

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY GUARANTEE**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**THE INTERNATIONAL SECURITIES LENDING ASSOCIATION**  
**LIMITED**

**Company No 06297217**

**Adopted by Special Resolution on 2 May 2024**

**THE COMPANIES ACT 2006**

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

**OF**

**THE INTERNATIONAL SECURITIES LENDING ASSOCIATION LIMITED (the  
"Company")**

**(Adopted by special resolution passed on 2 May 2024)**

**Interpretation, objects and limitation of liability**

**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;

**Bankruptcy:** includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are 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;

**Co-opted Director:** means a director appointed under Article 9.1(b)

**Elected director:** means a director appointed under Article 9.1(a)

**Director:** means a director of the Company and includes any person occupying the position of director, by whatever name called;

**Document:** includes, unless otherwise specified, any document sent or supplied in electronic form; **electronic form:** has the meaning given in section 1168 of the Act;

**Eligible Director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 11, any director whose vote is not to be counted in respect of the particular matter);

**Interested Director:** has the meaning given in article 20.1

**ISLA Americas:** means The International Securities Lending Association Americas

**ISLA Americas Director:** means a Director appointed by ISLA Americas

**Member:** means a person whose name is entered in the Register of Members of the Company and **Membership** shall be construed accordingly;

**Model Articles:** means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and reference to a numbered "**Model Article**" is a reference to that article of the Model Articles; **ordinary resolution:** has the meaning given in section 282 of the Act;

**Participate:** in relation to a director's meeting, has the meaning given in Model Article 10;

**Proxy notice:** has the meaning given in Model Article 31;

**Secretary:** means the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; **special resolution:** has the meaning given in section 283 of the Act; **subsidiary:** has the meaning given in section 1159 of the Act;

**Writing:** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 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 or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 The following Model Articles shall not apply to the Company:
- (a) 1 (Defined terms);
  - (b) 2 (Liability of Members);
  - (c) 8 (Unanimous decisions);
  - (d) 9(1) [and (3)] (Calling a directors' meeting);
  - (e) 11(2) and (3) (Quorum for directors' meeting);
  - (f) 13 (Casting vote);
  - (g) 14 (1), (2), (3) and (4) (Conflicts of interest);
  - (h) 17(2) (Methods of appointing directors);
  - (i) 21 (Applications for membership);
  - (j) 22 (Termination of membership);
  - (k) 30(2) (Poll votes);
  - (l) 31(1)(d) (Content of proxy notices);
  - (m) 35 (Company seals);
  - (n) 38 (Indemnity);
  - (o) 39 (Insurance).

- 1.9 Model Article 3 (Directors' general authority) shall be amended by the insertion of the words "in accordance with its objects" after the words "the management of the Company's business".

## **2. Objects**

The objects for which the Company is established are to:

- (a) To carry on business as a trade association.
- (b) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company.

## **3. Powers**

In pursuance of the object set out in article 2, the Company has the power to:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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, subsidiary, associate or affiliate;
- (f) 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;

- (g) 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;
- (h) enter into contracts to provide services to or on behalf of other bodies (including any affiliate, associate or subsidiary);
- (i) provide and assist in the provision of money, materials or other help;
- (j) 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;
- (k) incorporate subsidiary, associated or affiliated companies to carry on any trade;
- (l) become a member, associate or affiliate of any other company, entity, body or organisation anywhere in the world; and
- (m) 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.

#### **4. Income**

4.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Company's objects.

4.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:

- (a) reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
- (b) any interest on money lent by any Member or any director at a reasonable and proper rate;
- (c) reasonable and proper rent for premises demised or let by any Member or director;  
or
- (d) reasonable out-of-pocket expenses properly incurred by any director.

## **5. Winding up**

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Company. Such body to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the directors at or before the time of winding up or dissolution.

## **6. Guarantee**

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

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

## **7. Directors**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than nine but subject to a maximum of seventeen provided that there shall always be a minimum of 9 Elected Directors.

