

No:

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
N GAUGE SOCIETY LIMITED

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THE COMPANIES ACT 2006
A COMPANY NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION
OF
N GAUGE SOCIETY LIMITED

Each subscriber to this memorandum of association wishes to form a Company under the Companies Act 2006 and agrees to become a Member of the Company.

Name of each subscriber

Stuart John Conlon

Timothy David Hitch

Dated: []

No:

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
N GAUGE SOCIETY LIMITED

PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

(1) The articles constituting Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended shall not apply to the Company.

(2) In the Articles, unless the context requires otherwise:

“Area Group”	any such sub-organisation of the Company formed with the approval of the Board, whether representing a geographic territory or a special interest, which is listed on the Area Group Register;
“Area Group Register”	means the register maintained by the Board which lists Area Groups;
“Articles”	means the Company's Articles of Association for the time being in force;
“bankruptcy”	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
“Board”	means the board of Directors;

"Chairman of the meeting"	has the meaning given in Article 34;
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;
"Company"	means the above-named company;
"conflict of interest"	means any direct or indirect interest of a Director (whether personal by virtue of a duty of loyalty to another organisation or otherwise) that conflicts, or might conflict with the interests of the Company;
"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 Companies Act 2006;
"Eligible"	has the meaning in Article 25(5);
"Family Member"	a Privileged Relation of a Full Member who is admitted by the Board as a Family Member and who pays a Subscription for the purpose of becoming a Family Member;
"Full Member"	a person who pays a Subscription to the Company for the purpose of becoming a Full Member and who is admitted by the Board as a Full Member;
"hobby"	has the meaning in Article 3(a);
"Honorary Life Member"	a person who has been a Full Member of the Company or paid up member of the Predecessor Society who, upon the recommendation of the Board, is admitted as an Honorary Life Member upon the approval of the Voting Members holding not less than 75% of the votes cast at an annual general meeting of the Company in recognition of their outstanding and meritorious service to the Company or the Predecessor Society;
"Life Member"	a person who has been a Full Member of the Company or paid up member of the Predecessor Society for not less than 6 consecutive years who is admitted by the Board as a Life Member;

"Member"	any Voting Member or Non-voting Member whose name is entered in the Company's register of Members and "Membership" shall be construed accordingly;
"Non-voting Member"	means the person whose name is entered in the Company's register of members other than as a Voting Member;
"ordinary resolution"	has the meaning given in section 282 of the Companies Act 2006;
"participate"	in relation to a Directors' meeting, has the meaning given in Article 16;
"Predecessor Society"	the unincorporated association known as N Gauge Society;
"Privileged Relation"	means a partner, spouse, child or grandchild (including step or adopted or illegitimate child and their issue) of a Full Member living at the same address as such Full Member;
"proxy notice"	has the meaning given in Article 40;
"register of members"	has the meaning given in section 113 of the Companies Act 2006;
"special resolution"	has the meaning given in section 283 of the Companies Act 2006;
"subsidiary"	has the meaning given in section 1159 of the Companies Act 2006;
"Subscription"	such annual Membership subscription at such rate or rates as determined by the Board and approved by the Voting Members from time to time by way of an ordinary resolution;
"Voting Member"	means a person whose name is entered in the Company's register of members as either a Full Member, Family Member, Life Member or an Honorary Life Member or such other class of Member with voting rights as the Board may approve from time to time;
"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.

- (3) Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.

2. Liability of Members

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 winding up, and
- (c) adjustment of the rights of the contributories among themselves.

3. Objects

The objects for which the Company is established are as follows:

- (a) (as its principal object) to carry on all such business and activities as may promote and develop the hobby of modelling railways in all its aspects in N Gauge ("**hobby**");
- (b) to provide a channel of communication;
 - (i) for manufacturers, suppliers and publishers to give information on their products to Members; and
 - (ii) between Members;
- (c) to publish journals, papers and produce other items which may be considered of interest to Members or which may publicise the activities of the Company to the general public;
- (d) to do, carry on any other business, activity or thing which may in the opinion of the Directors be conveniently carried on by the Company to promote and encourage active participation in the hobby or which may seem to the Directors calculated directly or indirectly to benefit the Company.

4. Powers

In pursuance of the objects set out in Article 3, the Company has the power to:

- (a) acquire the undertaking, assets and liabilities of the present unincorporated association known as Predecessor Society;

- (b) buy, sell and / or otherwise deal with stock and other items related to the hobby;
- (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) borrow and raise money in such manner as the Directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- (e) 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;
- (f) 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;
- (g) lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
- (h) 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 stated in Article 3(a) in any way;
- (i) 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;
- (j) enter into contracts to provide services to or on behalf of other bodies;
- (k) provide and assist in the provision of money, materials or other help;
- (l) 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;

- (m) incorporate subsidiary companies to carry on any trade; and
- (n) do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in Article 3.

