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**THE COMPANIES ACT 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

of

**NORTHERN & SHELL PLC**

**PricewaterhouseCoopers LLP**

1 Embankment Place

London WC2N 6RH

Tel: +44 (0) 20 7212 1616

Fax: +44 (0) 20 7212 1570



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THE COMPANIES ACT 2006

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

NORTHERN & SHELL PLC

(the "Company")

Adopted by special resolution of the Company on 10 July 2018

**1 PRELIMINARY**

1.1 The articles contained in the model articles for public companies limited by shares as set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended by any subsequent or future articles (the "**Model Articles**") shall apply to the Company so far as they relate to public companies limited by shares but save in so far as they are excluded or varied hereby and such articles (save as so excluded or varied) and the articles hereinafter contained shall be the articles of association of the Company.

1.2 In these Articles, unless the context otherwise requires:

'the Act'

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

'these Articles'

means these articles of association as originally adopted or as altered from time to time by special resolution;

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<b>'Electronic Means'</b>	has the meaning given to that term in section 1168 of the Act;
<b>"Eligible Director"</b>	means a director who is or would be entitled to vote on the matter at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the particular matter);
<b>'Parent Company'</b>	means any company which holds beneficially, directly or indirectly, in aggregate, not less than 90 per cent of the issued voting share capital of the Company;
<b>'Subsidiary'</b>	in relation to a company (wherever incorporated) (a holding company), means "subsidiary" as defined in section 1159 of the Act and a company shall be treated for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee. Unless the context otherwise requires, the application of the definition of Subsidiary to any company at any time shall apply to the company as it is at that time;
<b>'the seal'</b>	means the common seal of the Company and includes any official seal kept by the Company by virtue of sections 49 or 50 of the Act; and
<b>'the Secretary'</b>	means the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the directors to perform any of the duties of the secretary.

1.3 In these Articles:

- 1.3.1 where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose;
- 1.3.2 the headings in these Articles do not affect the interpretation of these Articles; and

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1.3.3 words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

1.4 In these Articles:

1.4.1 powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto;

1.4.2 the word 'directors' in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional directors of the Company to which or, as the case may be, to whom the power in question has been delegated;

1.4.3 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and

1.4.4 except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by another body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

## 2 GENERAL MEETINGS

2.1 All general meetings, other than annual general meetings, shall be called general meetings.

2.2 Every notice convening a general meeting shall comply with the provisions of the Act as to giving information to shareholders in regard to their right to appoint proxies.

2.3 An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to speak at the meeting and to vote (whether on a show of hands or on a poll) on any resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.

2.4 It shall not be necessary to give any notice of an adjourned general meeting or of any business to be transacted at an adjourned meeting. Article 33(5) of the Model Articles shall not apply.

2.5 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and Article 36 of the Model Articles is modified accordingly.

2.6 Article 36(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.

2.7 Article 41 of the Model Articles is modified by the inclusion after the word "shall" of the phrase ", unless the directors otherwise determine,".

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### **3 WAIVER OF DISTRIBUTION**

3.1 Recipients of a distribution may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the company notice in writing to that effect (executed as a deed, unless the waiver is made for valuable consideration), but if

3.1.1 the share has more than one holder, or

3.1.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and executed, by all the holders or persons otherwise entitled to the share.

3.2 Article 77 of the Model Articles shall not apply to the Company.

### **4 MINIMUM NUMBER OF DIRECTORS**

The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one.

### **5 APPOINTMENT AND REMOVAL OF DIRECTORS AND OFFICERS**

5.1 Without prejudice to Article 20 of the Model Articles, the Parent Company (if applicable) may at any time and from time to time, appoint any person to be a director of the Company and may remove from office any director howsoever appointed but so that any such appointment or removal shall be deemed an act of the Company.

5.2 Any such appointment or removal pursuant to article 5.1 shall be in writing served on the Company and signed on behalf of the Parent Company by either a director or the secretary or some other person duly authorised for this purpose.

