

**THE COMPANIES ACT 2006**

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**A PRIVATE COMPANY LIMITED BY GUARANTEE**

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**Articles of Association  
of  
Music Publishers Association Limited**

(Adopted by Special Resolution passed 19 April 2018)

**INTERPRETATION**

1 In these articles:

the “Act”	means the Companies Act 2006 as may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time.
the “Articles”	means the articles of association of the Association for the time being in force.
the “Association”	means Music Publishers Association Limited.
the “Board”	means the board of directors for the time being of the Association.
“clear days”	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“Corporate Associate”	shall bear the meaning ascribed thereto in Article 8(b).
“Designated Director”	shall bear the meaning ascribed thereto in Article 65.
“Designated Member”	shall bear the meaning ascribed thereto in Article 65.1
“Elected Director”	shall bear the meaning ascribed thereto in Article 62.
“firm”	means an individual or a number of individuals carrying on business under a trade name or being an unincorporated association.
"Gross Annual Income"	shall be as defined and determined by the Board from time to time for the purposes of enabling the Members of the

Association to calculate their annual subscription to the Association.

“Election Service Provider” means the independent supplier of ballot and election services appointed in accordance with Article 64(b).

“in writing” means written, printed or lithographed or partly one and partly another and other modes of representing or reproducing words in a visible form.

“Member(s)” means a member or members of the Association.

“Model Articles” means the model articles for private companies limited by guarantee as set out at Schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229), and reference to a numbered Model Article shall be to the relevant article of the Model Articles.

“Music Publisher(s)” means a company, person or other legal entity who has entered into agreement(s) with songwriters and/or authors and/or composers and/or other music publishers or owners of rights to take an assignment, a licence or other grant of rights including, but without limitation, of copyright and/or authors’ rights in their musical works and/or lyrics for the purposes of the publication, exploitation and administration of them by any means now known or hereafter created.

“month” means calendar month.

“office” means the registered office of the Association.

“seal” means the common seal of the Association.

“term” means the period of time from the close of business of an annual general meeting of the Association until the close of business of the following annual general meeting.

“United Kingdom” means Great Britain and Northern Ireland.

- 2 Words importing the singular number only shall include the plural number, and vice versa.
- 3 Words importing the masculine gender only shall include the feminine gender.
- 4 Words importing persons shall include corporations.
- 5 Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Association shall, if not inconsistent with the subject or context, bear the same meanings in these presents.

- 6 The Model Articles shall apply to the Association subject to the modifications and additions made by these Articles.
- 7 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles.

## **OBJECTS**

- 8 The objects for which the Association is established are:
- (a) To admit as Members all Music Publishers who desire to be Members in accordance with criteria and procedures prescribed by the Articles of Association and to promote the interests of Members.
  - (b) To admit any person partnership or company whose core business has a close connection with music publishing in accordance with criteria and procedures prescribed by the Board under the Articles of Association (each a “Corporate Associate”).
  - (c) To originate and promote improvements in the law relating to musical copyright or other matters in which Music Publishers are interested, and to support or oppose alteration in such law and to effect improvements in the administration thereof, and for the purposes aforesaid to petition Parliament and take such other steps and proceedings as may be deemed expedient.
  - (d) To diffuse among its Members information upon all matters affecting the business of Music Publishers, and to print, publish, issue and circulate such papers, periodicals, circulars and other literary undertakings as may seem conducive to any of its objects.
  - (e) To establish, form and maintain if thought fit a library or collection of musical publications or other articles of interest in connection with the business of music[al] publication.
  - (f) To invest and deal in any manner with the monies of the Association not immediately required.
  - (g) To receive money on deposit or loan and to borrow or raise money in such manner as the Association shall think fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed received or owing by mortgage charge or lien upon all or any of the property or assets of the Association (both present and future) and also by a similar mortgage charge or lien to secure and guarantee the performance by the Association or any other person or company of any obligation undertaken by the Association or any other person or company as the case may be.
  - (h) To do all such things as are incidental or conducive to the above objects or any of them.
- 9 The liability of the Members is limited.
- 10 Every Member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up during the time that he is a

Member or within a year afterwards for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a Member, and the costs, charges, and expenses of winding-up the same, and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding three pounds.

