

Company Number: 02436831

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

-of-

THE NATIONAL SOCIETY OF ALLIED AND INDEPENDENT FUNERAL DIRECTORS

Incorporated 26 October 1989

(Adopted by Special Resolution passed on 2022)

1 TABLE C

The Model Articles shall not apply to the Company.

2 INTERPRETATION

2.1 In these Articles:

"Act" means the Companies Act 2006;

"Acts" means the Act and every other Act for the time being in force concerning companies and affecting the Company;

"Adopted Pre- Payment Scheme" means the official scheme adopted by the Company for the use of the membership and which the membership shall make available on request;

"Affiliate Members" means such members and membership as more particularly described in article 6 below and including, for the avoidance of doubt, The Birmingham Funeral Directors Guild;

"Approved Pre-Payment Scheme" means a scheme that complies with all relevant legislation, codes of practice, government recommendations and statutory requirements (as regulated by the Financial Services Authority and as detailed in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001) and does not detract from the objects of the Company;

"Associate Members" means such members and membership as more particularly described in article 5 below;

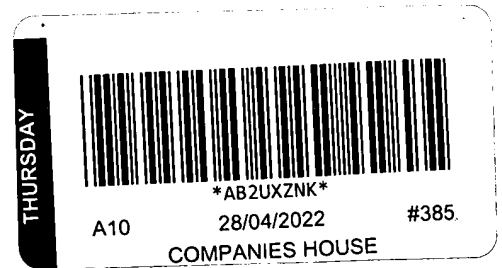
"Associated Company" shall have the meaning set out in section 416 of the Income & Corporation Taxes Act 1988;

"Auditors" means the Auditors for the time being of the Company;

"Authorisation" means authorisation from the Financial Conduct Authority to sell funeral plans pursuant to and in accordance with the Funeral Plan: Conduct of Business Sourcebook published by the Financial Conduct Authority ("FPCBSB");

"By-laws" means the current by-laws of the Company as referred to in article 25;

"Company" means The National Society of Allied and Independent Funeral Directors;



"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;

"Director" means a member of the Board of Directors of the Company or a director as referred to in the Act;

"Directors" means the Board of Directors of the Company;

"Firm" means funeral directors carrying on business on their own account, in partnership with others, or as companies registered as private limited liability and registered under the Act or acts referred to in section 675 of the Act;

"Funeral Markets Investigation Order" means the order made by the Competition and Markets Authority which came into force on 16 June 2021 and which introduces legal obligations on funeral directors and crematorium operators;

"Group Funeral Company" means any funeral directing company which is (1) owned by, or managed by, or franchised to a company or public limited company whose shares are traded on any stock exchange or who are part of any co-operative movement; or (2) owned either wholly or in part and whether directly or indirectly by private equity or venture capital funds or investors (or anything analogous thereto) as part of a strategy that involves consolidating the funeral services market or any part of it;

"Member" means a Voting Member and **"Membership"** shall be construed accordingly; and

"Model Articles" means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (S/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;

"Office" means the registered office of the Company;

"Pre-Payment Schemes" means any pre-payment scheme other than Adopted or Approved Pre-Payment Schemes;

"Rules" means the current rules of the Company as referred to in article 25;

"Secretary" means any person appointed to perform the duties of the secretary of the Company;

"Subsidiary" shall have the meaning set out in section 1159 of the Act;

"these presents" means these Articles of Association and the regulations of the Company from time to time in force;

"Voting Member" means all members of the Company other than Associate Members and Affiliate Members.

- 2.2 Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
- 2.3 Words importing the singular number only shall include the plural number and vice versa.
- 2.4 Words importing the masculine gender shall include the feminine gender.

2.5 Reference to any statute shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

2.6 Subject as aforesaid, any words or expressions defined in the Acts shall (if not inconsistent with the subject or context) bear the same meanings in these presents.

3 GUARANTEE

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

3.1.1 payment of the Company's debts and liabilities contracted before it ceases to be a Member,

3.1.2 payment of the costs, charges and expenses of the winding up, and

3.1.3 adjustment of the rights of the contributories among themselves.

4 MEMBERS AND MEMBERSHIP

4.1 The Company is established for the purposes expressed in the Memorandum of Association. There is no upper limit on the number of members.

