Chairperson is to be final and conclusive.

- 19.11 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairperson, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

20 Compliance with Scheme Documents

- 20.1 Subject to these Articles, the directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to directors.
- 20.2 Notwithstanding Article 20.1, the directors and the Company shall at all times comply with the terms of the Scheme Documents and shall not, other than as expressly permitted under such Scheme Documents:
- (a) cease to operate the Scheme, vary or amend the terms of the Scheme Documents, repudiate any Scheme Document or otherwise seek to terminate its participation in a Scheme Document;
 - (b) make rules which contravene or conflict with the terms of the Scheme Documents ; or
 - (c) create, adopt or operate any dispute resolution scheme or service (or equivalent body or mechanism) other than the Scheme.

21 Register of directors' interests

The directors shall cause a register of directors' interests to be kept. A director must declare the nature and extent of any interest, direct or indirect, which they have 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, and the directors shall cause the register of directors' interests to be updated accordingly.

Appointment of directors

22 Method of appointment of directors

- 22.1 Subject to Article 23, Article 24 and Article 29, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
- (a) by ordinary resolution; or
 - (b) by a decision of the directors (including any decision pursuant to Article 14.4),
- and on such terms and conditions determined by the Board from time to time.
- 22.2 In deciding upon the proposed appointment of any director, the directors shall have due regard to the relevant individual's personal qualities, skills and experience and how these support the Company's needs with respect to:
- (a) succession planning; and
 - (b) ensuring an appropriate balance and range of skills, knowledge and experience on the Board having regard to the Company's Object.

- 22.3 The number of directors shall not be subject to any maximum.

- 22.4 The Board shall at all times be comprised of:
- (a) the Chairperson;
 - (b) the Chief Adjudicator, on an ex officio basis for such period as they may be employed by the Company;
 - (c) the Chief Executive Officer, on an ex officio basis for such period as they may be employed by the Company;
 - (d) the Banking Experienced Director; and
 - (e) a sufficient number of Independent Directors to ensure that, as a minimum, the majority of the Board is always comprised of Independent Directors.
- 22.5 All acts carried out in good faith at any meeting of directors, or by any person acting as a director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such person, be as valid as if every such person had been duly appointed or had duly continued in office.
- 22.6 There shall be no nominee directors and each director shall, in accordance with these Articles, owe their fiduciary duties to the Company only.

23 Independent Directors

The Independent Directors shall be appointed by the Board on such terms and conditions determined by the Board from time to time, with such appointments to be made by the Board in accordance with the Appointments Policy.

24 Banking Experienced Director

24.1 A suitable person who:

- (a) is willing to act as the Banking Experienced Director;
- (b) has the requisite skills, knowledge and industry experience to provide the Board with informed insights in respect of the banking sector in the United Kingdom as a whole; and
- (c) meets the criteria for the Banking Experienced Director set out in the Appointments Policy,

shall be appointed from time to time by the Board as the Banking Experienced Director of the Company, with such appointment to be made by the Board in accordance with the Appointments Policy, provided always that the maximum number of Banking Experienced Directors in office at any time will not exceed one.

24.2 In the event that a person appointed as the Banking Experienced Director ceases to be a director of the Company, the process described in Article 24.1 shall apply to the appointment of a new person to the role of the Banking Experienced Director.

25 Termination of directors' appointment

25.1 A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order or equivalent insolvency proceeding in any other jurisdiction is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) unless the Board resolves otherwise, 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;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) 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;
- (g) that person does not have their appointment as director renewed after the expiry of their term of appointment;
- (h) save where authorised or ratified by the directors pursuant to these Articles, that person does any act or finds themselves in any position which, in the reasonable opinion of the Board of Eligible Directors is determined by such Board to conflict or to likely conflict with their duties as a director of the Company, the effective operation and furtherance of the Scheme and/or the Company's Object (as amended from time to time) such that the relevant person should cease to be a director;
- (i) that person shall have been absent, without the permission of the Board, from two consecutive meetings (whether of the Board or any relevant committee of the Board), and the Board resolves that their office be vacated;
- (j) in the case of that person being an Executive Director, ceases to be an employee of the Company;
- (k) the Board otherwise terminates the director's engagement in accordance with the terms of their appointment;
- (l) in the case of any non-executive director, that person ceases to be an Independent Director otherwise than by reason of a Conflict which is permitted or approved under Article 19; and/or
- (m) in the case of the Chief Adjudicator, the Board in its reasonable opinion determines, and notifies the Chief Adjudicator in writing of such determination, that:
 - (i) the independence of the Chief Adjudicator is or has been compromised; or
 - (ii) the ability of the Chief Adjudicator to decide complaints or disputes independently under the Scheme is or has been compromised.