## **8. Powers of Directors**

- 8.1 Subject to the provisions of the Act, the Articles and any special resolution, the Directors shall be responsible for the management of the Company's business and may exercise all the powers of the Company for that purpose.
- 8.2 No alteration of the Articles or any special resolution shall invalidate any prior act of the Directors.
- 8.3 A meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Directors.

## **9. Appointment of Directors**

- 9.1 Any person who is willing to act as a Director, and who is permitted by law to do so, may be appointed to be a Director as follows:

- (a) for a director other than a co-opted director or an ISLA Americas Director (an Elected director), by ordinary resolution of the members;
- (b) for a Co-opted director by resolution of the Directors; and
- (c) for the ISLA Americas Directors, by notice in writing by ISLA Americas to the Company.

9.2 Where a maximum number of Directors has been fixed, the appointment of a Director must not cause that number to be exceeded.

## **10. Retirement of Directors**

10.1 At every third annual general meeting (i) all Elected Directors shall retire from office, but may, subject to this *Article 10* offer themselves for reappointment by the Members and (ii) the ISLA Americas Directors shall retire and offer themselves for reappointment by ISLA Americas.

10.2 All Co-opted directors shall retire from office on the third anniversary of their appointment by the Directors. Co-opted directors who retire under this article shall not be reappointed by the Directors.

10.3 Other than a Director retiring under *Article 10.2* and an ISLA Americas Director, no person may be appointed a Director at any general meeting unless:

- (a) that person is recommended by the Directors; or
- (b) not less than 14 nor more than 35 clear days before the date of the meeting, the Company has received a notice, signed by a Member entitled to vote at the meeting, which:
  - (i) indicates the Member's intention to propose the appointment of a person as a Director;
  - (ii) states the details of that person which, if they were appointed, would be required to be recorded in the Company's register of Directors; and
  - (iii) is signed by the person to be proposed to show their willingness to be appointed.

10.4 All those who are entitled to receive notice of a general meeting shall, not less than seven nor more than 28 clear days before the date of the meeting, be given notice of any proposal to appoint or reappoint a Director at the meeting, whether on the recommendation of the Directors or because the Company has received notice, pursuant to *Article 10.3*, of a Member's intention to propose an appointment.



- 10.5 No Elected Director shall serve for more than nine consecutive years, unless the Directors consider it would be in the best interests of the Company for a particular Director to continue to serve beyond that period and that Director is reappointed in accordance with the Articles or, in the case of any ISLA Americas Director, written notice is provided by ISLA Americas to the Board to the effect that ISLA Americas considers it to be in the best interests of the Company for such ISLA Americas Director to continue to serve beyond that point.
- 10.6 If a Director is required to retire at an annual general meeting by a provision of the Articles the retirement shall take effect upon the conclusion of the meeting.

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

A Director shall cease to hold office if they:

- (a) are removed from office by a resolution passed by a two thirds majority of the Directors that it is in the best interests of the Company that their office be vacated passed at a meeting at which at least half of the Directors are present. Such a resolution must not be passed unless:
  - (i) the Director has been given at least 14 clear days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it will be proposed; and
  - (ii) if so requested by the Members a majority of the Members, by ordinary resolution of the Company passed at an extraordinary general meeting held pursuant to the Act;
- (b) in the case of any ISLA Americas Directors only is removed by notice in writing by ISLA Americas to the Company;
- (c) cease to be a Director by virtue of any provision in the Act or are prohibited by law from being a Director;
- (d) have a bankruptcy order made against them or a composition is made with their creditors generally in satisfaction of their debts;
- (e) in the written opinion of a registered medical practitioner who is treating the Director, have become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (f) resign by written notice to the Company, provided that at least nine Directors will remain in office once the resignation takes effect;
- (g) resign their position from a Member organisation; or

- (h) the status of the Member which the director represents no longer entitles that director to act as a director

## **12. Proceedings of Directors**

- 12.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit.
- 12.2 There shall be a minimum of four Board meetings per annum
- 12.3 Acts done by a meeting of the Directors or of a committee or by a person acting as a Director shall not be invalidated by the subsequent realisation that:
  - (a) the appointment of any such Director or person acting as a Director was defective; or
  - (b) any or all of them were disqualified; or
  - (c) any or all of them were not entitled to vote on the matter.