4.2 Membership is open to Firms who have for 12 months or more directly (but not necessarily exclusively) engaged in practice as funeral directors (and complying on application with such criteria as may be determined by the Directors) and is open to such other firms as the Directors shall at their discretion admit to membership, but excluding:

4.2.1 Group Funeral Companies and their employees;

4.2.2 Firms offering Pre-Payment Schemes which do not comply with all legislation, codes of practice and statutory requirements. From 29 July 2022 this includes Firms offering Pre-Payment Schemes in contravention of FPCBSB. The responsibility of ensuring compliance with legislation currently in force will be the sole responsibility of the member;

4.2.3 Firms who have entered into a contractual agency agreement with a pre-payment company whose Pre-Payment Scheme restricts a family's free choice of funeral director;

4.2.4 Firms who are not operating in compliance with the Funeral Markets Investigation Order.

4.3 Where the same person, firm or company owns or controls more than one firm or company which is engaged in practice as funeral directors, membership shall only be open to such firms so owned or controlled in accordance with these presents.

4.4 For the purposes of article 4.3 above, an applicant which is a private limited company shall be deemed to be owned or controlled by another company if it is a Subsidiary of that company or a Subsidiary of another Subsidiary or Associated Company of that company. A firm will be deemed to be controlled by a person, firm or company where such person, firm or company controls (whether it be the exercise of voting rights or otherwise) the management and management policies of such firm and its business and affairs.

4.5 Where, subsequent to being accepted as a member of the Company, there is a change of control of any member (control having the same meaning as defined in article 4.4) and the person, firm or company acquiring control of the member is not itself a member,

the member shall remain a member (unless the Directors otherwise decide, their decision being a matter for their absolute discretion) provided that any company acquiring control is not a Group Funeral Company.

- 4.6 If so required by the Directors, any member upon a change of control or ownership occurring in relation to them shall provide forthwith to the Directors full details of its ownership, in particular details of the person, firm or company which has acquired control or ownership.
- 4.7 It shall be lawful for any person being a member of the Company to guarantee any larger sum than £1 by executing a bond or subscription contract with the Company to that effect.
- 4.8 The Secretary shall keep an accurate Register of Members of the Company.
- 4.9 All applicants for membership shall provide full details of its ownership, management and franchise (if any).
- 4.10 All applicants for membership shall be subject to an inspection being carried out by an inspector appointed by the Directors who shall report his findings to the Directors or as they may direct.
- 4.11 Probationary membership is available where the applicant has been trading or employed as a funeral director for less than 12 months. Upon probationary membership being granted the probationer member shall be mentored and monitored by a Voting Member appointed by the Directors.
- 4.12 The Directors shall have the power to suspend the membership of, or expel from membership of the Company, any Member who they, or any duly appointed sub-committee of the Board, consider has breached any provision of these Articles, the Rules or the Bye Laws or otherwise brought the reputation or standing of the Company or the funeral directing profession into disrepute. The Directors shall have the power and discretion to determine who shall investigate any alleged breach or misconduct, what procedures shall be adopted by the Board in conducting such investigation and whether or not any appeal should be allowed from their decision and if so to whom and in what manner it shall be made and heard. The Board's decision in relation to any suspension or expulsion shall, subject to any right of appeal, be final.

5 ASSOCIATE MEMBERSHIP

- 5.1 Associate membership is open to Firms engaged in the manufacture or distribution of funeral supplies, funeral vehicle manufacture, funeral carriage masters and Firms carrying out ancillary and/or support services for the funeral profession at the discretion of the Board of Directors.
- 5.2 The nominated representative for any Associate Member must be a director or principal of the Associate Member.
- 5.3 Employees and representatives of Associate members are precluded from being appointed onto the Board of Directors, or onto any sub committee of the Board of Directors. This does not however preclude Employees and representatives of Associate members from providing advisory services to the Board of Directors, or to any sub-committee of the Board of Directors on such terms as the Board of Directors consider to be in the best interests of the Company.
- 5.4 5.4 The exclusions set out in Articles 4.2.2 - 4 inclusive also apply to associate membership.

6 AFFILIATE MEMBERSHIP

- 6.1 Affiliate membership is open to organisations wishing to associate themselves with the Company but are not admissible as Associate Members.
- 6.2 The nominated representative for any affiliate member must be an officeholder within that organisation.
- 6.3 Employees and representatives of Affiliate members are precluded from being appointed onto the Board of Directors, or any sub-committee of the Board of Directors.
- 6.4 The exclusions set out in Articles 4.2.1 - 4 inclusive also apply to affiliate membership.
- 6.5 All funeral directing firms in the United Kingdom belonging to an affiliate member must be a full member of the Company.
- 6.6 Funeral directors based outside the United Kingdom may, at the ultimate discretion of the Board of Directors and subject to the exclusions set out in Articles 4.2.1 - 4 be accepted into an overseas membership with exactly the same rights as affiliate members.
- 6.7 The Birmingham Funeral Directors Guild is affiliated to the Company.