## **MEMBERS**

- 11 There shall be no limit to the number of Members of the Association.
- 12 The provisions of sections 113, 114, 121 and 128 of the Act shall be observed by the Association.
- 13 The persons whose names appear in the register of members of the Association at the date of the adoption of these Articles and such other persons as the Board shall admit to membership in accordance with the provisions of these Articles shall be Members of the Association.
- 14 The Board may from time to time determine the terms and conditions on which any further or other persons shall be admitted to membership of the Association. Where it is desired to obtain admission to membership of the Association in respect of a firm, a single individual only shall be admitted to membership who shall be a partner or member of the firm nominated by the firm. Any firm whose nominee has been admitted to membership of the Association may from time to time, with the approval of the Board, substitute another member of the firm for such nominee and such substitute shall thereupon become a member of the Association in place of the previous nominee.
- 15 (a) The categories of membership for subscription, and connected purposes shall be fixed at the annual general meeting in each year.
- (b) The subscriptions for each annual period commencing on 1 January shall be determined by the Board.
- 16 (a) No person or corporation and no nominee of a firm shall be admitted to membership unless he/she or such corporation or firm is a Music Publisher.
- (b) No person or corporation shall be admitted to membership who is subject to a voluntary scheme of arrangement with its creditors, is in receivership or in liquidation, or whose officers are undischarged bankrupts.
- (c) Applications for admission shall be addressed to the Board who shall determine the application. In rejecting any application for admission the Board shall give its reasons in writing to the applicant.
- (d) The Board may terminate the membership of any Member whose subscription as hereinafter prescribed for the current year shall be in arrear at the date of giving notice of the annual general meeting.
- 17 A person or corporation or nominee of a firm who desires to become a Member of the Association shall sign an application for membership in such form as the Board may specify from time to time.
- 18 Disciplinary Procedures
- (a) The Board may at any time by notice in writing served upon the Member in question indicate that the Board is minded to suspend the membership of or to remove from the register of Members of the Association the name of any

Member whom in the opinion of the Board it may be desirable to suspend or remove from membership, or who ceased to be a Music Publisher.

- (b) Within fourteen days of the receipt of such notice (which shall set out the Board's reasons for being minded to suspend or remove a Member) the Member in question may request that he be given a right to a hearing within fourteen days of such request. Such a hearing shall be in accordance with the principles of natural justice. Provided that not less than twelve members of the Board are present when the vote for the suspension or removal of any Member is taken, the Member may be suspended or removed.
- 19 All decisions to refuse an application for membership or to suspend or remove a Member pursuant to Disciplinary Procedures shall be reasoned and in writing and subject to appeal.
- (a) In the event that a person wishes to appeal, he/she shall write to the Board giving grounds for the appeal within fourteen days of the decision being granted. A bond to cover costs of £750 shall be furnished with the grounds for appeal.
  - (b) Upon receipt of the grounds of appeal and the bond the Chief Executive will convene an Appeal Panel ("the Panel") of Board members who have not been involved in the matter and invite an independent chairman to chair the Panel. The Panel will make its determination within 28 days of being convened and shall apply the principles of natural justice in reaching its determination.
  - (c) If the aggrieved person shall lose the appeal he/she shall forfeit the bond.
- 20 The privileges of a Member shall not be transferable and shall cease on his death, but without prejudice to the rights of the Association to claim from such person or his estate such sums as may be due from him to the Association at the date of his death.
- 21 Any Member wishing to resign his membership shall tender written notice to the Board and on its acceptance, but not before, his membership shall cease accordingly.
- 22 Any Member giving notice in accordance with the provisions of Article 21 shall not be entitled to a refund of the whole or any part of the subscription paid by him and shall remain liable to pay any sums due from him at the date of such notice.

### **CORPORATE ASSOCIATES**

- 23 There shall be no limit to the number of Corporate Associates of the Association.
- 24 The Board may from time to time determine the terms and conditions, criteria and procedures which shall apply to Corporate Associates of the Association provided always that:
- (a) an application to join the Association, from a proposed Corporate Associate, shall require the approval of at least two thirds of the Board
  - (b) each applicant must have a place of business in the United Kingdom or Eire (unless at least two thirds of the Board decide that this requirement be waived)
  - (c) although Corporate Associates shall be entitled to receive notice of and to attend all general meetings of the Association they shall not be entitled to vote

thereat.

