

# **Memorandum and Articles of Association**

## **Association of Interior Specialists Limited**

**Association Number 3403977**

**Incorporated 16 July 1997**

**Association Limited by Guarantee and not having a Share Capital**

**The Companies Act 1985 - 1989**

**(The "Association")**

**Adopted By Written Special Resolution Passed On 7 October 2006**

1. The name of the Company (hereinafter called "The Association") is "The Association of Interior Specialists Limited".
2. The registered office of the Association is to be situated in England and Wales.
3. The objects for which the Association is established are:
  - 3.1 to develop the use of suspended ceilings, roof linings, wall linings, partitioning, specialist interiors, fitting out and related contracts (the "Industry") and to encourage the promotion and expansion of the Industry;
  - 3.2 to publicise the Industry to all interested parties and to make known the general and specific business of the Industry, to arrange, help to arrange and to attend conferences, exhibitions, trade shows and other functions and to raise funds and distribute the same, save that, for the avoidance of doubt, nothing in this sub-clause 3.3 or elsewhere in the Memorandum & Articles of Association of the Association is intended, nor shall it be interpreted, as permitting or enabling the collection and/or dissemination by or on behalf of the Association of any such information (including in particular commercially sensitive and/or confidential information such as party-specific pricing, distribution or marketing data, either actual or intended, or industry pricing policies) whose exchange would have or would be likely to have an adverse effect on competition;
  - 3.3 to collect and disseminate information relating to the Industry including promoting consideration and discussion of all matters affecting the Industry;
  - 3.4 on behalf of the Industry to negotiate with and make representations to any body, governmental or otherwise, in relation to proposed or existing legislation or any other matter whatsoever affecting the interest of the Industry and to negotiate or enter into arrangements with any governments, government departments, county, municipal, local or other authorities with a view to obtaining contracts, concessions, licences agreements or other rights conducive to the attainment of the Association's objects or furtherance of its interests;
  - 3.5 to promote activities including training, research and development and experimental work including working with third parties which will increase the effectiveness of the Industry;
  - 3.6 to promote the acceptance and use of codes of practice for the Industry covering conduct, practice, materials and specifications and standards of work and to encourage a high standard of service from its members;
  - 3.7 to act as consultants, to offer grants and prizes, maintain libraries, exhibitions and other collections and interests to the Industry;
  - 3.8 to investigate, report on and take action appropriate to the circumstances, including expulsion from the Association, on complaints made to the Association relating to any member of the Association and to provide arbitration and alternative dispute resolution facilities;
  - 3.9 to charge subscriptions and fees to members and to receive remuneration or other consideration from any other company, body or person for the supply of information and services whether being a specific or general charge for that information or service;

- 3.10 to borrow money and secure the repayment thereof by the creation and issue of mortgages, debentures, debenture stock or other securities;
- 3.11 to draw, make, endorse, accept, discount and negotiate bills, notes, warrants and negotiable instruments of all kinds;
- 3.12 to establish and maintain pension or superannuation funds and to grant pensions to employees and ex-employees and directors and ex-directors or other officers or ex-officers of the Association, their widows, children and dependants and to subscribe to benevolent and other funds for the benefit of any such persons and to subscribe to or assist in the promotion of any charitable, benevolent or public purpose or object;
- 3.13 to promote or assist in the promotion of any company, body or person having objects similar to or complementary to the objects of the Association and to subscribe underwrite, buy or hold the shares, stock, debentures, debenture stock or other obligations of such company, body or person;
- 3.14 to pay or contract to pay all or any of the costs and expenses incurred in the promotion, formation and incorporation of the Association including the preparation of such preliminary agreements as may have been required and commissions in respect of underwriting, selling, placing or otherwise insuring the sale and disposal of any shares, debentures or other securities of the Association;
- 3.15 to carry on any other business similar to or complementary to the foregoing business or which in the opinion of the board of directors of the Association can be conveniently carried on in conjunction with or subsidiary to any other business of the Association and to do all such other acts or things as are incidental to or conducive to the attainment of the objects of the Association;
- 3.16 to buy, take on lease or hiring agreement or otherwise acquire land or any other property real or personal, movable or immovable or any interest in such property and to sell lease let on hire develop such property or otherwise turn the same to the advantage of the Association;
- 3.17 to erect, construct, alter and maintain buildings erections and works of all kinds whether on the property of the Association or not;
- 3.18 to take out apply for and acquire by original grant or transfer or assignment or otherwise and to maintain letters, patent, brevets d'invention, licences concessions, secret processes and inventions copyright, design right, trade names or other intellectual property and to use and exercise the same or to sell assign and develop the same or to grant licences in respect thereof or otherwise turn the same to the advantage of the company;
- 3.19 to invest the money of the Association in any manner that the Association may think fit;
- 3.20 to enter into partnership or joint venture agreements with or to make any agreement or arrangement with any other company firm or person carrying on business similar to or complementary to the business of the Association or any part thereof or to amalgamate with any such company firm or person;
- 3.21 to do all such things in any part of the world either as principal or agent and either a loan or in conjunction with any other person firm or company; and
- 3.22 the Association shall not support with its funds any object or endeavour to impose on or require its members any regulation restriction or condition which if an object of the Association would make it a Trade Union.