### **6 RETIREMENT OF DIRECTORS BY ROTATION**

6.1 The directors shall not be subject to retirement by rotation and Article 21 of the Model Articles shall be deleted.

6.2 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director. For these purposes, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

### **7 SHAREHOLDERS CALL GENERAL MEETING IF NOT ENOUGH DIRECTORS**

7.1 If:



7.1.1 the Company has fewer than two directors; and

7.1.2 the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then any shareholder may call a general meeting (or instruct the Secretary to do so) for the purpose of appointing one or more directors.

7.2 Article 28 of the Model Articles shall not apply to the Company.

## **8 ALTERNATE DIRECTORS**

8.1 A director may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director. That person need not be approved by resolution of the directors, and Article 25 of the Model Articles is modified accordingly.

8.2 The provisions contained in Article 27 of the Model Articles shall be modified by the deletion of the words "except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting" from Article 27.

## **9 DIRECTORS' INTERESTS**

9.1 Subject to article 9.2, a director or his alternate may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum participating at the meeting.

9.2 Each director and his alternate shall comply with his obligations to disclose the nature and extent of his interests in proposed and existing transactions and arrangements with the Company under sections 177 and 182 of the Act. A director or an alternate director shall not be required to disclose the nature and extent of his interests in proposed transactions and arrangements with the Company under this article 9.2 where the interest or potential interest has arisen by reason of that director or alternate director also acting as a director or alternate director of any group undertaking (as defined in section 1161(5) of the Act).

9.3 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:

9.3.1 any matter which would otherwise result in a director or alternate director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest;

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9.3.2 a director or alternate director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of article 9.3.1 of this article 9 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;

provided that for this purpose the director or alternate director in question and any other interested director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

9.4 For the purposes of this article 9 an interest includes both direct and indirect interests.

9.5 A director and an alternate director shall not be regarded as in breach of the duty set out in section 175 of the Act in relation to conflicts of interest or potential conflicts of interest which arise by reason of that director also acting as a director of any group undertaking (as defined in section 1161(5) of the Act).

9.6 Where a matter, or office, employment or position, has been authorised by the directors subject to terms and conditions under article 9.3, the director must act in accordance with those terms and conditions.

9.7 If a matter, or office, employment or position, has been authorised by the directors in accordance with this article 9 then:

9.7.1 the director or alternate director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company or to use such information in relation to the Company's affairs if to make such a disclosure or use would result in a breach of duty or obligation or confidence owed by him to another person in relation to or in connection with that matter, or that office, employment or position;

9.7.2 the director or alternate director may absent himself from meetings of the directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and

9.7.3 the director or alternate director may make such arrangements as such director thinks fit for board and committee papers of the Company to be received and read by a professional adviser on behalf of that director.

9.8 The general duties which a director owes to the Company pursuant to sections 171 to 177 of the Act will not be infringed by anything done (or omitted to be done) by a director in accordance with the provisions of this article or any terms or conditions imposed pursuant to article 9.3.



9.9 A director or alternate director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to this article 9 (subject to any limits or conditions to which such approval was subject), nor shall the receipt of such benefit constitute a breach of his duty under section 176 of the Act, and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

## **10 PROCEEDINGS OF DIRECTORS**

10.1 A decision of the directors may be taken when all Eligible Directors take a decision together in the form of a directors' written resolution. A resolution in writing of the directors is effective, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

10.2 A director or his alternate may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment, including Electronic Means if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote at the meeting subject to article 9.

10.3 A meeting at which one or more of the directors attends in the manner referred to in article 10.2 is deemed to be held at such place as where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the chairman (or other director chairing the meeting) is.

10.4 The Secretary must ensure that the Company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

10.5 Articles 17 and 18 of the Model Articles shall not apply.

## **11 QUORUM FOR DIRECTORS MEETINGS**

11.1 If a quorum is not present within half an hour of the time appointed for the directors' meeting or ceases to be present, the directors present shall adjourn the directors meeting to a specified place and time not less than three working days after the original date. It shall be necessary to give notice of an adjourned directors' meeting and any business to be transacted at an adjourned directors' business meeting. If a quorum is not present within half an hour from the time appointed for resumption of the directors' meeting, the meeting shall be deemed dissolved. Article 11 of the Model Articles shall not apply.