## **GENERAL MEETINGS**

- 25 The Association shall hold a general meeting in every calendar year as its annual general meeting at such time and place as may be determined by the Board and shall specify the meeting as such in the notice calling it, provided that every annual general meeting shall be held not more than fifteen months after the holding of the last preceding annual general meeting.
- 26 All general meetings, other than annual general meetings, shall be called general meetings.
- 27 The Board may whenever it thinks fit convene a general meeting, and general meetings shall also be convened on such requisition or in default may be convened by such requisitionists, as provided by section 303 of the Act. If at any time there are not within the United Kingdom sufficient Members of the Board capable of acting to call a general meeting any member of the Board or any two members of the Association may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.
- 28 Fourteen clear days' notice in writing at the least of every general meeting, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of that business, shall be given in manner hereinafter mentioned to such persons (including the Auditors) as are under these presents or under the Act entitled to receive such notices from the Association; but with the consent of all the Members entitled to attend and vote thereat, or of such proportion thereof as is prescribed by the Act in the case of meetings other than annual general meetings, a meeting may be convened by such notice as those Members may think fit.
- 29 The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or proceeding had, at any meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 30 All business shall be deemed special that is transacted at a general meeting, and all that is transacted at an annual general meeting shall also be deemed special, with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the Board and of the Auditors, the election of members of the Board in the place of those retiring, the appointment of, and the fixing of the remuneration of, the Auditors, and the appointment of the Election Service Provider.
- 31 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided fifteen per cent (15%) of the total number of members of the Association eligible to attend the general meeting in question shall be a quorum.
- 32 If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of 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 at such other place as the Board may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum.

- 33 The Chairman (of the Board) shall preside as chairman at every general meeting, but if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the Members present shall choose some member of the Board or if no such member be present, or if all the members of the Board present decline to take the chair the Members present shall choose some Member of the Association who shall be present to preside.
- 34 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
- 35 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the chairman or by at least three Members present in person or by proxy, and unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn.
- 36 Subject to the provisions of this Article if a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner, as the chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of the chairman or on a question of adjournment shall be taken forthwith.
- 37 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
- 38 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 39 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 attend and vote at general meetings (or being corporations by their duly authorised agents) shall be as valid and effective as if the same had been passed at a general meeting of the Association duly convened and held.

#### **VOTES OF MEMBERS**

- 40 Subject as hereinafter provided, every Member present in person or by proxy at any general meeting shall be entitled to one vote on a show of hands or on a poll. A corporation may vote by its duly authorised agent as provided by section 323 of the Act. A proxy need not be a Member of the Association.
- 41 (a) Any company which is a Member of the Association and which is a subsidiary of another Member shall be entitled to receive notice of and to attend by its duly authorised agent at general meetings, but shall not so long as it is such a subsidiary be entitled to vote either on a show of hands or on a poll nor to vote in a ballot pursuant to Article 64, nor shall such a Member be entitled to be a Designated Member pursuant to Article 65.1

- (b) A company shall for these purposes be deemed to be a subsidiary of another Member if it is:
  - (i) a company in respect of which that other Member possesses power to appoint or remove or procure the appointment or removal of a majority of directors either directly through the beneficial ownership of the whole or any part of its share capital or indirectly through the beneficial ownership of the whole or any part of the share capital of any other company or companies or through a combination of these means; or
  - (ii) a company in respect of which that other Member possesses power to appoint or remove or procure the appointment or removal of a majority of directors by some other means than as stated in (i) above; or
  - (iii) a company in which one half or more of the ordinary share capital or of such part of the share capital as carries unlimited or residuary rights of participation in profits or assets is owned beneficially by that other Member and its subsidiaries; or
  - (iv) joint owner with that other Member of a company or other joint venture vehicle which generates all or the majority of the Gross Annual Income of both Members, and it earns a lower Gross Annual Income than that other Member.

42 Save as herein expressly provided, no Member other than a Member duly registered, who shall have paid every subscription and other sum (if any) which shall be due and payable to the Association in respect of his membership, shall be entitled to vote on any question either personally or by proxy, at any general meeting, provided that nothing herein shall affect the voting right at any meeting of any Member whose subscription is unpaid if the final date for the payment thereof has not occurred before the date of the meeting.

43 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf.

44 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the office not less than forty-eight hours (or such longer period as is permitted by the Act) before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

45 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 the death, insanity or revocation as aforesaid shall have been received at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

46 Any instrument appointing a proxy shall be in the following form or as near thereto as circumstances will admit:

“MUSIC PUBLISHERS ASSOCIATION LIMITED  
 I/We .....of .....



a member of MUSIC PUBLISHERS ASSOCIATION LIMITED entitled to vote hereby appoint .....of  
 .....  
 or failing him, ..... of  
 .....  
 as my/our proxy, to vote for me/us and on my/our behalf at the [Annual or Adjourned, as the case may be] General Meeting of the Association to be held on the [date] and at every adjournment thereof.  
 Signed this [date].”