All of the foregoing objects shall be read and construed as separate and distinct objects and the generality of any such objects shall not be abridged or cut down by any reference to any other object of the Association.

4. The income and property of the Association shall be applied solely towards the promotion of the objects as set out in Clause 3 above and no part shall be paid or transferred, directly or indirectly, by way of dividend, salary, fees, bonus or otherwise by way of profit, to members of the Association, provided that nothing in this document shall prevent any payment in good faith by the Association:
- (A) of reasonable and proper remuneration for any services rendered to the Association by any member, officer or servant of the Association;
- (B) of interest on money lent by any member of the Association at a reasonable and proper rate per annum not exceeding the published base lending rate of a clearing bank to be selected by the directors;

- (C) of fees, remuneration or other benefit in money or money's worth to any Association of which a director may also be a member holding not more than 1/100<sup>th</sup> part of the issued share capital of that Association;
  - (D) of reasonable and proper rent for premises demised or let by any member of the Association or a director.
5. No addition, alteration, or amendment shall be made to or in the provisions of the Memorandum or Articles of Association for the time being in force, which would have the effect that the Association shall cease to be a company to which section 30 of the Companies Act 1985 applies.
  6. The liability of the members is limited.
  7. Every member of the Association undertakes to contribute such amount as may be required (not exceeding £1) to the assets of the Association, in the event of the same being wound up while he is a member or within one year after he ceases to be a member, for payment of the Association's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
  8. The Association specifically excludes itself from negotiations with Trade Unions, clients and others concerning the rates of pay of employees of members and the costs of goods and services in the Industry.
  9. In the event of the winding up or dissolution of the Association, after the satisfaction of all its debts and liabilities, the assets remaining shall be distributed amongst the members of the Association at the time of the dissolution in proportion to the subscriptions paid by the members.

# Articles of Association of Association of Interior Specialists Limited

Adopted by Written Resolution Passed on 7 October 2006

## 1. Preliminary

The regulations contained in Table A and Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 in force at the time of adoption of these Articles shall not apply to the Association and these Articles shall be the regulations of the Association.

## 2. Definitions and Interpretation

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

<b>“Act”</b>	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force
<b>“these Articles”</b>	these Articles of Association, whether as originally adopted or as from time to time altered by special resolution
<b>“bye Laws”</b>	any bye-laws or regulations made pursuant to Article 21
<b>“clear days”</b>	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
<b>“communication”</b>	means the same as in the Electronic Communications Act 2000
<b>“directors”</b>	the directors for the time being of the Association or (as the context shall require) any of them acting as the board of directors of the Association
<b>“electronic communication”</b>	means the same as in the Electronic Communications Act 2000
<b>“executed”</b>	includes any mode of execution
<b>"fee scale"</b>	the scale of initial and annual fees for each category of member set from time to time by a resolution of the board of Directors
<b>"member"</b>	a member of the Association having the rights and obligations set out in these Articles
<b>"month"</b>	calendar month
<b>“office”</b>	the registered office of the Association
<b>“President”</b>	the President of the Association for the time being elected in accordance with these Articles
<b>“seal”</b>	the common seal of the Association (if any)
<b>“secretary”</b>	the secretary of the Association or any other person appointed to perform the duties of the secretary of the Association, including a joint, assistant or deputy secretary
<b>“United Kingdom”</b>	Great Britain and Northern Ireland.