## **13. Calling a Directors Meeting**

- 13.1 Any Director may call a meeting of the Directors by giving at least one weeks' notice of the meeting to the Directors or by authorising the secretary (if any) or an officer to give such notice.
- 13.2 Notice of a meeting of the Directors must be given to each Director, but need not be in writing. The notice must specify:
  - (a) the time, date and place of the meeting;
  - (b) the general particulars of the business to be considered at the meeting; and
  - (c) if it is anticipated that the Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

## **14. Participation in Directors' Meetings**

- 14.1 Any Director may participate in a meeting of the Directors in person or by means of video conference, telephone or any suitable electronic means agreed by the Directors and by which all those participating in the meeting are able to communicate with all other participants.
- 14.2 If all the Directors participating in the meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **15. Quorum for Directors' Meetings**

- 15.1 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, provided it shall not be less than five.
- 15.2 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 15.3 If the total number of Directors for the time being is less than the quorum required for decision-making by the Directors, the Directors shall not take any decision other than a decision to:
  - (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the members to appoint further Directors.

## **16. Chairing Directors' Meetings**

- 16.1 The Directors shall appoint one of their number as chair of Directors and may determine the length of term for which the chair of Directors is to serve in that office, although that term may be renewed or extended. On the same basis, the Directors may also appoint one of their number as vice-chair of Directors.
- 16.2 If at any meeting of the Directors neither the chair nor vice-chair of Directors, if any, is participating in the meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair the meeting.
- 16.3 The Directors may terminate the appointment of a chair or any vice-chair of Directors at any time.

## **17. Decision-Making by Directors**

- 17.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 18.
- 17.2 Each Director has one vote on each matter to be decided, except for the chair of the meeting who, in the event of an equality of votes, shall have a second or casting vote (unless, in accordance with the Articles, the chair of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes).

## **18. Unanimous Decisions by Directors**

- 18.2 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.

- 18.3 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 18.4 References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 18.5 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.

### **19. Delegation by Directors**

- 19.1 The Directors may delegate, on such terms of reference as they think fit, any of their powers or functions to any committee comprising two or more Directors.
- 19.2 The Directors may delegate the implementation of their decisions or day-to-day management of the affairs of the Company to any person or committee.
- 19.3 The terms of reference of a committee may include conditions imposed by the Directors, including that:
- (a) the relevant powers are to be exercised exclusively by the committee to whom the Directors delegate; and
  - (b) no expenditure or liability may be incurred on behalf of the Company except where approved by the Directors or in accordance with a budget previously agreed by the Directors.
- 19.4 Persons who are not Directors may be appointed as members of a committee, subject to the approval of the Directors.
- 19.5 Every committee shall act in accordance with the terms of reference on which powers or functions are delegated to it and, subject to that, committees shall follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- 19.6 The terms of any delegation to a committee shall be recorded.
- 19.7 The Directors may revoke or alter a delegation.
- 19.8 All acts and proceedings of any committee shall be fully and promptly reported to the Directors.

## 20. Conflicts of Interests

- 20.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an Interested Director) breaching his duty to avoid conflicts of interest under section 175 of the Act.
- 20.2 Any authorisation under this article 20 shall be effective only if:
- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 20.3 Any authorisation of a Conflict under this article 20 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through 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 shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent 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.

- 20.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 20.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 20.6 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 directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 20.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he 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:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
  - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
  - (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
  - (d) 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;
  - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
  - (f) shall not, save as 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction

or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **21. Appointment and removal of alternate directors**

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

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

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

21.2 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.

21.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

## **22. Rights and responsibilities of alternate directors**

22.1 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 Appointor.

22.2 Except as the Articles specify otherwise, alternate directors are:

- (a) deemed for all purposes to be directors;
- (b) liable for their own acts and omissions;
- (c) subject to the same restrictions as their Appointors; and
- (d) 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.