47 Where it is desired to afford Members an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form or as near thereto as circumstances admit:

“MUSIC PUBLISHERS ASSOCIATION LIMITED  
 I/We .....of .....  
 a member of MUSIC PUBLISHERS ASSOCIATION LIMITED entitled to vote hereby appoint ..... of .....  
 or failing him, ..... of .....  
 as my/our proxy, to vote for me/us and on my/our behalf at the [Annual or Adjourned, as the case may be] General Meeting of the Association to be held on the [date] and at every adjournment thereof.  
 Signed this [date].”  
 This form is to be used in favour of/against the resolution.\*  
 Unless otherwise instructed the proxy will vote as he thinks fit.\*  
 \*strike out whichever is not desired.”

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

**THE BOARD**

49 The affairs of the Association shall be managed by the Board consisting of the Chief Executive, eighteen Elected Directors and six Designated Directors. Only one person from a company or group of companies shall be eligible as a member of the Board. Where a nomination is received for a person from a company or group of companies and a person from that company or group of companies is already a member of the Board such nomination shall be rejected.

50 No person (other than the Chief Executive) shall be eligible as a member of the Board who shall not be a Member of the Association or the chief executive officer or managing director or other senior executive of a company which is a Member. In the event of an Elected Director (but not for the avoidance of doubt a Designated Director) who is a director or employee of a company, which is a Member, ceasing to be such a director or employee, if:

- (a) the member of the Board immediately becomes a director or employee of another Member (but not a Designated Member); or
- (b) with the sanction of a specific resolution of the Board a discretionary period of grace is granted where the member of the Board does not immediately become a director or employee of another Member but gives written confirmation to the Association of his intention to continue working as a Music Publisher;

he shall be entitled to continue in office but only until the next annual general meeting of the Association or, in a case falling within paragraph (b) above (if earlier than the annual general meeting), the end of the period of grace if, by the end of that period, he

has not become a Member or become a director or employee of another Member (but not a Designated Member). At such annual general meeting the member of the Board may, subject to being eligible, offer himself for re-election.

51 The members of the Board may be paid travelling hotel and other expenses properly incurred by them in connection with the business of the Association. Except in the case of the Chief Executive, no member of the Board shall be paid a salary or other remuneration.

52 No member of the Board shall be required to vacate office or be ineligible for re-election or re-appointment as a member of the Board and no person shall be ineligible for appointment as a member of the Board by reason only of his having attained any particular age.

### **POWERS OF THE BOARD**

53 The Board may exercise all such powers of the Association, and do on behalf of the Association all such acts as may be exercised and done by the Association, and as are not by statute or by these Articles required to be exercised or done by the Association in general meeting, subject nevertheless to any regulation of these Articles, to the provisions of the statutes for the time being in force and affecting the Association, and to such regulations being not inconsistent with the regulations or provisions as may be prescribed by the Association in general meeting, but no regulation made by the Association in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

54 The members for the time being of the Board may act notwithstanding any vacancy in their body; provided always that in case the members of the Board shall at any time be or be reduced in number to less than the number prescribed by or in accordance with these Articles as the necessary quorum of members of the Board it shall be lawful for them to act as the Board for the purpose of filling up vacancies in their body or of summoning a general meeting, but not for any other purpose.

55 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments shall be signed, drawn or accepted either by one member of the Board authorised for this purpose and the Secretary or by two members of the Board so authorised and the Board shall from time to time designate one or more of its members to be persons authorised for this purpose.

56 The Board shall have power to prescribe rules for the Association and to vary such rules from time to time.

57 The Board shall be entitled to appoint a Director of Finance of the Association who need not be a member of the Board. The Director of Finance if he is not a member of the Board shall be entitled to attend all meetings of the Association and Board but shall not be entitled to vote nor to receive any payment other than travelling hotel and other expenses incurred by him in connection with the business of the Association.

### **DISQUALIFICATION OF MEMBERS OF THE BOARD**

58 A member of the Board shall vacate office:

- (a) if a receiving order is made against him or he makes any arrangement or composition with his creditors; or
- (b) if he becomes of unsound mind; or

- (c) if by notice in writing to the Association he resigns his office; or
- (d) (subject to the provisions of Article 50) if he, or in the case of a member of the Board elected as a director or employee of a company, such company ceases to be a Member of the Association; or
- (e) if he fails to attend at two consecutive meetings of the Board unless his absence shall be expressly excused by the Chairman; or
- (f) if he ceases to hold office by reason of any provisions of the Company Directors Disqualification Act 1986; or
- (g) if he is removed from office by a resolution duly passed pursuant to sections 168 and 169 of the Act; or
- (h) (other than in the case of the Chief Executive) if he holds any office of profit under the Association except an office of director of any subsidiary or associate company of the Association; or
- (i) if he is directly or indirectly interested in any contract with the Association and fails to declare the nature thereof in manner required by section 177 of the Act.