**“Vice President”** the Vice President of the Association for the time being elected in accordance with these Articles

2.2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Association.

2.3 Words importing the masculine gender only shall include the feminine gender and the neuter (as appropriate).

### 3. **Members**

3.1 No person shall be admitted as a member of the Association unless he is approved in writing by the Directors. Every person who wishes to become a member shall deliver to the Association an application for membership in such form and having supplied such information as the directors require to be executed by him following such application shall require the member to agree to be bound by the Memorandum of Association of the Association and these Articles and to pay a fee (the Initial Fee) in accordance with the Fee Scale. On being so admitted his name shall be entered in the register of members of the Association.

3.2 The Directors shall have an absolute discretion in determining whether to accept or reject any application for membership and shall not be bound to assign any reason for their decision but nothing in these Articles shall entitle the members to discriminate in any way between applicants for membership by reason of race, colour, sex or creed.

3.3 Subject to all moneys presently payable by him to the Association pursuant to any Bye-laws, these Articles or otherwise having been paid, a member may at any time withdraw from the Association by giving at least three months' notice in writing to the Association. A member who resigns from membership shall be eligible for re-admission as a member subject always to meeting the relevant criteria at the date of application for re-admission.

3.4 Membership shall:

3.4.1 not be transferable and shall (in the case of an individual) cease on death;

3.4.2 terminate if the majority of the Directors of the Association by a resolution passed at a meeting of the Directors convened for the purposes (with or without any other business to be discussed) at which such member shall have been given a proper opportunity of being heard resolve that it is in the best interests of the Association that a membership is terminated; and

3.4.3 terminate if the member becomes bankrupt or insolvent or a liquidator, receiver or administrative receiver, administrator or examiner is appointed over or an encumbrancer takes possession of or sells an asset of the member.

3.5 There shall be two categories of member:

3.5.1 Full Membership: including at the date of adoption of these Articles supplier members (which shall include manufacturers and distributors) contractor members. The Directors may, by amendment to the Bye-laws, create additional classes of full membership and convert or cancel any existing classes.

3.5.2 Associate Membership: open to persons not directly connected with the business of the Association but who have knowledge of or interest in it.

3.6 Initial and annual fees shall be payable by all categories of Members in accordance with the Fee Scale.

### 4. **General Meetings**

4.1 The Association shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Association and that of the next. The annual general meeting shall be held at such time and place as

the directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.

- 4.2 The directors may call general meetings.
- 4.3 All Company meetings (whether in general meeting or a meeting of the board of directors or any sub-committee thereof) are to be convened and held in accordance with the Company's Memorandum of Association and these Articles. All such meetings and any business transacted by or on behalf of the Company shall comply with the Competition Act 1998 (or any amendment or re-enactment thereof) and all other applicable competition laws and regulations.

## 5. **Notice of General Meetings**

- 5.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other meetings of the Association other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen clear days' notice in writing. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted, in case of special business.
- 5.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of any income and expenditure account, profit and loss account, balance sheet, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration, of the auditors.
- 5.3 Subject to the provisions of these Articles notice of general meetings shall be given to all members and to all Directors and to the auditors unless the Association is exempt from having an auditor under Section 249A of the Act.
- 5.4 Notwithstanding the foregoing provisions of these Articles a general meeting may be called by shorter notice if it is so agreed in accordance with section 369(3) of the Act.
- 5.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 5.6 Notwithstanding that the Association does not have a share capital, every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies.

## 6. **Proceedings at General Meetings**

- 6.1 No business shall be transacted at any general meeting unless a quorum of members is present. The lower of ten persons entitled to vote upon the business to be transacted, or ten percent (10%) of the registered members at the Association at the date the notice convening the general meeting, each being a member or a proxy for a member or a duly authorised representative of a corporation shall be a quorum save that, if and for so long as the Association has only one person as a member, one member present in person or by proxy shall be a quorum. If within half an hour from the time appointed for the general meeting a quorum is not present the general meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore the member or members present in person or by proxy or (being a body corporate) by representative and entitled to vote upon the business to be transacted shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.
- 6.2 The President shall preside as Chairman at every general meeting, but if there be no such President, or at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside the Vice President shall so preside. If there shall be no Vice President available at that time or if he shall be unwilling to preside then the members present shall as the first item of business choose any Director, or if no such member be present, or if all the Directors

present decline to take the chair, they shall choose some member of the Association who shall be present to preside as the Chairman.