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

- (a) 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);
- (b) 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
- (c) shall not be counted as more than one director for the purposes of article 22.3.

22.4 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].

22.5 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.

### **23. Termination of alternate directorship**

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

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate director's Appointor ceases to be a director for whatever reason.

### **24. 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.



## **Members: becoming and ceasing to be a member**

### **25. Membership**

25.1 The Company shall admit to Membership an individual or organisation which:

- (a) applies to the Company using the application process approved by the directors; and
- (b) is approved by the directors.

A letter shall be sent to each successful applicant confirming their Membership of the Company and the details of each successful applicant shall be entered into the Register of Members by the secretary.

25.2 The directors may in their absolute discretion decline to accept any application for Membership and need not give reasons for doing so.

25.3 A member must meet the criteria for membership as set out in the Rules and approved by the directors.

25.4 All Members must pay to the Company on becoming a Member an annual subscription fee, payable on 1 January in each year the amount to be decided by the directors from time to time.

25.5 The directors may establish different classes of Members and set out the different rights and obligations for each class, with such rights and obligations recorded in the Register of Members.

### **26. Transfer of membership**

26.1 A Membership is not transferable

26.2 When a Member dies or becomes bankrupt (if an individual) or goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company (if a company), the Membership shall automatically terminate.

26.3 A Member may withdraw from Membership of the Company by giving 7 days' notice to the Company in writing and any person ceasing to be a Member shall be removed from the Register of Members.

### **27. Expulsion of member**

27.1 The directors may terminate the Membership of any Member without his consent by giving the Member written notice if, in the reasonable opinion of the directors, the Member:

- (a) has failed to pay the subscription fee within 3 months of the due date or
- (b) failed to meet the membership requirements set out in the Rules or
- (c) Member dies or becomes bankrupt (if an individual) or goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company (if a company) or
- (d) 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
- (e) has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or
- (f) has failed to observe the terms of these Articles and the Rules.

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

27.2 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.

27.3 A Member whose Membership is terminated under this Article shall not be entitled to a refund of any subscription or Membership fee and] shall remain liable to pay to the Company any subscription or other sum owed by him.

## **Decision making by members**

### **28. Votes of members**

Subject to the Act, at any general meeting:

- (a) every Member who is present in person (or by proxy) shall on a show of hands have one vote; and
- (b) every Member present in person (or by proxy) shall on a poll have one vote.

## **29. Annual General Meetings**

- 29.1 The Company shall hold an annual general meeting each year, with not more than 15 months elapsing between successive annual general meetings.
- 29.2 Each notice calling an annual general meeting shall specify the meeting as such and each annual general meeting shall take place at such time and place as the Directors shall think fit.
- 29.3 The business at an annual general meeting shall include:
- (a) the consideration of the accounts, balance sheets, reports of the Directors and auditors;
  - (b) the retirement, appointment or re-appointment of Directors and officers of the Company in accordance with Articles 9 to 11; and
  - (c) the appointment of the auditors.

## **30. Notice of General Meetings**

- 30.1 General meetings, including the annual general meeting, are called on a minimum of 14 clear days' notice.
- 30.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting, being a majority who together hold not less than 75% of the total voting rights.
- 30.3 The notice shall specify the date, time and place of the meeting and the general nature of the business to be transacted. It shall also include a statement pursuant to the Act setting out the right of Members to appoint proxies.
- 30.4 Proceedings at a general meeting shall not be invalidated because a person entitled to receive notice of the meeting did not receive it because of an accidental omission by the Company.

## **31. Proceedings at General Meetings**

- 31.1 Every general meeting of the Company shall have a chair:
- (a) The chair of Directors shall chair general meetings of the Company or, if the chair of Directors is absent, the vice-chair of Directors shall act as chair.
  - (b) If neither the chair nor the vice-chair of Directors is present within 15 minutes of the time appointed for the meeting, a Director elected by the Directors present shall chair the meeting.