A member of the Board shall declare his interest in and shall not vote in respect of any matter in which he has an interest.

#### **ROTATION OF MEMBERS OF THE BOARD**

- 59 At the first general meeting following the 2011 annual general meeting, all the directors shall retire from office. At every subsequent annual general meeting of the Association a number of Elected Directors shall retire such that there are at least six vacancies and each Elected Director shall, in any event, retire after a maximum of three years following their appointment. The members so to retire shall be those longest in office since their last appointment or re-appointment.
- 60 In the case of members of the Board who were appointed or were last re-appointed to the Board on the same day, those to retire in accordance with the provisions of Article 59 shall (unless they otherwise agree among themselves) be determined by lot.
- 61 A retiring member of the Board shall be eligible for re-election to the Board, unless they have served on the Board for three consecutive terms, in which case they shall be ineligible for re-election until the next annual general meeting.

#### **ELECTIONS TO THE BOARD**

- 62 At each annual general meeting of the Association, such number of persons shall be elected as directors by the Members pursuant to Article 63 or Article 64 (as relevant) as shall make the total number of such directors eighteen (the "Elected Directors"). In the case of a proposal to appoint a person as a director, a notice (signed by not less than two Members of the Association) containing the name and address of the person proposed to be nominated and of the intention to propose his nomination and also notice in writing signed by that person of his willingness to be nominated shall be given to the Association together with a statement outlining the reasons for his proposal by a date which the Board from year to year may decide and notify to the Members.
- 63 If the number of nominations made pursuant to Article 62 does not exceed the number of vacancies for Elected Directors, the nominees will all be deemed to be elected at the next annual general meeting. To the extent that such nominations procedure under Article 62

results in any vacancies for the position of an Elected Director, the procedure to be adopted for seeking nominations to fill such vacancies and the voting thereon shall be decided upon by the Board at its discretion.

64 In the event of nominations made pursuant to Article 62 exceeding the number of vacancies, the Association shall, before or at the same time as it sends the notice of meeting, inform Members of the names of the persons validly nominated and the names of persons who nominated them respectively. The election of Elected Directors shall then take place at the Board's discretion (to be notified to the Members) either:

(a) by ballot held at each annual general meeting and the next general meeting to be held after the 2011 annual general meeting:

(i) Ballot papers will be distributed at the general meeting which shall show the names of the persons validly nominated and the names of the persons who nominated them respectively, and shall otherwise be in such form as the Board may direct.

(ii) Subject to Article 41(a) and (b), each Member present in person or by proxy shall be entitled to participate in the ballot, and may only vote for persons duly nominated.

(iii) Each such Member shall have the number of votes corresponding to the number of Elected Directors to be elected and shall be entitled to exercise one vote per person duly nominated.

(iv) To the extent that such ballot papers result in any vacancies for the position of an Elected Director, the procedure to be adopted for seeking nominations to fill such vacancies and the voting thereon shall be decided upon by the Board at its discretion.

(v) In the event of an equality of votes between two or more candidates in respect of one vacancy, the person(s) to be elected shall be determined by run-off ballot; or

(b) by postal vote and/or by voting online in advance of the annual general meeting:

(i) At the general meeting to be held in March 2014 and at each annual general meeting the Members shall appoint the Election Service Provider to deal with the online and postal votes in respect of the appointment of Elected Directors to take effect at the next annual general meeting in accordance with this Article 64(b) (including any subsequent online and postal votes in respect of the same appointments undertaken pursuant to Article 64(b)(vi)).

(ii) The Association shall, before or at the same time as it sends the notice of annual general meeting, circulate to all Members voting papers containing the names of the persons validly nominated and the names of the persons who nominated them respectively, and shall otherwise be in such form as the Board may direct.

(iii) Members must return their voting papers to the Election Service Provider or cast their vote online as directed in the voting papers at least two business days before the annual general meeting, or such other date as notified to the Members by the Association.

(iv) Each such Member shall have the number of votes corresponding to the

number of Elected Directors to be elected and shall be entitled to exercise one vote per person duly nominated.