25.2 If in the reasonable majority opinion of the Board a director has acted or found themselves in any position which is likely to lead such director, the Board, the Scheme or the Company into disrepute, they shall cease to be a director.

26 Directors' remuneration

26.1 Directors may undertake any services for the Company that the directors decide, subject to and in accordance with these Articles and the Scheme Rules.

26.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors; and
- (b) for any other service which they undertake for the Company.

26.3 Subject to these Articles, a director's remuneration may:

- (a) take any form; and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

26.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

27 Directors' expenses

The Company may pay any reasonable expenses properly incurred which the directors and the secretary (if any) properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors; or
- (b) general meetings,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

28 Records of decisions to be kept

28.1 The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

28.2 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

29 Chief Adjudicator

29.1 The Board shall appoint an individual as Chief Adjudicator who has the appropriate qualifications and experience to fulfil that function, with such appointment to be made by the Board in accordance with the Appointments Policy.

29.2 It shall be within the power and responsibility of the Chief Adjudicator to receive and consider complaints and notices of disputes and, where appropriate, to investigate such complaints and disputes in order to facilitate and encourage their resolution, settlement and/or withdrawal in each case, in accordance with the Scheme Documents.

29.3 The Chief Adjudicator shall have such other powers and duties as are provided under, and shall act in accordance with, these Articles and the Scheme Documents.

30 Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

31 Change of company name

Subject to Article 8.1 and the Schedule, the name of the Company may be changed by:

- (a) a decision of the directors; or
- (b) a special resolution of the Voting Members, or otherwise in accordance with the Act.

Members: Becoming and Ceasing to be a Member

32 Membership: Voting Members

32.1 The Company shall admit each Independent Director to Membership as a Voting Member. The details of the person becoming a Voting Member, as well as the rights and obligations of the person as a Voting Member of the Company, shall be recorded in the register of Members promptly by the directors following the appointment of such person as an Independent Director.

32.2 The number of Voting Members shall not be subject to any maximum.

32.3 The Company may only admit to Membership as a Voting Member a person who:

- (a) is an Independent Director; and
- (b) is approved by the directors in accordance with Article 32.1.

32.4 Where an Independent Director who is also a Member ceases to be a director, such person shall automatically cease to be a Member upon the cessation of such person's directorship and shall thereupon be removed from the register of Members.

32.5 For the avoidance of doubt, a Participating Institution may not be a Voting Member.

33 Membership: Bank Appointed Member

33.1 The Company shall admit to Membership as a Bank Appointed Member one person nominated by the Participating Institutions from time to time, to act as a representative of the Participating Institutions, provided such person is not a director of the Company. For so long as a Bank Appointed Member is appointed, the Company may not admit any individual Participating Institution as a Member of the Company. For the avoidance of doubt, references to "**person**" in this Article 33 shall include any individual, firm, company, partnership, association or other body (with or without separate legal personality).

33.2 The details of the person acting as Bank Appointed Member, as well as the rights and obligations of the person acting as Bank Appointed Member of the Company, shall be recorded

in the register of Members promptly by the directors upon receipt of the Participating Institutions' nomination under Article 33.1.

- 33.3 The Participating Institutions may terminate the Membership of any Bank Appointed Member at any time upon written notice to the Company, in which case the directors may terminate the Membership of such Bank Appointed Member without its consent by giving the Bank Appointed Member written notice.
- 33.4 Subject to Article 33.5, if the Bank Appointed Member ceases to be a Member, the Participating Institutions will, as soon as is reasonably practicable, on consultation with and approval from the Board, not to be unreasonably withheld or delayed by the Board, nominate a replacement Bank Appointed Member who will be entered into the register of Members of the Company in accordance with Article 33.2.
- 33.5 In the event that the Participating Institutions wish to substitute a replacement Bank Appointed Member that is a body corporate registered in the United Kingdom and retains materially the same ownership structure and governance framework as the Bank Appointed Member it is replacing, the Participating Institutions shall firstly consult with the Board, providing full details of the replacement Bank Appointed Member and the Bank Appointed Member and the Board shall agree a reasonable date on which the replacement Bank Appointed Member shall replace the existing Bank Appointed Member. On the agreed date, the Board shall procure that the details of the replacement Bank Appointed Member shall be entered into the register of Members of the Company.