5. Income

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

6. 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 Voting Members at or before the time of winding up or dissolution and, subject to any such resolution of the Voting Members, may be made by resolution of the Directors at or before the time of winding up or dissolution.

PART 2
DIRECTORS, PRESIDENT & VICE-PRESIDENTS
DIRECTORS' POWERS AND RESPONSIBILITIES

7. Number of Directors

- (1) The number of Directors shall not be subject to any maximum unless otherwise determined by the Board from time to time. Subject to paragraph (2) below, the minimum number of Directors shall be 4.
- (2) For the initial 4 month period following the date of incorporation of the Company, the minimum number of Directors shall be 2.

8. The Board

- (1) Subject to paragraph 3 (below), from the date of the first annual general meeting following the incorporation of the Company the Board shall include (without limitation) the following save where the Voting Members determine otherwise by ordinary resolution:
 - (a) one Chairman;
 - (b) one General Secretary;
 - (c) one Treasurer;
 - (d) one Membership Secretary;
 - (e) one Journal Editor;
 - (f) one Shop Manager;
 - (g) one Area Group Co-ordinator;
 - (h) one Stand Manager;
 - (i) one Product Development Officer;
 - (j) one Trade Liaison Officer;
 - (k) one Webmaster; and
 - (l) such additional Directors with such specific roles in the Company as shall be decided by the Board as being required by the Company.
- (2) All such Directors appointed prior to the first annual general meeting of the Company shall remain in office until such annual general meeting when all of the Directors shall be deemed to resign from office. If the Company does not fulfil the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of a Director is put to the meeting and lost.
- (3) The post of Chairman of the Board shall always exist.

9. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

10. Members' reserve power

- (1) The Voting Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- (2) No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

11. Directors may delegate

- (1) Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;as they think fit.
- (2) If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- (3) The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

12. Committees

- (1) Committees of the Company to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- (2) The Directors may make rules and bye laws for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.
- (3) The Board encourages Members to meet on a regular basis as Area Groups. Such groups may invite anyone with an interest in N Gauge modelling to attend such meetings, but may only be eligible to apply for a grant from the Board in respect of Members who are regular attendees of Area Group meetings, and then only if a bank account has been set up in the name of the Area Group into which such monies may be paid.

DECISION-MAKING BY DIRECTORS

13. Directors to take decisions collectively

- (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 14.
- (2) If:
 - (a) the Company only has one Director, and
 - (b) no provision of the Articles requires it to have more than one Director;the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making.

14. Unanimous decisions

- (1) A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter.
- (2) 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.
- (3) 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.
- (4) 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.

15. Calling a Directors' meeting

- (1) Any director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.
- (2) Notice of any Directors' meeting must indicate:
 - (a) its proposed date and time;
 - (b) where it is to take place;
 - (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting; and
 - (d) the proposed agenda.
- (3) Notice of a Directors' meeting must be given to each Director, but need not be in writing.

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

16. Participation in Directors' meetings

- (1) Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
 - (a) the meeting has been called and takes place in accordance with the Articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

17. Quorum for Directors' meetings

- (1) At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for Directors' meetings during the first 4 months following the date of the Company's incorporation shall be 2 Directors and thereafter the quorum shall be 4 Directors.
- (3) If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - (a) to appoint further Directors, or
 - (b) to call a general meeting so as to enable the Voting Members to appoint further Directors.

18. Chairing of Directors' meetings

- (1) The Chairman shall chair the meetings of the Board and, in his absence, paragraphs (2) and (4) below shall apply.
- (2) The Directors may appoint a Director to the office of Vice Chairman who shall chair their meetings in the absence of the Chairman.
- (3) The Directors may terminate the Vice Chairman's appointment at any time.

- (4) If neither the Chairman nor the Vice Chairman are participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

19. Casting vote

- (1) If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

20. Conflicts of interest

- (1) Whenever a Director finds himself in a situation that is reasonably likely to give rise to a conflict of interest, he must declare his interest to the Board unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already.
- (2) If any question arises as to whether a Director has a conflict of interest, the question shall be decided by a majority decision of the other Directors.
- (3) Whenever a matter is to be discussed at a meeting or decided in accordance with Article 14 (Unanimous decisions) and a Director has a conflict of interest in respect of that matter then subject to Article 21 (Directors' power to authorise a conflict of interest), he must:
 - (a) remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;
 - (b) not be counted in the quorum for that part of the meeting; and
 - (c) withdraw during the vote and have no vote on the matter.
- (4) When a Director has a conflict of interest which he has declared to the Directors, he shall not be in breach of his duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him.