- (v) Votes will be counted and verified by the Election Service Provider and, provided that votes have been received from at least fifteen per cent (15%) of the total number of Members eligible to attend the annual general meeting at which the appointments will take effect, the results will be announced and the appointments will take effect at such annual general meeting.
- (vi) In the event that votes are not received from at least fifteen per cent (15%) of the total number of Members eligible to attend the annual general meeting at which the appointments will take effect, those Members who have not voted by post nor online and who are present in person or by proxy at the annual general meeting shall be given the opportunity to vote following the procedure in Article 64(a). These votes will be combined with those counted and verified by the Election Service Provider prior to the annual general meeting and the result of these combined votes will determine the Elected Directors to be appointed.
- (vii) To the extent that such votes result in any vacancies for the position of an Elected Director, the procedure to be adopted for seeking nominations to fill such vacancies and the voting thereon shall be decided upon by the Board at its discretion.
- (viii) In the event of an equality of votes between two or more candidates in respect of one vacancy, the person(s) to be elected shall be determined by run-off ballot at the annual general meeting.

Any Member whose subscription as hereinafter prescribed for the current year shall be in arrear at the date of giving notice of the annual general meeting or, if earlier, the circulation of voting papers shall not be entitled to receive voting papers or to vote in the election of Elected Directors in advance of the annual general meeting.

- 65.1 Every three years the Board shall invite each of the six Members of the Association ("Designated Members") with the highest Gross Annual Income in the preceding year ending 31 December to nominate a director ("Designated Director") to the Board. The first such invitation shall be sent to the Designated Members as soon as possible after the 2011 annual general meeting.
- 65.2 In order to ascertain the identity of the Designated Members for the purposes of Article 65.1 the Chief Executive shall be entitled to (or at the request of the Board or at the written request of a Member or Members within the highest category or categories of membership shall) ask a Member or Members in the highest category or categories of membership for, and the Member or Members shall supply, such evidence of Gross Annual Income as he/she may reasonably require. Such evidence shall be supplied within three months following the despatch by the Association of the membership renewal form (or as soon as possible after the 2011 annual general meeting with respect to evidence of Gross Annual Income for the year ending 31 December 2010).
- 65.3 The nomination of the Designated Director (including the nomination for any subsequent casual vacancy for the Designated Director that may arise) by the Designated Member shall (subject to the provisions as to eligibility contained in Article 50) be at the discretion of the Designated Member.

- 65.4 The first Designated Director(s) to be appointed pursuant to these Articles shall be appointed by the Board at the Board meeting following the next general meeting to be held after the 2011 annual general meeting of the Association and thereafter appointments shall be made by the Board at the Board meeting following the annual general meeting and each Designated Director (and any person subsequently nominated for any casual vacancy for the Designated Director that may arise) shall hold office until the Board meeting following the annual general meeting which takes place in the third year following the appointment of the Designated Director ("the Relevant Date").
- 65.5 In the event that a Designated Member becomes a subsidiary (as defined in Article 41 (a) and (b)) of another Designated Member or one Designated Member enters into a joint venture with another Designated Member and the said joint venture generates all or the majority of the Gross Annual Income of both Members then the Designated Members concerned shall forthwith give notice thereof to the Association and inform the Association which of their two Designated Directors shall continue as a member of the Board and which shall forthwith resign. In such circumstances the Board may (if it so resolves) invite another Member (whose identity shall be determined in accordance with Article 65.2) having the next highest Gross Annual Income (who is not already represented by an Elected Director) to be a Designated Member and to nominate a Designated Director and the Board shall appoint such Designated Director for a period until the Relevant Date.
- 65.6 In the event that a Designated Member becomes a subsidiary (as defined in Article 41 (a) and (b)) of a Member who is represented on the Board by an Elected Director or in the event that a Member who is represented on the Board by an Elected Director becomes a subsidiary (as defined in Article 41 (a) and (b)) of a Designated Member or one Designated Member enters into a joint venture with another Member who is represented on the Board by an Elected Director and the said joint venture generates all or the majority of the Gross Annual Income of both Members then the Designated Member and Member concerned shall forthwith give notice thereof to the Association and inform the Association which of their two Directors shall continue as a Designated Director until the Relevant Date and which shall forthwith resign as an Elected Director. In such circumstances the Board may (if it so resolves) fill the casual vacancy so arising amongst the Elected Directors in accordance with Article 68.
- 65.7 In the event that a Designated Member becomes a subsidiary (as defined in Article 41 (a) and (b)) of a Member who is not represented on the Board by an Elected Director or one Designated Member enters into a joint venture with another Member who is not represented on the Board by an Elected Director and the said joint venture generates all or the majority of the Gross Annual Income of both Members then the Designated Member and Member concerned shall forthwith give notice thereof to the Association and shall inform the Association as to who shall be the person nominated by them to be the Designated Director until the Relevant Date.
- 65.8 For the avoidance of doubt all Members may participate in the election of Elected Directors but may not nominate to be an Elected Director any person who is a director or employee of a Designated Member or of any subsidiary of a Designated member (as defined in Article 41 (a) and (b)).
- 65.9 In the event that a Member who would otherwise qualify as a Designated Member declines the invitation to nominate a Designated Director pursuant to Article 65.1 then the Board may extend the invitation to another Member (not being already represented by an Elected Director) with the next highest Gross Annual Income to become a Designated Member.