7 APPLICATION FOR MEMBERSHIP

- 7.1 Application for membership shall be submitted to the Registered Office in such form and containing such information and assurances as the Board of Directors may from time to time direct, and such entrance fees as may be directed by the Board of Directors shall accompany the application.
- 7.2 The sole right of admission to membership shall be vested in the Directors who may without showing cause refuse to admit any Firm as a member of the Company.
- 7.3 Any applicant who has applied for membership and had that application rejected or who has not been notified in writing within 90 days of the date of the application shall have the right to appeal to the Board of Directors whose decision will be final and without explanation. Such an appeal will be heard by any three Directors who have not been involved in the application process.
- 7.4 The submission of a completed application form and payment of any entrance fee will not guarantee membership of the Company and no refund of the application fees will be made to applicants where membership is refused.
- 7.5 The Directors may not consider re-application for membership from Firms whose membership applications have been rejected for a period of twelve months from the date of the original application.

8 CESSATION OF MEMBERSHIP

- 8.1 Any member may withdraw from the Company by giving three months' notice in writing to the Secretary of its intention so to do but any member Firm ceasing by any means to be a member shall remain liable for and shall pay to the Company all monies due from him to the Company at the time of ceasing to be a member or for which such member Firm may become liable under the provisions of the Memorandum of Association.
- 8.2 Membership will automatically cease upon a member's business being sold or being otherwise materially connected in any way to a Group Funeral Company. For the avoidance of doubt, determination of what constitutes a material connection will be at the sole discretion of the Board of Directors.

- 8.3 There will be no refund of the entrance fee or subscription paid upon cessation of membership.
- 8.4 Membership will automatically cease if, after being admitted as a member, circumstances arise whereby that member ceases to be eligible for membership under these Articles, or is deemed by the Board of Directors to be in breach of the Articles or the Rules and By-laws.
- 8.5 The Directors may also without showing cause by a resolution passed by a majority consisting of not less than two-thirds of the Directors present at a Meeting of the Directors of and at which the member in question has been given reasonable notice and a reasonable opportunity of being heard in his own defence convened solely or inter alia for the purpose of considering such resolution refuse to continue any person as a member of the Company and if such resolution shall be so passed then such person shall cease to be a member and his name shall be removed from the Register of Members; provided that he shall remain liable for and shall pay to the Company all monies due from him to the Company at the time of his ceasing to be a member or for which he may become liable under the provisions of the Memorandum of Association.

9 GENERAL MEETINGS

- 9.1 The Company shall in March of each year or such other time as the Directors may determine hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. The business of the Annual General Meeting shall be determined by the Directors.
- 9.2 All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 9.3 The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on requisition in accordance with the Acts. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

10 NOTICE OF GENERAL MEETINGS

- 10.1 An Annual General Meeting and a meeting called for the passing of a Special Resolution shall be called by 21 days' notice in writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a Special Resolution shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business or in the case of any action being adopted or acted upon by the Directors, the nature of that action, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under the Articles of the Company entitled to receive such notices from the Company. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it is so agreed:
- 10.1.1 in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat;

- 10.1.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent, of the total voting rights at that meeting of all members.
- 10.2 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

