

COMPANY NO 156562

THE COMPANIES ACT 1985

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

SPECIAL RESOLUTION

OF

**THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY
ASSOCIATION**

SPECIAL RESOLUTION

That the regulations contained in the printed document submitted to this meeting and for the purpose of identification signed by the chairman of this meeting be approved and adopted as the articles of association of the Association in substitution for and to the exclusion of all the existing articles of association of the Association.

Dated 27 May 2004

H Gordon Storey



156562

H. Gordon Storey

THE COMPANIES ACT 1985

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

NEW

ARTICLES OF ASSOCIATION

OF

**THE BISCUIT, CAKE, CHOCOLATE AND CONFECTIONERY
ASSOCIATION**

(Adopted on 27th May 2004)

PRELIMINARY



- 1 In these articles, unless the context otherwise requires -

'the Act' means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;

'the adoption date' means the date on which these articles are adopted as the articles of association of the Association;

'Association products' means products of the following descriptions -

- (a) biscuits,

- (b) cake and flour confectionery,
- (c) chocolate and chocolate confectionery,
- (d) cocoa, including cocoa butter, and
- (e) sugar confectionery;

and products of such other descriptions as may be prescribed by the council under article 59; and **'sector of Association products'** means Association products of the description falling within each of heads (a), (b), (c), (d) and (e) above (together in each case with any additions prescribed by the council under article 59) and products of any other description prescribed by the council as an additional sector under article 59;

'these articles' means these articles of association as originally framed or as altered from time to time by special resolution;

'associate member', 'affiliate member', 'ordinary member', 'overseas member' and **'research member'** mean those persons respectively qualifying for associate, affiliate, ordinary, overseas and research membership whose names are entered on the register of members of the Association and **'member'** means a person who is an associate member, an affiliate member, an ordinary member, an overseas member or a research member;

'clear days' means, in relation to the period of a notice, that period excluding the day on which the notice is given or is deemed to be given;

'communication' means the same as in the Electronic Communications Act 2000;

'the council' means the council for the time being of the Association;

'group' means a group of companies comprising a holding company and its subsidiaries under section 736 of the Act and **'company'** has the same meaning as in that section;

'electronic communication' means the same as in the Electronic Communications Act 2000;

'turnover' has the meaning given to it by article 8;

'the United Kingdom' means Great Britain and Northern Ireland;

'year' means a calendar year;

and, subject as aforesaid, any word or expression to which a meaning is given by the Act has the meaning so given on the adoption date.

- 2 For the purposes of these articles, a company shall be deemed to be the manufacturer or seller of a sector of Association products manufactured or sold by any of its subsidiaries.

MEMBERSHIP

- 3 The members shall be -

- (1) every person whose name is entered on the register of members of the Association on the adoption date;
- (2) every other person whose name is entered on the register of members of The Cake & Biscuit Alliance Limited on the adoption date who agrees to become a member before 1st January 1987; and
- (3) any other person elected by the council to membership after the adoption date whose name is entered on the register of members of the Association.

Every person mentioned in sub-paragraph (2) shall be deemed to have been elected as a member on 1st January 1987 for the purposes of articles 9 and 12.

- 4 (A) The members of the Association shall be divided into the following classes of membership -

- (1) ordinary membership, comprising those members who manufacture any Association products in the United Kingdom;
 - (2) associate membership, comprising those members not qualifying for ordinary membership –
 - (i) who sell in the United Kingdom any Association products manufactured by them respectively outside the United Kingdom; or
 - (ii) who market and distribute to wholesalers or retailers for sale in the United Kingdom any Association products whether or not manufactured by them respectively and wherever manufactured;
 - (3) affiliate membership, comprising those members, not qualifying for ordinary or associate membership, who supply, or who the Council consider are likely to supply, machinery, equipment, ingredients, raw materials or packaging to ordinary members or associate members;
 - (4) overseas membership, comprising those members, not qualifying for ordinary membership, associate membership or affiliate membership, who manufacture any Association products outside the United Kingdom; and
 - (5) research membership, comprising those members who neither manufacture nor market and distribute Association products and who do not qualify for affiliate membership but who are non-profit making associations, institutions or bodies and whose objects are similar to those of the Association or where the Council consider that membership is likely to be of value to the Association's members.
- (B) An associate member or a research member shall not be entitled to vote at any general meeting, but he shall be entitled to receive notice of and to attend every general meeting.

- (C) An affiliate member shall not be entitled to vote at any general meeting, but he shall be entitled to receive notice of every general meeting and shall be entitled to attend every general meeting except that, if the chairman of the meeting decides that any part of the meeting shall involve a discussion of a commercially sensitive matter, the affiliate member (or any proxy, attorney or other representative of him) shall absent himself from the meeting while the meeting considers that matter. The decision of the chairman of the meeting whether or not a matter is commercially sensitive shall be final.
- (D) An overseas member shall not be entitled to receive notice of or to attend or vote at any general meeting.
- 5 Any person qualifying for ordinary, associate, affiliate, overseas or research membership may apply to become a member of that class by sending to the Association an application, in such form as the council may prescribe, signed by or on behalf of the applicant. The council may refuse to elect an applicant to membership without giving any reason, unless his name is entered on the register of members of The Cake & Biscuit Alliance Limited on the adoption date and he has applied for membership before 1st January 1987.
- 6 If the names of two or more companies of which one is the holding company of the other company or companies are at any time entered on the register of members of the Association, the holding company shall be entitled to exercise and enjoy the rights of membership and be liable as a member to the exclusion of any other such company.
- 7 Membership of the Association shall not be transferable or transmissible.