## **12 THE SEAL**

12.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by (i) the Secretary, (ii) a second director or (iii) a witness in whose presence a director





signs and attests the signature. The obligation under Article 47 of the Model Articles relating to the sealing of share certificates shall apply only if the Company has a seal. Article 81 of the Model Articles shall not apply to the Company.

12.2 The Company may exercise the powers conferred by section 49 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

### **13 NOTICES**

13.1 Any documents or information to be sent or supplied by the Company pursuant to the Act, these Articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and schedules of the Act.

13.2 Article 79 of the Model Articles shall be modified accordingly.

### **14 DEEMED RECEIPT**

14.1 Any document or information sent or supplied by the Company shall be deemed to have been received by the intended recipient:

14.1.1 if delivered by hand to an address in the United Kingdom, on the day of delivery to such address (or, if not a working day, on the next working day),

14.1.2 if sent by first-class post to an address in the United Kingdom and the Company is able to show that it was properly addressed, prepaid and dispatched, 72 hours after it was posted,

14.1.3 if sent by airmail to an address outside the United Kingdom and the Company is able to show it was properly addressed, prepaid and dispatched, 72 hours after it was dispatched,

14.1.4 if sent or supplied by Electronic Means and the Company is able to show that it was properly addressed, 12 hours after it was sent, and

14.1.5 if sent or supplied by means of a website

(a) when the material was first made available on the website; or

(b) if later, when the recipient received (or is deemed pursuant to this article 14.1.5 to have received) notice of the fact that the material was available on the website.

14.2 For the purposes of article 14.1:

14.2.1 in calculating a period of hours, no account shall be taken of any part of a day that is not a working day;

14.2.2 a document or information is properly addressed if it is sent or supplied to an address to which the Company may send or supply documents or information in accordance with the Act; and

14.2.3 the Company shall not be required to investigate or prove actual receipt by an intended recipient of any document or information (including any document or information sent or supplied by Electronic Means)

14.3 A shareholder present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.

## **15 COMMUNICATIONS WITH CERTAIN RECIPIENTS**

15.1 The Company shall be entitled not to send or supply notices (including any notification required by the Act that a document or information is available on a website) to a shareholder whose registered address is not within the United Kingdom, unless

15.1.1 the shareholder has provided the Company with a postal address within the United Kingdom at which notices may be sent or supplied to him, or

15.1.2 the shareholder has provided the Company with an address to which notices may be sent or supplied to him by Electronic Means and the directors, in their absolute discretion, agree to use Electronic Means to supply notices to the shareholder.

15.2 Subject to these Articles, in the case of joint holders of a share

15.2.1 the sending or supply of any document or information to any one of the joint holders shall be deemed to be sufficient sending or supply to all the joint holders, and

15.2.2 where, for the purposes of the company communication provisions of the Act or of the Articles anything is to be agreed or specified by a holder, the agreement or deemed agreement or specification by any one of the joint holders shall be deemed to be sufficient agreement or specification by all the joint holders.

15.3 Subject to these Articles, any notice or other 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 means by which that director has asked to be sent or supplied with such notices or documents for the time being.

15.4 A director may agree with the Company that notices or other 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 the time periods set out in article 14.

## **16 INDEMNITY OF OFFICERS AND FUNDING DIRECTORS' DEFENCE COSTS**

16.1 Subject to article 16.2, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the directors may exercise the power of the Company to:

16.1.1 indemnify any relevant officer out of the assets of the Company against:



- (a) any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
- (b) any liability incurred by that relevant officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
- (c) any other liability incurred by that relevant officer as an officer of the Company.

16.1.2 provide any relevant officer with funds to meet expenditure incurred or to be incurred by such relevant officer:

- (a) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company, or
- (b) in connection with any application for relief (within the meaning of section 205(5) of the Act),

or to do anything to enable a relevant officer to avoid incurring such expenditure.

16.2 This article 16 shall only have effect in so far as its provisions are not avoided by section 232 of the Act.

16.3 Article 85 in the Model Articles shall not apply to the Company.

## **17 INSURANCE**

17.1 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 loss or liability which has been or may be incurred by a relevant officer in connection with their duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.

17.2 Article 86 in the Model Articles shall not apply to the Company.