11 PROCEEDINGS AT GENERAL MEETINGS

- 11.1 All business shall be deemed special that is transacted at any Extraordinary General Meeting, and also all that is transacted at any Annual General Meeting, with the exception of the consideration of the Accounts, Balance Sheets, and the Report of the Directors and Auditors, the Election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the Auditors.
- 11.2 No business shall be transacted at any General Meeting unless a quorum of Voting Members is present at the time when the meeting proceeds to business; save as herein otherwise provided 2 Voting Members or one-tenth of the Voting Members of the Company if greater present in person or by proxy shall be a quorum.
- 11.3 If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Voting Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half-an-hour from the time appointed for the meeting the Voting Members present shall be a quorum.
- 11.4 The Chairman, if any, of the Directors or in his absence the Vice-Chairman shall preside as Chairman at every General Meeting of the Company, or if there is no such Chairman or Vice-Chairman or if he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.
- 11.5 If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for the holding of the meeting, the Voting Members present shall choose one of their number to be Chairman of the meeting.
- 11.6 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 11.7 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands (on the basis of one vote per Voting Member who when voting shall show their membership cards or such other evidence of membership as the Chairman of the meeting shall determine).
- 11.8 A declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the Minutes of Proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 11.9 In the case of an equality of votes the Chairman of the meeting at which the show of hands takes place shall be entitled to a second or casting vote.
- 11.10 [Subject to the provisions of the Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.]
- 11.11 Any matter or thing which may under these presents be dealt with by Ordinary Resolution and is not required by law to be dealt with in general meeting may, if the Directors so resolve, be determined by a postal ballot to be conducted in such manner as the Directors may think fit and any resolution declared by the Directors to have been carried by a majority of the members voting on such ballot shall have effect in all respects as if it were an Ordinary Resolution duly passed at a meeting of the Company duly convened and held.
- 11.12 A person is able to exercise the right to speak at a general meeting of the Company 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.
- 11.13 A person is able to exercise the right to vote at a general meeting when (1) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and (2) 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 other persons attending the meeting.
- 11.14 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.
- 11.15 In determining attendance at a general meeting, it is immaterial whether any two or two or more members attending it are in the same place as each other.
- 11.16 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.

12 VOTES OF VOTING MEMBERS

- 12.1 On a show of hands, every Voting Member present in person shall have one vote. For the avoidance of doubt, only one vote per member is allowed.
- 12.2 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
- 12.3 The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a company under its common seal if any and if none then under the hand of some officer duly authorised in that behalf. A proxy must be a member of the Company or a member's representative.
- 12.4 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less

than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

- 12.5 An instrument appointing a proxy shall be in such form as the Directors may from time to time specify.
- 12.6 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 12.7 No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution or if the membership of the appointor shall have ceased before the meeting or adjourned meeting at which the proxy is used.
- 12.8 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

13 DIRECTORS

- 13.1 The number of Directors shall be no more than 15.
- 13.2 The Directors shall be able to claim all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee or sub-committee of the Directors or General Meetings of the Company or in connection with the business of the Company.
- 13.3 No person other than an employee or representative of a Voting Member, or employee of the Company may be appointed a Director. Directors may not appoint alternate directors.
- 13.4 Each Director shall continue in office until one of the events in article 16 occurs.

14 BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertakings and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or any third party.

15 POWERS AND DUTIES OF DIRECTORS

- 15.1 The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Acts or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Acts or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 15.2 The Directors shall have the power to co-opt members to fill any vacancy and to fill any casual vacancy amongst the officers of the Company.

16 DISQUALIFICATION OF DIRECTORS

- 16.1 The office of Director shall be vacated if the Director:

- 16.1.1 without the consent of the Company in General Meeting holds any other office of profit under the Company; or
- 16.1.2 becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 16.1.3 becomes prohibited from being a Director by reason of any order made under the Acts; or
- 16.1.4 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; or
- 16.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- 16.1.6 ceases to be an employee or representative of a Voting Member or employee of the Company; or
- 16.1.7 resigns his office by notice in writing to the Company provided that such resignation shall not be accepted if it would leave the Company with less than 15 Directors; or
- 16.1.8 ceases to be a Director by virtue of any provision of the Acts; or
- 16.1.9 shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

17 DIRECTORS' INTERESTS

- 17.1 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.
- 17.2 Any authorisation under this article 17 shall be effective only if:
 - 17.2.1 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;
 - 17.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 17.2.3 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.
- 17.3 Any authorisation of a Conflict under this article 17 may (whether at the time of giving the authorisation or subsequently):
 - 17.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 17.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- 17.3.3 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;
- 17.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- 17.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he 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
- 17.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 17.4 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.
- 17.5 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.
- 17.6 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.
- 17.7 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:
 - 17.7.1 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;
 - 17.7.2 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;
 - 17.7.3 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;
 - 17.7.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - 17.7.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

17.7.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such 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.