- 6.3 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 6.4 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 6.5 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- 6.5.1 by the chairman; or
- 6.5.2 by at least five members having the right to vote at the meeting; or
- 6.5.3 by members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting,

and a demand by a person as a proxy for a member shall be the same as a demand by the member.

- 6.6 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 6.7 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 6.8 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 6.9 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote which he may have.
- 6.10 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 6.11 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 6.12 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## 7. Votes of Members

- 7.1 On a show of hands every member (being an individual) present in person or by proxy (not being himself a member entitled to vote) or (being a corporation) present by a duly authorised representative or proxy (not being himself a member entitled to vote) shall have one vote and on a poll every member present in person or by proxy or by a duly authorised representative (as the case may be) shall have one vote.
- 7.2 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, by his receiver, curator bonis or other person authorised in that behalf. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, 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 default the right to vote shall not be exercisable.
- 7.3 No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the Association pursuant to these Articles, any Bye-laws or otherwise have been paid.
- 7.4 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 7.5 A member shall not be entitled to appoint more than one proxy to attend on the same occasion. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.
- 7.6 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor (in the case of a corporation under seal or by any duly authorised officer) and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

"NAME [Limited]

I [NAME] of [ADDRESS] being a member of the above named Association, appoint [NAME] of [ADDRESS] or failing him [NAME] of [ADDRESS] as my proxy to vote for me in my name and on my behalf at the [annual] [extraordinary] general meeting of the Association to be held on [DATE], and at any adjournment.

Signed on [DATE]."

- 7.7 Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

"[NAME] [Limited]

I [NAME] of [ADDRESS] being a member of the above named Association, hereby appoint [NAME] of [ADDRESS] or failing him [NAME] of [ADDRESS] as my proxy to vote for me in my name and on my behalf at the [annual] [extraordinary] general meeting of the Association to be held on [DATE], and at any adjournment.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 \*for \*against

Resolution No 2 \*for \*against

\* Strike out whichever is not desired

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on [DATE]."

- 7.8 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

- 7.9 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority notarially or in some other way approved by the directors may:
- 7.9.1 be deposited at the office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting or in any instrument of proxy sent out by the Association in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 7.9.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 7.9.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of that meeting or to the secretary or to any director,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- 7.10 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Association at the office or at such other place at which the instrument of proxy was duly deposited before commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

## 8. **Number of Directors**

Unless otherwise determined by ordinary resolution the number of directors shall a maximum of eleven and shall not be less than seven, including at least three supplier members and four contractor members (or representations of such equivalent classes of membership as are created by the Directors pursuant to Article 3.5 (The Directors having sole discretion to determine which class or classes are equivalent)).

## 9. **Alternate Directors**

A director shall not be entitled to appoint an alternate director.

## 10. **Powers of Directors**

- 10.1 Subject to the provisions of the Act, the Memorandum of Association of the Association and these Articles and to any directions given by special resolution, the business of the Association shall be managed by the directors who may exercise all the powers of the Association. No alteration of the Memorandum of Association or of these Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article 10.1 shall not be limited by any special power given to the directors by these Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 10.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Association, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.

## 11. **Delegation of Directors' Powers**

- 11.1 The directors may delegate any of their powers to any committee consisting of one or more directors and such other persons (if any) not being directors co-opted on to such committee as the directors think fit provided that the number of co-opted persons not being directors shall not exceed one half of the total number of members of such committee. Any such delegation may be made subject to any

conditions the directors may impose and may be collateral to their own powers and may be revoked or altered. Subject to any such conditions the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

- 11.2 A Committee of Past Presidents shall be established and which will meet at least once in every year. Any President of the Association who has resigned or was removed from office or was disqualified from holding the same shall not be eligible to serve on the Committee. The Committee's functions shall be:
  - 11.2.1 reviewing the activities of the Association
  - 11.2.2 making recommendations to the President for its future progress
  - 11.2.3 in the event of either resignation of the entire Board or the removal of the entire Board by the membership at an Annual or Extraordinary General meeting the committee shall constitute ipso facto to the Board until the next General Meeting is convened for the purposes of electing new Board members and such members are so elected
- 11.3 The first members of the Past Presidents' Committee shall be the immediate past Presidents of Specialists Ceilings and Interiors Association Limited and of Partitioning and Interiors Association Limited. The maximum number of members of the Past Presidents' Committee shall be five and the members shall stand down from the Committee in the order of their length of service.