- 66 The Board shall appoint one of its members (other than the Chief Executive) to be Chairman, and may at any time remove him from office. The Chairman shall vacate the office of Chairman in the event that he is no longer a director of the Company. Unless he is unwilling to do so, the director appointed as Chairman shall preside at every meeting of the Board at which he is present. If at any meeting the Chairman be not present within five minutes after the time appointed for the meeting and willing to preside, the members of the Board present shall choose one of their number to be chairman of the meeting.
- 67 Unless and until authorised by special resolution of the Association no Board member may hold office as Chairman for a period exceeding three years. Save as provided by the provisions of a Special Resolution as aforesaid at the conclusion of the third consecutive year (or a subsequent consecutive year authorised by a Special Resolution) the Chairman shall no longer be eligible to hold office of Chairman.
- 68 Any casual vacancy occurring amongst Elected Directors on the Board may be filled by the members of the Board but the person so chosen shall retire at the next annual general meeting.
- 69 The Association may by Ordinary Resolution of which special notice has been given in accordance with section 312 of the Act, remove any member of the Board before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Association and such member of the Board. Such removal shall be without prejudice to any claim such member of the Board may have for damages for breach of any contract of service between him and the Association.
- 70 The Association may, notwithstanding anything in these Articles, by Ordinary Resolution appoint another person in place of a member of the Board so removed from office under the immediately preceding Article. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a member of the Board on the day on which the member of the Board in whose place he is appointed was last elected as a member of the Board.

### **PROCEEDINGS OF THE BOARD**

- 71.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined two (2) Designated Directors and eight (8) Elected Directors shall be a quorum save that until such time as the Designated Directors are appointed to the Board then ten (10) Elected Directors shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. The Chief Executive shall not have a vote.
- 71.2 Notwithstanding Article 71.1 the Board may make a decision without meeting together and may do so by electronic means. Notice of the request for a decision to be made shall be sent to each member of the Board by electronic means requesting each member of the Board to respond within seven (7) days from the date of the notice with their approval for the request or their disapproval and such decision of the Board may be taken in accordance with this Article when not fewer than four (4) Designated Directors and twelve (12) Elected Directors respond to such notice by electronic means indicating that they approve of the decision requested to be made. In the event that insufficient members of the Board shall approve the requested decision within the seven (7) day period referred to above then the decision shall not be approved and the request shall be held over until the next meeting of the Board. Notification of the decision (or disapproval) of the Board shall thereafter be communicated to all of the Board members by electronic means and

the decision shall subsequently be tabled at the next meeting of the Board for ratification (or, in the case of a disapproval, confirmation thereof) by the Board.

- 72 At the request of the Chairman or of not less than three members of the Board the Secretary shall at any time summon a meeting of the Board by notice served upon the members of the Board. A member of the Board who is absent from the United Kingdom shall not be entitled to notice of a meeting.
- 73 A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities' powers and discretions by or under the regulations of the Association for the time being vested in the Board generally.
- 74 The Board shall appoint a Finance Committee consisting of the Chairman, the Director of Finance and three other members of the Board. The Board may delegate any of their powers to the Finance Committee which shall, in the execution of any such powers, conform to any regulations imposed on it by the Board. The meetings and proceedings of the Finance Committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board as aforesaid.
- 75 The Board and Finance Committee may delegate any of their powers to sub-committees consisting of such member or members of the Board or of the Association as they may think fit, and any sub-committee so formed shall, in the execution of the powers so delegated conform to any regulations imposed on it by the Board or the Finance Committee. The meetings and proceedings of any such sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board or the Finance Committee as aforesaid.
- 76 All acts bona fide done by any meeting of the Board or of the Finance Committee or of any sub-committee of the Board or by any person acting as a member of the Board shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member 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 or had duly continued in office and was qualified to be a member of the Board.
- 77 The Board shall cause minutes to be made in books provided for the purpose:
- (a) of all appointments of officers made by the Board;
  - (b) of all the names of the members of the Board present at each meeting of the Board, the Finance Committee and any sub-committee thereof;
  - (c) of all resolutions and proceedings at all meetings of the Association, the Board, the Finance Committee and of sub-committees thereof;
- and every member of the Board present at any meeting of the Board, the Finance Committee or sub-committee thereof shall sign his name in a book to be kept for that purpose.
- 78 A resolution in writing signed by all the members for the time being of the Board, the Finance Committee or of any sub-committee who are duly entitled to receive notice of a meeting of the Board, the Finance Committee or of such sub-committee shall be as valid and effectual as if it had been passed at a meeting of the Board, the Finance Committee or of such sub-committee duly convened and constituted.