18 PROCEEDINGS OF DIRECTORS

- 18.1 The Directors shall meet together for the despatch of business at least once every three months but may otherwise meet, adjourn and regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
- 18.2 Save as herein otherwise provided the quorum necessary for the transaction of the business of the Directors shall be 7. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other, and all directors participating in accordance with Article 18.3 shall be counted for quorum purposes. If all the directors participating in a meeting are not in the same place, it shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chair of the board meeting participates.
- 18.3 A Director may participate in a meeting of the Directors or of a committee of which he is a member by conference telephone video conference or similar communications equipment by means of which all the persons participating in the meeting can hear each other at the same time. Participation in a meeting in this manner is treated as presence in person at the meeting. For the avoidance of doubt directors' meetings need not be face to face and can be held remotely by such means as shall be determined by a majority of the directors.
- 18.4 The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but, if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- 18.5 The Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to a Managing Director (CEO) of the Company such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and any such delegation may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of a Director so far as they are capable of applying. All acts and proceedings of each such sub-committee should be reported back to the Directors as soon as possible.
- 18.6 The meetings and proceedings of any such committee or sub-committee as is referred to in the preceding article shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors.
- 18.7 The Directors may appoint sub-committees for special purposes and may invite members and non-members to attend for consultative or special purposes. (Such persons' expenses may be met as for Directors.)
- 18.8 The Directors shall cause minutes to be made in books provided for the purpose:

18.8.1 of all appointments of officers made by the Directors;

18.8.2 of the names of the Directors present at each meeting of the Directors and of any committee or sub-committee of the Directors;

18.8.3 of all resolutions and proceedings at all meetings of the Company and of the Directors, and of committees and sub-committees of the Directors.

18.9 All acts bona fide done by any meeting of the Directors or of a committee or sub-committee of the Directors, or by any person acting as a Director or as a member of a committee or sub-committee, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of a committee or sub-committee.

18.10 A resolution in writing, signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

19 SECRETARY

19.1 Subject to the provisions of the Acts the Secretary shall be appointed by the Directors for such time, upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The Directors may from time to time by resolution appoint an assistant or deputy Secretary and such deputy secretary so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting.

19.2 A provision of the Acts or these presents requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

20 THE SEAL

If the Company shall from time to time have a seal, the Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a committee or sub-committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

21 ACCOUNTS

21.1 The Directors shall cause proper accounting records to be kept in accordance with the Acts.

21.2 The accounting records shall be kept at the Office or subject to the provisions of the Acts at such other place or places as the Directors shall think fit, and shall always be open to the inspection of the Directors.

21.3 The Directors shall ensure the accounts of the Company shall be open at least annually to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting or ordered by a court of competent jurisdiction.

21.4 A proper income and expenditure account shall be made up in respect of each financial year of the company in accordance with the Acts together with a proper balance sheet made up as at the date to which the said account is made up. The said account and the said balance sheet shall be accompanied by proper reports of the Directors and of

the Auditors and by any other documents required by law to be annexed or attached thereto ("**Accounts**"). The Accounts shall from time to time be laid before the Company in General Meeting in accordance with the Acts and shall not less than 21 clear days before the date of the meeting be sent to the Auditors and to all other persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served.

22 NOTICES

- 22.1 A notice may be given by the Company to any member either personally or by sending it by post to his registered address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted.
- 22.2 Notice of every General Meeting shall be given in any manner hereinbefore authorised to every member and to the Auditors for the time being of the Company.
- 22.3 If a member has no registered address for the giving of notice to him, he shall not be entitled to receive any notice from the Company.

23 INDEMNITY

Subject to the provisions of and so far as may be permitted by law, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil, or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

24 WINDING-UP AND DISSOLUTION

- 24.1 The Company may be dissolved by a Special Resolution passed at a General Meeting called for the purpose of which at least 28 clear days' notice has been given to all Voting Members
- 24.2 After the satisfaction of all legal liabilities the balance of the funds standing to the credit of the Company shall be disposed of in the manner determined by the General Meeting referred to in Article 24.1 above.

25 RULES AND BY-LAWS

- 25.1 The Directors shall make such By-laws as they deem necessary or expedient or convenient for the proper conduct and management of the Company, and in particular but without prejudice to the generality of the foregoing, they shall by such By-laws regulate:
 - 25.1.1 the conduct of the members of the Company in relation to one another, and to the Company and to the Company's servants and agents; and
 - 25.1.2 generally all such matters as are commonly the subject matter of the Company rules or by-laws.
- 25.2 The Voting Members shall have the power at the Annual General Meeting or at an Extraordinary General Meeting by special resolution to alter or repeal the Rules and to make any additions thereto.

- 25.3 The Directors shall have the power to alter or repeal the By-laws and to make additions thereto and shall adopt such means as they deem sufficient to bring to the notice of the members of the Company such By-laws.
- 25.4 So long as the Rules and By-laws are in force, they shall be binding on all members of the Company (provided, nevertheless, that no Rule or By-law shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum or these Articles which shall in the event of any inconsistency prevail).
- 25.5 The membership of any member who fails to abide by such Rules or By-laws as are in force from time to time shall be terminated by the Directors.