## 12. **Appointment and Retirement of Directors**

- 12.1 A majority of members of the Association at the relevant time as carries the right of attending and voting at general meetings of the Association may by memorandum in writing signed by or on behalf of them (and so that in the case of a body corporate the signature of any officer or other duly appointed representative shall suffice) and delivered to the office or tendered at a meeting of the directors or at a general meeting of the Association at any time and from time to time appoint any person to be a director or remove any director from office (no matter how he was appointed) (but such removal shall be without prejudice to any claim which the director may have for breach of contract against such member or members so removing him or the Association). In this Article references to "in writing" include the use of electronic communications to an address for the time being notified for that purpose by the Association to the person or persons giving the notice.
- 12.2 Without prejudice to the powers conferred by Article 12.2 the directors and the Association in general meeting, may at any time and from time to time appoint any person who is willing to act as a director drawn from the appropriate class of members as set out at Article 8.
- 12.3 All elections and appointments shall be for the period of two years to be extended at the discretion of the Board only if the General Meeting of the Company at which such appointments are to be considered is to take place later than the said period of two years. Board members standing down at the end of their period of office may offer themselves for re-election.
- 12.4 No person who is not a member of the Association shall in any circumstances be eligible to hold office as a member of the Board.

## 13. **Disqualification and Removal of Directors**

The office of a director shall be vacated if:

- 13.1 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director; or
- 13.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 13.3 he is, or may be, suffering from mental disorder and either:
  - 13.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

- 13.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 13.4 he resigns his office by notice to the Association; or
- 13.5 he shall have been absent without permission of the directors or reasonable excuse from three consecutive meetings of directors held during that period and the directors resolve that his office be vacated; or
- 13.6 he is removed by the members pursuant to Article 12.1; or
- 13.7 he, or the member who he represents (in the case of a corporate member) ceases to be a member of the Association.

#### 14. **Proceedings of the Directors**

- 14.1 Subject to the provisions of these Articles, the directors may regulate their meetings, as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. Notice of every meeting of the directors shall be given to each director, including directors who may for the time being be absent from the United Kingdom and have given the Association an address within the United Kingdom for service.
- 14.2 In the case of an equality of votes, the chairman shall have a second or casting vote.
- 14.3 The President shall be entitled to preside as Chairman at all meetings of the Board at which he shall be present but if at any meeting the President not be present within five minutes after the time appointed for holding the meeting and willing to preside, the Vice President shall so preside and if he is not so present members of the Board present shall choose one of their number to be Chairman of the meeting for that meeting only.
- 14.4 Any director may participate in a meeting of the directors or a committee constituted pursuant to Article 11 of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 14.5 The quorum for the transaction of the business of the directors shall be five, including (save where they have jointly confirmed that the meeting will be quorate without their presence) either the President or Vice President.
- 14.6 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies, or of calling a general meeting.
- 14.7 All acts done by any meeting of the directors or of a committee constituted pursuant to Article 11, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any director or person acting as aforesaid, or that they or any of them were disqualified from holding office or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 14.8 A resolution in writing, signed by all the directors entitled to receive notice of a meeting of directors or of a committee constituted pursuant to Article 11 shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) such a committee duly convened and held and may consist of several documents in the like form each signed by one or more directors or members of the committee (as the case may be).

15. **Secretary**

- 15.1 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them; provided always that no director may hold office as secretary where such office is remunerated.
- 15.2 A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

16. **Minutes**

The directors shall cause minutes to be made in books kept for the purposes:

- 16.1 of recording the names and addresses of all members; and
- 16.2 of all appointments of officers made by the directors; and
- 16.3 of all proceedings at meetings of the Association and of the directors and of committees constituted pursuant to Article 11 including the names of directors and members (as appropriate) present at each such meeting; and
- 16.4 of all written resolutions of the board of a committee pursuant to Article 14.8.

