

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY GUARANTEE  
ARTICLES OF ASSOCIATION  
OF  
LIBERTY LEISURE LIMITED (the "Company")

Introduction

1 Interpretation

1.1 In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006;

**Appointor:** has the meaning given in article 15(1);

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

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

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

**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 12, any director whose vote is not to be counted in respect of the particular matter);

**Member:** means a member of the Company;

**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 and reference to a numbered "**Model Article**" is a reference to that article of the Model Articles;

**References to 'relevant loss'** shall have the meaning given in Article 26.4.2; and

References to 'relevant officer' shall have the meaning given in Article 26.4.3.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and 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, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Model Articles 2, 7(2), 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 30(2), 35, 38 and 39 shall not apply to the Company.
- 1.9 Model Article 20 shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.10 Model Article 21 sub paragraph (b) shall be amended by:
  - 1.10.1 The deletion of "the directors" and replace that with "the Members"

## 2 Objects

- 2.1 The objects for which the Company is established are:
  - 2.1.1 to provide leisure, sports, cultural and heritage services for the benefit of the public

- 2.1.2 liaise, cooperate and partner, wherever appropriate, with all statutory, voluntary and other bodies in the pursuance of these services
- 2.1.3 to enter into partnerships or arrangements of all kinds to sustain, improve or extend facilities and services.
- 2.1.4 to ensure sustainability of services by maximising income and by seeking all possible avenues of funding for the services.
- 2.1.5 Promoting, maintain and improving access to suitable services, activities and facilities
- 2.1.6 Brining together and coordinating the efforts of persons (corporate or otherwise) concerned or interested in the attainment of all or any of the company's objects
- 2.1.7 to improve health and well-being, by promoting increased participation to reduce obesity, anti-social behaviour and the health inequality gap
- 2.1.8 to promote jobs and strengthen the local economy,

### 3 Powers

- 3.1 In pursuance of the object set out in article 2, the Company has the power to:
  - 3.1.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
  - 3.1.2 borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
  - 3.1.3 invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
  - 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
  - 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity

and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;

- 3.1.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
- 3.1.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
- 3.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.9 provide and assist in the provision of money, materials or other help;.
- 3.1.10 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.11 incorporate subsidiary companies to carry on any trade; and
- 3.1.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the object set out in article 2.
- 3.1.13 Apply for receive and accept from any source gifts and grants or service or money of any kind of property and all other kinds of financial assistance whether unconditionally or subject to conditions
- 3.1.14 To invest the monies of the company not immediately required for its purposes in or upon such investments, securities or properties as may be thought fit, subject nevertheless to such conditions if any such consents if any as may for the time be imposed or required by law
- 3.1.15 To insure and arrange insurance cover for and to indemnify its officers, staff, voluntary workers and Member from and against all such risks incurred in the course of their duties as may be thought fit and, so far as the law may allow from time to time, to take and maintain a policy or policies of insurance in favour of one or more of the Directors in respect

of their liability or negligence of breach of duty provided that in respect of Directors such insurance and indemnity shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or duty or which was committed by the Directors in reckless disregard of whether or not it was a breach of trust or duty.

#### **4 Income and distributions**

- 4.1 The income and property of the Company shall be applied solely in promoting the object of the Company as set out in article 2.
- 4.2 No dividends or bonus may be paid or capital otherwise returned to the Members, provided that nothing in these Articles shall prevent any payment in good faith by the Company of:
  - 4.2.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
  - 4.2.2 any interest on money lent by any Member or director at a reasonable and proper rate;
  - 4.2.3 reasonable and proper rent for premises demised or let by any Member or director; or
  - 4.2.4 reasonable out-of-pocket expenses properly incurred by any director.

#### **5 Winding up**

On the winding-up or dissolution of the Company, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Company, such body to be determined by the Members at the time of winding up or dissolution.