34 No Transfer of Membership

- 34.1 Membership shall not be transferable.
- 34.2 A Member shall cease to be a Member if they die or cease to exist or (in respect of a Voting Member) cease to be an Independent Director.
- 34.3 A Member may withdraw from Membership of the Company by giving seven days' notice to the Company in writing and any person ceasing to be a Member shall be removed from the register of Members.

35 Expulsion of Member

- 35.1 Subject to Article 34.3, the directors may terminate the Membership of any Member (other than a Bank Appointed Member) without their consent by giving the Member written notice if, in the reasonable opinion of the directors, the Member:
- (a) is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or the Scheme or any or all of the Members and directors into disrepute; or
 - (b) has acted or has threatened to act in a manner which is contrary to the interests of the Company; or
 - (c) has materially or repeatedly failed to observe the terms of these Articles.

Following such termination, the Member shall be removed from the register of Members.

- 35.2 The notice to the Member pursuant to Article 35.1 must give the Member the opportunity to be heard in writing or in person as to why their Membership should not be terminated. The directors

must consider any representations made by the Member and inform the Member of their decision following such consideration. There shall be no right to appeal from a decision of the directors to terminate the Membership of a Member.

Decision Making by Voting Members

36 Attendance and speaking at general meetings

36.1 A Voting Member is permitted to exercise the right to speak at a general meeting when that Voting Member is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

36.2 A Voting Member is permitted to exercise the right to vote at a general meeting when:

(a) that Voting Member is permitted to vote, during the meeting, on resolutions put to the vote at the meeting; and

(b) that Voting Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Voting Members attending the meeting.

36.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it, including but not limited to facilitating a general meeting by conference telephone, video conference or other form of communication equipment if all persons participating in the general meeting are able to hear and speak to each other throughout the general meeting. A Voting Member so participating will be deemed to be present in person at the general meeting and, subject to these Articles, will be counted in a quorum and be entitled to vote.

36.4 If all the Voting Members participating in a general meeting are not in the same place, they may decide that the general meeting is to be treated as taking place wherever any of them is, provided it is in the United Kingdom.

36.5 In determining attendance at a general meeting, it is immaterial whether any two or more Voting Members attending it are in the same place as each other.

36.6 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

37 Quorum for general meetings

37.1 Subject to Article 51.3, the quorum for the transaction of business at a general meeting may be fixed from time to time by a decision of the directors and, unless otherwise so fixed, it must never be less than four Voting Members.

37.2 No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

38 Chairing general meetings

38.1 The Chairperson shall chair general meetings if present and willing to do so.

- 38.2 If the Chairperson is unwilling to chair the general meeting or is not present within fifteen minutes of the time at which a meeting (at which a quorum was present) was due to start:
- (a) the directors present; or
 - (b) (if no directors are present), the meeting, must appoint an Independent Director or Voting Member to chair the meeting and the appointment of the chairperson of the meeting must be the first business of the meeting.

39 Attendance and speaking by directors and non-members

39.1 Subject to Article 39.2, directors may attend and speak at general meetings, whether or not they are Voting Member.

39.2 The Chief Adjudicator must not attend or participate in a general meeting (or any part of one) where, acting reasonably, they or a Voting Member consider that, on review of the matters on the agenda, to do so would or might compromise their ability to determine a live complaint under the Scheme in accordance with the Scheme Rules.

39.3 The Chairperson may permit other persons who are not Voting Members to attend and speak at a general meeting.

40 Adjournment

40.1 If the Voting Members attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairperson must adjourn it.

40.2 The Chairperson may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the Chairperson 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.

40.3 The Chairperson must adjourn a general meeting if directed to do so by the meeting.

40.4 When adjourning a general meeting, the Chairperson must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

40.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same Voting Members to whom notice of the Company's general meetings is required to be given; and
- (b) containing the same information which such notice is required to contain.

40.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

41 Voting: general

41.1 Every Member shall be entitled to receive notice of, attend and speak at the general meeting.

41.2 In order to secure the Company's independence from the Participating Institutions in the operation of the Scheme, the Bank Appointed Member shall not be entitled to exercise any voting right at general meetings or in respect of any written resolution of the Voting Member, save only for its Approval Right or pursuant to Article 6.

41.3 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 these Articles.