17. **The Seal**

If the Association has a seal it shall only be used with the authority of the directors or of a committee constituted pursuant to Article 11 which is comprised entirely of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined, every instrument to which the seal is affixed shall be signed by one director and by the secretary or another director.

18. **Notices**

- 18.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 18.2 The Association may give notice to a member either personally or by sending it by first class post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address, or (if he has no registered address within the United Kingdom) to or at the address, if any, within the United Kingdom supplied by him to the Association for the giving of notices to him, but otherwise, no such member shall be entitled to receive any notice from the Association.
- 18.3 Where a notice is sent by first class post the notice shall be deemed to have been given at the expiration of 24 hours after the envelope containing the same is posted. Where a notice is sent by electronic communication the notice shall be deemed to have been given at the expiration of 24 hours after the time of transmission.
- 18.4 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Association is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Association shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

19. **Winding Up**

Clauses 6, 7 and 9 of the Memorandum of Association relating to the winding up and dissolution of the Association shall have effect as if the provisions thereof were repeated in these Articles.

20. **Indemnity**

- 20.1 In the lawful execution of his duties and the exercise of his rights in relation to the affairs of the Association (and without prejudice to any indemnity to which he may otherwise be entitled) every director or other officer of the Association shall be entitled to be indemnified out of the assets of the Association against any costs, losses, claims, actions or other liabilities suffered or incurred by him other than where such loss and the result of deliberate wrongdoing on the part of such officer.
- 20.2 The directors shall have power to purchase and maintain at the expense of the Association for the benefit of any director, officer or auditor of the Association insurance against any such liability as is referred in section 310(1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him for loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer or auditor.

21. **Rules or Bye-Laws**

- 21.1 The directors may from time to time make such rules or bye-laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Association and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, it may by such rules or bye-laws regulate:
- 21.1.1 the admission and classification of membership, and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by members;
- 21.1.2 the conduct of members in relation to one another, and to the Association's servants;
- 21.1.3 the setting aside of the whole or any part or parts of the Association's premises at any particular time or times or for any particular purpose or purposes;
- 21.1.4 the procedure at general meetings and meetings of the directors and committees constituted pursuant to Article 11 in so far as such procedure is not regulated by these Articles;
- 21.1.5 and, generally, all such matters as are commonly the subject matter of such rules,
- provided, nevertheless, that no rule or bye-law shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum of Association of the Association or these Articles,
- 21.2 The Association shall have power to alter or repeal the rules or bye-laws referred to in Article 21.1 and to make additions thereto. The directors shall adopt such means as they deem sufficient to bring to the notice of members all such rules or bye-laws made pursuant to this Article 21 which, so long as they shall be in force, shall be binding on all members.

22. **Accounts**

- 22.1 The Board shall cause accounting records to be kept in accordance with requirements of the Act.
- 22.2 The accounting records shall be kept at the Office, or, subject to the provisions of the Act, at such other place or places as the Board shall think fit, and shall always be open to the inspection of the officers of the Association.
- 22.3 The Board shall from time to time determine whether to what extent and at what times and places and under what conditions or regulations the accounting records of the Association or any of them shall be open to the inspection of members not being officers of the Association, and no member (not being an officer) shall have any right of inspecting any accounting records or other book or document of the Association except as conferred by statute or authorised by the Board or by the Association in General Meeting.
- 22.4 The Board shall from time to time in accordance with the provisions of the Act cause to be prepared such income and expenditure accounts, balance sheets and reports as are required by the Act. The Board shall send a copy of the annual accounts together with a copy of the Board's report for that financial year and a copy of the Auditors' report on those accounts to the Auditors and to every person

entitled to receive the same in accordance with section 238 of the Act not less than 21 days before the said date of the meeting at which those documents are to be laid in accordance with section 241 of the Act, or, where there is in force an election by Elective Resolution to dispense with the laying of accounts and report, not less than 28 days before the end of the period allowed for laying and delivering the same.

- 22.5 In accordance with the provisions of the Act once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure account balance sheet ascertained by one or more properly qualified Auditor or Auditors.
- 22.6 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act, the members of the Board being treated for all purposes as the Directors mentioned in those provisions.