#### **6 Guarantee**

- 6.1 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 it is a Member or within one year after it ceases to be a Member, for
  - 6.1.1 payment of the Company's debts and liabilities contracted before it ceases to be a Member,
  - 6.1.2 payment of the costs, charges and expenses of the winding up, and
  - 6.1.3 adjustment of the rights of the contributories among themselves.

**Directors**

## 7 Directors' general authority

7.1 The matters listed below shall not be carried out without the prior written consent of all the Members at the relevant time and each of the Members shall use their respective rights and powers to procure, so far as they are each able, that no such matter is carried out unless the required consent has been given:

- 7.1.1 The making of any political or charitable donation;
- 7.1.2 A change in the status of the Company from a limited company to a public limited company or from a company limited by guarantee to any other form of legal entity;
- 7.1.3 Issuing any loan capital in the Company or entering into any commitment with any person with respect to the issue of any loan capital;
- 7.1.4 Making any borrowing or incurring any indebtedness;
- 7.1.5 Altering the name of the Company or its registered office;
- 7.1.6 Changing the nature of the Company's business or commencing any new business by the Company which is not ancillary or incidental to its current business;
- 7.1.7 Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not);
- 7.1.8 Amalgamating or merging with any other company or business undertaking;
- 7.1.9 Any acquisition or disposal by the Company of any material asset(s) otherwise than in the ordinary course of business;
- 7.1.10 Creating or granting any encumbrance over the whole or any part of the business, undertaking or assets of the Company or agreeing to do so other than liens arising in the ordinary course of business;
- 7.1.11 Making any loan or granting any credit or giving any guarantee (other than in the normal course of trading) or indemnity;
- 7.1.12 Appointing any agent or other intermediary to conduct any of the Company's Business;
- 7.1.13 Entering into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms;
- 7.1.14 Changing the auditors of the Company or its financial year end;

- 7.1.15 Declaring or paying any distribution in accordance with article 110 to 119;
  - 7.1.16 Employing any person and setting or amending the terms applicable to any employee or dismissing any employee; or
  - 7.1.17 Instituting, settling or compromising any legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company or submitting to arbitration or alternative dispute resolution any dispute involving the Company.
- 7.2 The Board of Directors shall meet at regular intervals at such times as they see fit provided that the Directors shall convene a meeting of the Board of Directors at least once every three calendar months.
- 7.3 The Board of Directors shall ensure that a record is kept of all decisions made by it and shall, as soon as reasonably practicable following any meeting of the Board of Directors, or any other resolutions of the Board of Directors, notify the Members in writing of such decisions.
- 7.4 Upon receipt of notification of any decision of the Board of Directors, Members together representing 50 % or more of the total number of Members shall be entitled to serve notice in Writing, require the Directors to call a general meeting to discuss any such decision. If at such meeting at least 50 % of the Members present direct the Company to take or refrain from taking any specified action in relation to any such decision then the Directors shall take all reasonable steps to implement such direction (provided that no such direction invalidates anything which the directors have done before the passing of the resolution).
- 7.5 Any or all powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as the Members may from time to time by notice in writing to the Company prescribe.

## **8 Unanimous decisions**

- 8.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 8.2 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.
- 8.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

## **9 Calling a directors' meeting**

- 9.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

- 9.2 Notice of a directors' meeting shall be given to each director in writing.
- 9.3 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.
- 9.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

## 10 Quorum for directors' meetings

- 10.1 Subject to article 10.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.
- 10.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 12 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (defined in article 12.1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 10.3 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:
  - 10.3.1 to appoint further directors; or
  - 10.3.2 to call a general meeting so as to enable the Members to appoint further directors.

## 11 Casting vote

- 11.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.
- 11.2 Article 11.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).
- 11.3 Every director shall have one vote (whether on a show of hands or on a poll) to be cast by the Director either personally or by proxy.