- (c) If there is only one Director present and willing to act, that Director shall chair the meeting.
- (d) If no Director is present and willing to chair the meeting within 15 minutes of the time appointed for the meeting, then the meeting shall be adjourned until such other date, time and place as the Directors shall determine.

31.2 No business shall be transacted at any general meeting unless a quorum is present.

31.3 A quorum is one third of the Members who are present in person or by proxy or through their duly authorised representatives and who are entitled to vote on the business to be conducted at the meeting.

31.4 If within 30 minutes from the time appointed for the meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting shall be adjourned until such other date, time and place as the Directors shall determine. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, those Members present in person or by proxy and entitled to vote shall be a quorum.

31.5 The chair of a general meeting may adjourn such a meeting when a quorum is present, if the meeting consents to an adjournment, and shall adjourn such a meeting if directed to do so by the meeting. The chair shall specify either that the meeting:

- (a) is to be adjourned to a particular date, time and place; or
- (b) shall be adjourned to a date, time and place to be appointed by the Directors

and shall have regard to any directions as to date, time and place which have been given by the meeting.

31.6 If the meeting is adjourned until more than 14 days after the date on which it was adjourned, the Company shall give at least seven clear days' notice of it to the same persons to whom notice of the Company's general meetings is required to be given and containing the same information which such notice is required to contain.

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

## **32. Voting At General Meetings**

32.1 A vote on a resolution proposed at a meeting shall be decided by a secret ballot

32.2 every Member, shall have one vote.

32.3 Any objection to the qualification of any voter must be raised 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 such objection must be referred to the chair of the meeting whose decision is final.

- 32.4 Unless a poll is demanded, the declaration of the chair of the result of the vote and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact and the number or proportion of votes cast in favour or against need not be recorded.
- 32.5 A poll may be demanded by:
- (a) the chair of the meeting;
  - (b) the Directors
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 32.6 A demand for a poll may be withdrawn if:
- (a) the poll has not yet been taken, and
  - (b) the chair of the meeting consents to the withdrawal.
- 32.7 A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
- 32.8 Otherwise, a poll demanded must be taken either immediately or at such time and place as the chair of the meeting directs, provided that it is taken within 30 days after it was demanded. If not taken immediately, either the time and place at which it is to be taken shall be announced at the meeting at which it was demanded or at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 32.9 The poll shall be conducted in such manner as the chair directs and the chair may 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.
- 32.10 If a poll is demanded, this shall not prevent the meeting from continuing to deal with any other business that may be conducted at the meeting.

### **33. Proxies**

- 33.1 Model Article 31(1)(d) 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".

- 33.2 Model Article 31(1) 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**

### **34. Minutes**

- 34.1 The Directors shall cause the Company to keep the following records in writing and in permanent form:
- (a) minutes of proceedings at general meetings;
  - (b) minutes of meetings of the Directors and of committees of the Directors, including the names of the Directors present at each such meeting;
  - (c) copies of resolutions of the Company and of the Directors, including those passed otherwise than at general meetings or at meetings of the Directors; and
  - (d) particulars of appointments of officers made by the Directors.

### **35. Records and Accounts**

- 35.1 The Directors shall comply with the requirements of the Act as to maintaining a Members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies of:
- (a) annual reports; and
  - (b) annual statements of account.
- 35.2 Accounting records relating to the Company must be made available for inspection by any Directors at any reasonable time during normal office hours.
- 35.3 A copy of the Company's latest available statement of account shall be supplied on request to any Director or Member, by electronic form only or to any other person who makes a written request and pays the Company's reasonable costs of fulfilling the request, within two months of such request.

### **36. Means of communication to be used**

- 36.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - (d) 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.

- 36.2 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.

### **37. 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 (for example, the provisions relating to classes of Members, Membership fees and subscriptions and the admission criteria for Members). 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.

### **38. Irregularities**

The proceedings of any meeting or the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including by accidental omission to give or any non-receipt of notice) or want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

### **39. Indemnity and insurance**

- 39.1 Subject to article 39.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including 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
  - (b) 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 39.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 39.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 39.3 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.
- 39.4 In this article:
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - (b) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
  - (c) a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).