21. Directors' power to authorise a conflict of interest

- (1) The Directors have power to authorise a Director to be in a position of conflict of interest provided:
 - (a) in relation to the decision to authorise a conflict of interest, the conflicted Director must comply with Article 20(3);
 - (b) in authorising a conflict of interest, the Directors can decide the manner in which the conflict of interest may be dealt with and, for the avoidance of

doubt, they can decide that the Director with a conflict of interest can participate in a vote on the matter and can be counted in the quorum;

- (c) the decision to authorise a conflict of interest can impose such terms as the Directors think fit and is subject always to their right to vary or terminate the authorisation.
- (2) If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 21(1) then, even if he has been authorised to remain at the meeting by the other Directors, the Director may absent himself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed.
- (3) A Director shall not be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been authorised by the Directors in accordance with Article 21(1) (subject to any limits or conditions to which such approval was subject).

22. Register of Directors' interests

The Directors shall cause a register of Directors' interests to be kept. A Director must declare the nature and extent of any interest, direct or indirect which he has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

23. Records of decisions to be kept

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

24. Directors' discretion to make further rules

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT OF DIRECTORS

25. Methods of appointing Directors

- (1) Any person who is Eligible (as defined in paragraph (5) below) and who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director with a specific office under one of the titles listed in Article 8(1)(a) to (k) or pursuant to (l). Save as provided under paragraph (2) below, such person's initial appointment shall be subject to an election carried out in accordance with Article 25(A) and any subsequent appointment of that person may be:
 - (a) by ordinary resolution; or

- (b) by a decision of the Directors pursuant to paragraph (2) below.
- (2) The Directors may appoint a person who is Eligible and who is willing to act as a Director, either prior to the first annual general meeting of the Company or to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion of that meeting.
- (3) In any case where, as a result of death, the Company has no Voting Members and no Directors, the personal representatives of the last Voting Member to have died have the right, by notice in writing, to appoint a person to be a Director.
- (4) For the purposes of paragraph (3), where two or more Voting Members die in circumstances rendering it uncertain who was the last to die, a younger Voting Member is deemed to have survived an older Voting Member.
- (5) For the purposes of paragraph (1), a person is "Eligible" where all of the following apply:
 - (a) he is a Full Member (who has fully paid his Subscription for the purpose of being a Full Member) and has enjoyed voting rights as a Full Member of the Company or as a fully paid up Member of the Predecessor Society for a continuous period of at least two years immediately preceding the date of his appointment;
 - (b) he is over 18 years of age;
 - (c) he is not the proprietor, or in full-time employment in, or is dependent upon the model railway trade for his principal income.

25A. Initial appointment of Directors

- (1) The initial appointment of a Director shall be subject to election by the Company's Voting Members in accordance with the provisions of this Article 25A and (where applicable) the rules and bye laws of the Company.
- (2) If an Eligible person ("**Candidate**") wishes to be considered for one of the Directors' posts, the Candidates must be nominated (in writing) by two Voting Members (one as proposer and the other as seconder). Such nomination must be in the form prescribed by the Board from time to time and be received at the registered office of the Company (marked for the attention of the General Secretary) at least 28 days prior to the date of the election of the Director (hereinafter defined as the "**Election Date**") which date shall be confirmed by majority vote of the Board.
- (3) Once the last date upon which a written nomination can be received has passed, where the Company has received nominations for more than one candidate for the same Director's post the Board (via the General Secretary or in the General

Secretary's absence by another nominated representative of the Board) shall at least 21 days before the Election Date issue voting papers to the Company's Voting Members bearing the name of each Candidate and the Director's post that such Candidate is seeking election for. Each Voting Member shall be entitled to vote for any one Candidate for the Director's post in question. All votes (in the prescribed form) must be received not less than 5 days before the Election Date at the registered office of the Company marked for the attention of the returning officer (nominated by the Board) who shall be responsible for counting the votes. Subject to Article 25A(4), the Candidate receiving the most votes for the Director's post in question shall be deemed to be duly elected, such appointment to commence on the Election Date with effect from the end of the annual general meeting provided that an ordinary resolution approving his appointment is passed.