## SECRETARY



- 79 The Secretary shall be appointed by the Board for such time, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The provisions of sections 270 and 280 of the Act shall apply and be observed. The Board may from time to time by resolution appoint an Assistant or Deputy Secretary, and any person so appointed may act in place of the Secretary and if there be no Secretary capable of acting.

#### **THE SEAL**

- 80 The seal of the Association shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of at least two members of the Board and of the Secretary, and the said members and Secretary shall sign every instrument to which the seal shall be so affixed in their presence.

#### **ACCOUNTS**

- 81 The Board shall cause accounting records to be kept in accordance with sections 386 to 389 of the Act.
- 82 The accounting records shall be kept at the office, or, subject to sections 388 and 389 of the Act, at such other place or places as the Board shall think fit, and shall always be open to the inspection of the members of the Board.
- 83 The Board shall from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations the accounts and books of the Association, or any of them, shall be open to the inspection of Members, not being members of the Board, and no Member (not being a member of the Board) shall have any right of inspecting any account or book or document of the Association except as conferred by statute or authorised by the Board or the Association in general meeting.
- 84 The Board shall from time to time in accordance with Part 15 of the Act cause to be prepared and to be laid before the Association in general meeting such income and expenditure accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections, the members of the Board being treated as the directors mentioned in those sections.
- 85 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Association in general meeting, together with a copy of the Auditors' report and the Board's report, shall not less than fourteen days before the date of the meeting be sent to every Member of and every holder of debentures of the Association provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Association is not aware or to more than one of the joint holders of any debentures.

#### **AUDIT**

- 86 Once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.
- 87 Auditors shall be appointed and their duties regulated in accordance with sections 485 to 494 inclusive of the Act, the members of the Board being treated as the directors mentioned in those sections.

#### **NOTICES**

- 88 Any notice to be given to or by any person pursuant to these Articles shall be in writing or shall be given by electronic means to an address for the time being notified for that purpose to the person giving the notice.
- 89 The Association may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at the address registered with the Association from time to time or by leaving it at that address, or by giving it by electronic means to an address for the time being notified to the Association by the Member for that purpose or by any other means authorised by the Member concerned. If no such address is registered the Member shall not be entitled to be served with any notice.
- 90 Any Member described in the register of members by an address not within the United Kingdom, who shall from time to time give the Association an address within the United Kingdom at which notices may be served on him, shall be entitled to have notices served upon him at such address, but, save as aforesaid and as provided by the Act, only those Members who are described in the register of Members with an address within the United Kingdom shall be entitled to receive notices from the Association.
- 91 Notices of every general meeting shall be given to:
- (a) every member in accordance with Article 89
  - (b) every person being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting and there is any liability under the guarantee pursuant to Article 10
  - (c) the Auditor for the time being of the Association
  - (d) every Corporate Associate

No other person shall be entitled to receive notices of general meetings.

- 92 Any notices, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is put into post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office as a prepaid first class letter.
- 93 Notwithstanding anything in these Articles to the contrary, but subject to the Act, a notice of every general meeting may, instead of being sent to the Member in any of the ways specified in Article 88, be given to the Member by the Association publishing the notice on a website and notifying the Member concerned in accordance with the Act that it has been made available. A member shall be deemed to have agreed that the Association may give such notice by means of a website if the conditions set out in the Act have been satisfied.
- 94 The accidental omission to give notice of a meeting to, or the non receipt of such notice by any person entitled to receive any notice therefore shall not invalidate any resolution passed, or any proceedings, at any meetings.