## 12 Directors' conflicts of interest

- 12.1 For the purposes of section 175 of the Act, the Members (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 12.2 The Interested Director must provide the Members with such details as are necessary for the Members to decide whether or not to authorise the

Conflict, together with such additional information as may be requested by the Members.

- 12.3 Any authorisation by the Members of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 12.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 12.3.2 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;
  - 12.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 12.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Members think fit;
  - 12.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will 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
  - 12.3.6 permit the Interested Director to absent himself 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.
- 12.4 Where the Members authorise a Conflict:
- 12.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Members in relation to the Conflict; and
  - 12.4.2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the Members impose in respect of their authorisation.
- 12.5 The Members may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 12.6 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 he derives from or in connection with a relationship involving a Conflict which

has been authorised by the Members in accordance with these Articles (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.

- 12.7 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 12.8 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 12.7.
- 12.9 Subject, where applicable, to any terms, limits or conditions imposed by the Members in accordance with article 12.3, and provided a director has declared the nature and extent of his 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:
- 12.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 12.9.2 shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 12.9.3 shall be entitled to vote at a meeting of directors or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 12.9.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 12.9.5 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
- 12.9.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and

no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

**13 Records of decisions to be kept**

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.

**14 Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

**15 Appointment and removal of alternate directors**

15.1 Any director (other than an alternate director) (**Appointor**) may appoint as an alternate any other director, or any other person approved by ordinary resolution of the Members, to:

15.1.1 exercise that director's powers; and

15.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor.

15.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

15.3 The notice must:

15.3.1 identify the proposed alternate; and

15.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

**16 Rights and responsibilities of alternate directors**

16.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.

16.2 Except as the Articles specify otherwise, alternate directors:

16.2.1 are deemed for all purposes to be directors;

16.2.2 are liable for their own acts and omissions;

16.2.3 are subject to the same restrictions as their Appointors; and

16.2.4 are not deemed to be agents of or for their Appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

16.3 A person who is an alternate director but not a director:

16.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);

16.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and

16.3.3 shall not be counted as more than one director for the purposes of articles 16.3(a) and (b).

16.4 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors (provided that an Appointor for whom he exercises a separate vote is an Eligible Director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

16.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

## 17 Termination of alternate directorship

17.1 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

17.1.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

17.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;

17.1.3 on the death of the alternate's Appointor; or

17.1.4 when the alternate director's Appointor ceases to be a director for whatever reason.

## 18 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.

## 19 Change of company name

The name of the Company may only be changed by a special resolution of the Members.

## 20 Expulsion of member

20.1 The directors may terminate the membership of any member without its consent by giving written notice if, in the reasonable opinion of the directors, it (or any person or body engaged or appointed by it):

20.1.1 is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and directors into disrepute; or

20.1.2 has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or

20.1.3 has failed to observe the terms of these Articles.

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

20.2 The notice to the Member must give the Member the opportunity to be heard in writing or in person as to why his 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 members

### 21 Votes of members

Subject to the Act, at any general meeting every Member who is present in person (or by proxy) shall on a show of hands have one vote and every Member present in person (or by proxy) shall on a poll have one vote.

### 22 Poll votes

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

22.2 Article 30(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a

show of hands declared before the demand was made" as a new paragraph at the end of that article.

## **23 Proxies**

- 23.1 Article 31(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the 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".
- 23.2 Article 31(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

## **Administrative arrangements**

### **24 Means of communication to be used**

- 24.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 24.1.1 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);
  - 24.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 24.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 24.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 24.2 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.

## 25 Rules

The directors may establish rules governing matters relating to Company administration that are required from time to time for the effective operation of the Company. If there is a conflict between the terms of these Articles and any rules established under this Article, the terms of these Articles shall prevail.

## 26 Indemnity and insurance

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer of the Company is otherwise entitled:

26.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his 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

26.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law and any such indemnity is limited accordingly.

26.3 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.

26.4 In this article:

- 26.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 26.4.2 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
- 26.4.3 a "**relevant officer**" means any director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).