- (4) In the event of a tie between any of the Candidates who receive the highest number of votes for the Director's post in question, the Chairman of the meeting shall exercise a casting vote at the annual general meeting and where the Chairman of the meeting exercises his casting vote in favour of those Candidates, that Candidate shall be appointed to the Director's post with effect from the end of the annual general meeting provided that an ordinary resolution approving his appointment is passed.
- (5) All voting papers received by the Company marked for the attention of the returning officer pursuant to Article 25A(3) above shall be made available at the annual general meeting for inspection by any Voting Member wishing to check the validity of the results.

26. Termination of Director's appointment

A person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (f) a resolution of the Board is passed by a majority of not less than two-thirds of Directors present or participating in the Directors' meeting;

(g) that person ceases to be a Voting Member.

27. Directors' remuneration

- (1) Directors may undertake any services for the Company that the Directors decide.
- (2) Directors are entitled to such remuneration as the Directors determine:
 - (a) for their services to the Company as Directors, and
 - (b) for any other service which they undertake for the Company.
- (3) Subject to the Articles, a Director's remuneration may:
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- (4) Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- (5) Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

28. Directors' expenses

The Company may pay any reasonable expenses which the Directors (including alternative directors and the company secretary) properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors,
- (b) general meetings, or
- (c) separate meetings of the holders of debentures of the Company,

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

APPOINTMENT OF PRESIDENT & VICE-PRESIDENTS

28A. President & Vice-Presidents

- (1) The following may be appointed by the Voting Members by ordinary resolution at a general meeting:

- (a) one President for a term of 3 years which term may be renewed for further periods of 3 years where he is reappointed; and
 - (b) two Vice-Presidents for a term of 2 years (which term may be renewed for further periods of 2 years where each Vice-President is reappointed).
- (2) Any candidate for the post of President or Vice-President must be:
- (a) nominated by the Board at any time prior to the annual general meeting;
or
 - (b) nominated by two Voting Members attending the annual general meeting.
- (3) Where there is more than one candidate nominated for the post of President, the Voting Members present shall vote on who shall be the preferred candidate for the post of President and, if there should be an equality of votes, the Chairman of the meeting shall decide who shall be the preferred candidate.
- (4) Where there are more than two candidates nominated for the two posts of Vice-Presidents, the Voting Members present shall vote on who shall be the two preferred candidates for the posts of Vice-Presidents and, if there should be an equality of votes, the Chairman of the meeting shall decide in each case who shall be the preferred candidate.
- (5) Once the preferred candidates have been determined in accordance with paragraphs (3) and (4) above, their appointments to the relevant posts of President and Vice-Presidents shall be subject to an ordinary resolution in each case pursuant to Article 28A(1) above.
- (6) The President and Vice-Presidents may be invited by the Board to attend Board meetings from time to time but shall have no right to vote.
- (7) The President and / or any Vice-President may be invited by the Board to chair and / or be a member of any committee of the Company where, in such capacity, they shall enjoy full voting rights and / or be invited to undertake such a specific task or role as may be approved by the Board from time to time.

PART 3 MEMBERS

BECOMING AND CEASING TO BE A MEMBER

29. Becoming a Member

- (1) The subscribers to the Memorandum are the first Members of the Company.
- (2) The Company shall admit to Membership an individual who:

- (a) applies to the Company using the application process approved by the Board; and
 - (b) is approved by the Board.
- (3) The Directors may in their absolute discretion decline to accept any application for Membership and need not give reasons for doing so but may from time to time adopt rules and / or bye laws setting out any appeals process that may be used by an applicant seeking to overturn their decision.
- (4) The Directors may prescribe criteria for Membership of the Company but shall not be obliged to accept persons fulfilling those criteria as Members.
- (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 of the Company.

30. Termination of Membership

- (1) Membership is not transferable to anyone else.
- (2) A person's Membership is terminated with immediate effect if:
- (a) that person dies;
 - (b) he resigns for any reason;
 - (c) (in the case of a Full Member) he fails to pay his Subscription in full to maintain his status as Full Member within 7 days following the issue of a written demand by a representative of the Board where any part of the Subscription is overdue;
 - (d) if he is a Family Member:
 - (i) he is a Privileged Relation of a Full Member whose Membership with the Company has been terminated; or
 - (ii) he fails to pay his Subscription and fails to maintain his status as Family Member within 7 days following the issue of a written demand by a representative of the Board where any part of the Subscription is overdue;
 - (e) he is expelled pursuant to Article 31; or
 - (f) his Membership is otherwise terminated in accordance with the Articles.