42 Errors and disputes

42.1 No objection may be raised to the qualification of any Voting Member voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

42.2 Any such objection must be referred to the Chairperson whose decision is final.

43 Votes of Members

Subject to the Act, at any general meeting:

(a) every Voting Member entitled to vote who is present in person (or by proxy) shall on a show of hands have one vote; and

(b) every Voting Member entitled to vote present in person (or by proxy) shall on a poll have one vote.

44 Poll votes

44.1 A poll on a resolution may be demanded by a Voting Member (or by a corporate representative or proxy appointed by a Voting Member in respect of the general meeting):

(a) in advance of the general meeting where it is to be put to the vote; or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

44.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.

44.3 A demand for a poll may be withdrawn if:

(a) the poll has not yet been taken; and

(b) the Chairperson consents to the withdrawal.

44.4 A demand withdrawn pursuant to Article 44.3 shall not invalidate the result of a show of hands declared before the demand was made.

44.5 Polls must be taken immediately and in such manner as the Chairperson directs.

45 Content of proxy notices

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

- (a) states the name and address of the Voting Member appointing the proxy;
- (b) identifies the person appointed to be that Voting Member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Voting Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the Company in accordance with these Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.

45.2 A proxy notice which is not delivered in the manner pursuant to Article 45.1 shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

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

45.4 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.

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

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

46 Delivery of proxy notices

46.1 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.

46.2 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.

46.3 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.

46.4 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 appointor's behalf.

47 Amendments to resolutions

- 47.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- (a) 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 Chairperson may determine); and
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairperson, materially alter the scope of the resolution.
- 47.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- (a) the Chairperson proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 47.3 If the Chairperson, acting in good faith, wrongly decides that an amendment to a resolution is *out of order*, the *chairperson's error does not invalidate the vote on that resolution*.

Administrative Arrangements

48 Means of communication to be used

- 48.1 Subject to these Articles, anything sent or supplied by or to the Company under these 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 that Act to be sent or supplied by or to the Company.
- 48.2 Subject to these 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.
- 48.3 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.
- 48.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

For the purposes of this Article 48.4, no account shall be taken of any part of a day that is not a Business Day.

48.5 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

48.6 Where a notice is to be served on the Bank Appointed Member under these Articles, it should be delivered in accordance with Article 48.4 to the registered office address of the Bank Appointed Member, with a copy of such notice to be sent to each of the Participating Institutions.

49 No right to inspect accounts and other records

Except as provided by law or agreed in any Scheme Document or otherwise authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

50 Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

51 Eventual closure of the Scheme following completion of all cases

51.1 If the Company:

- (a) is required to initiate a winding up following the closure of the Scheme; and
- (b) the Voting Members have not passed a special resolution to approve the winding up of the Company within 100 Business Days following the closure of the Scheme,

then the Bank Appointed Member shall immediately be granted sufficient voting rights specifically for the purpose of facilitating the passing of a resolution of the Members for the winding up of the Company (a **Winding Up Resolution**) on the basis set out in Article 51.2.

51.2 In respect of a Winding Up Resolution, the Bank Appointed Member shall be entitled to:

- (a) call a general meeting in relation to the Winding Up Resolution only, and to attend, speak and vote at such general meeting; and
- (b) cast such number of votes as is necessary to pass the Winding Up Resolution as a special resolution at either a general meeting or through a written resolution of the Members.

51.3 The quorum for the transaction of business at a general meeting that has been called by the Bank Appointed Member in accordance with Article 51.2(a) shall be the Bank Appointed Member.

52 Indemnity and insurance

52.1 Subject to Article 52.2, but without prejudice to any other indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a relevant officer in the actual or purported execution and/or discharge of their duties, or in relation to them, including any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in Article 52.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

52.2 This Article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

52.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

52.4 In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer'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
- (c) a **relevant officer** means any director or other officer or former director or other officer of the Company.

Schedule

Matters requiring the Bank Appointed Member's approval

- 1 An alteration of these Articles, a waiver or disapplication of any provision of these Articles or a ratification of any breach of any provision of these Articles.
- 2 The passing of any resolution for the winding up of the Company or presentation of any petition for the administration or the winding up of the Company (unless it has become insolvent).
- 3 The transfer of the Scheme to another body (statutory or otherwise).
- 4 Any change to the name of the Company (including any trading name or style under which the Company operates).
- 5 Any agreement or commitment, conditional or otherwise, to do any of the above in this Schedule.