31. Expulsion of Member

- (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) 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 / or Directors into disrepute; or
 - (b) has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or
 - (c) has failed to observe the terms of these Articles and / or such rules or bye laws of the Company from time to time.

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

- (2) The notice to the Member must inform him of his right to appeal at an annual general meeting by submitting a written statement of appeal or, at the discretion of the Chairman (save where the Voting Members decide otherwise by way of a simple majority of the votes cast by those Voting Members present and voting at the annual general meeting), by appealing 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. A decision to accept the appeal shall require the approval of the Voting Members holding 75% or more of the votes cast at the annual general meeting.
- (3) A Member whose Membership is terminated under this Article shall not be entitled to a refund of any Subscription and shall (save where the Board decides to the contrary) remain liable to pay to the Company any Subscription or other sum owed by him.

ORGANISATION OF GENERAL MEETINGS

32. Attendance and speaking at general meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when:
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

33. Quorum for general meetings

- (1) No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- (2) The quorum at any general meeting of the Company or adjourned general meeting, shall be the greater of 2 persons or 0.4% of the persons who are entitled to vote on the business to be transacted, each person being a Voting Member, a proxy for a Voting Member.

34. Chairing general meetings

- (1) If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.
- (2) If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start the Vice-Chairman shall chair the meeting and, in his absence:

- (a) the Directors present, or
- (b) (if no Directors are present), the meeting,

must appoint a Director or Member to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.

- (3) The person chairing a meeting in accordance with this Article is referred to as "the Chairman of the meeting".

35. Attendance and speaking by Directors and non-Members

- (1) Directors may attend and speak at general meetings provided that they are Full Members.
- (2) The Chairman of the meeting may permit other persons who are not Non-voting Members or Members of the Company to attend and speak at a general meeting.

36. Adjournment

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the meeting must adjourn it.
- (2) The Chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - (a) the meeting consents to an adjournment, or
 - (b) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the Chairman of the meeting must:
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

37. Voting: general

- (1) Each Voting Member shall have 1 vote and shall be entitled to receive notice of and to attend at general meetings of the Company.
- (2) Any Member who is not a Voting Member shall not be entitled to receive notice of or attend any general meeting of the Company.
- (3) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

38. Errors and disputes

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the Chairman of the meeting whose decision is final.

39. Poll votes

- (1) A poll on a resolution may be demanded:
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by:
 - (a) the Chairman 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 Voting Members having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if:
 - (a) the poll has not yet been taken, and
 - (b) the Chairman of the meeting consents to the withdrawal.

- (4) Polls must be taken immediately and in such manner as the Chairman of the meeting directs.

40. Content of proxy notices

- (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
 - (a) states the name and address of the Voting Member appointing the proxy;
 - (b) identifies the person appointed to be that Voting Member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the Voting Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - (d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as:
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

41. Delivery of proxy notices

- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

42. Amendments to resolutions

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (a) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

PART 4 ADMINISTRATIVE ARRANGEMENTS & MISCELLANEOUS

43. Means of communication to be used

- (1) Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- (2) Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

44. Company seals

- (1) Any common seal may only be used by the authority of the Directors.

- (2) The Directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this Article, an authorised person is:
 - (a) any Director;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

45. No right to inspect accounts and other records

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

46. Rules

- (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 Company and for the purposes of prescribing classes of and conditions of Membership, and in particular but without prejudice to the generality of the foregoing they, may by such rules or bye laws regulate:
 - (a) the admission and classification of Members of the Company 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 (which subscription rates shall be subject to the approval of the Voting Members by ordinary resolution) and other fees or payments to be made by Members;
 - (b) the conduct of Members in relation to one another, and to the Company's servants;
 - (c) the procedure at general meetings and meetings of the Directors and committees of the Directors in so far as such procedure is not regulated by the Articles;
 - (d) generally, all such matters as are commonly the subject matter of company rules.
- (2) The Company in general meeting shall have power to alter, add to or repeal the rules or bye laws and the Directors shall adopt such means as they think sufficient to bring to the notice of Members all such rules and bye laws, which

shall be binding on all Members. PROVIDED THAT no rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or the Articles.

DIRECTORS' INDEMNITY AND INSURANCE

47. Indemnity

- (1) Subject to paragraph (2), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:
 - (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
 - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
 - (c) any other liability incurred by that director as an officer of the Company or an associated company.
- (2) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (3) 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 director" means any director or former director of the Company or an associated company.

48. Insurance

- (1) The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- (2) In this Article:
 - (a) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company,
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that 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) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.