MEMBERS' TURNOVER

- 8 For the purposes of these articles -

- (1) the turnover of an ordinary member or an associate member for any year is the aggregate of the amounts (exclusive of value added tax or any similar tax) received during the year by the member or by any of its subsidiaries from -
 - (a) sales (whether within or outside the United Kingdom) of Association products manufactured (whether by the member or any other person) in the United Kingdom; and
 - (b) sales in the United Kingdom of Association products manufactured (whether by the member or any other person) outside the United Kingdom; and
- (2) the turnover of an affiliate member for any year is the aggregate of the amounts (exclusive of value added tax or any similar tax) received during the year by the member or any of its subsidiaries from sales (whether within or outside the United Kingdom) of machinery, equipment, ingredients, raw materials or packaging to persons eligible to be ordinary members or associate members (whether or not the sale is made to an ordinary member or an associate member).

For either purpose a sale by the member to any of its subsidiaries, or by any of its subsidiaries to the member or to another of its subsidiaries, shall be disregarded.

- 9 Every ordinary member, associate member and affiliate member shall send to the Association on or before 31st January in each year and upon his election to membership (unless he is elected before the 31st January in the year of his election) a written statement showing -
 - (a) in the case of an ordinary member or an associate member, the amount of his turnover from each sector of Association products for the penultimate year; or
 - (b) in the case of an affiliate member, the amount of his turnover for the penultimate year from sales of machinery, equipment, ingredients, raw

materials and packaging to persons eligible to be ordinary members of associate members.

If the council so requires, the statement shall be certified by the member's auditor.

ENTRANCE FEE AND SUBSCRIPTIONS

- 10 Every person shall, upon his election to membership, pay to the Association such fee (if any) as may be prescribed by it by ordinary resolution.
- 11 Every member shall pay to the Association on or before 31st January in each year and upon his election to membership (unless he is elected before the 31st January in the year of his election) a subscription for the year of an amount fixed in accordance with article 12; but a member's subscription may be paid by such instalments as the council may permit.
- 12
- (A) The council shall prescribe for each year a sum expressed as an amount per £1,000,000 of turnover (in this article referred to as 'the prescribed sum') by reference to which the amount of the subscription of each ordinary member for that year shall be fixed. The prescribed sum shall not exceed £500 without the sanction of an ordinary resolution of the Association.
- (B) The amount of subscription of every ordinary member for each year shall be fixed by reference to the prescribed sum for that year and to his turnover for the penultimate year in accordance with the following table:

AMOUNT OF MEMBER'S TURNOVER	AMOUNT OF SUBSCRIPTION
£500,000 or less	10 per cent of the prescribed sum for every £100,000 (or part thereof) of the member's total turnover
More than £500,000 up to £2,000,000 (inclusive)	25 per cent of the prescribed sum for every £250,000 (or part thereof) of the member's total turnover

More than £2,000,000

the prescribed sum for every
£1,000,000 (or part thereof) of the
member's turnover

- (C) The amount of the subscription of every associate member for each year shall be a sum equal to two thirds of the subscription which he would be liable to pay for that year if he were an ordinary member, or such other sum as the Association may prescribe by ordinary resolution.
- (D) The amount of the subscription of every affiliate member for each year shall be fixed by reference to his turnover for the penultimate year in accordance with the following table -

AMOUNT OF MEMBER'S TURNOVER	AMOUNT OF SUBSCRIPTION
Less than £50,000,000	£500
£50,000,000 or more	£1,000

The council may increase the amounts set out in the above table for any year but no increase if made shall exceed the percentage increase in the rate of inflation (as derived from the Consumer Price Index or such other measure of inflation as determined by the council in its discretion) since the date of the adoption of this sub-clause (D) or, if later, the date on which the amount in question was last increased under this provision.

- (E) The amount of the subscription of every overseas member for each year shall be £500, or such other sum as the council may prescribe.
- (F) The amount of the subscription of every research member for each year shall be £100, or such other sum as the council may prescribe; the council may prescribe that no subscription is paid by any or all research members.

(G) The Association shall before 31st January in each year give to the ordinary members, the associate members and the affiliated members notice of the prescribed sum for that year and to the overseas members notice of the amount of their subscriptions for that year.

- 13 The council may, in its discretion, remit or repay a member's subscription in whole or in part.
- 14 Subject to article 13, a person who ceases to be a member of one class and becomes a member of another class during the currency of a year shall pay for that year only one subscription, which shall be the higher of the subscriptions payable for that year in respect of the classes of membership concerned. Otherwise a person who becomes or ceases to be a member during the currency of a year shall (subject to article 13) pay the whole of his subscription for that year without any rebate and, if he gives notice of his resignation after 30th September in any year, he shall pay the whole of his subscription for the next following year without any rebate.
- 15 Unless the council decides otherwise, a member whose subscription is wholly or partly in arrear for at least 90 days shall not be entitled to exercise or enjoy any of the rights of membership.

CESSATION OF MEMBERSHIP

- 16 A member shall forthwith cease to be a member -
- (1) if he resigns his membership by notice to the Association;
 - (2) if, being an ordinary member, he ceases to qualify for ordinary membership or if, being an associate member, he ceases to qualify for associate membership or if, being an affiliate member, he ceases to qualify for affiliate membership or if, being an overseas member, he ceases to qualify for overseas membership or if, being a research member, he ceases to qualify for research membership;

- (3) if, in the case of an individual, a receiving order is made against him or he makes any arrangement or composition with his creditors generally;
- (4) if, in the case of an individual, he is, or may be, suffering from mental disorder and either:
 - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (b) an order is made by a court of competent jurisdiction (whether in the United Kingdom or elsewhere) on the ground (however formulated) of mental disorder for his detention or for the appointment of a receiver or other person to exercise powers with respect to his property or affairs;
- (5) if, in the case of a company, it becomes after the adoption date a subsidiary of another company which is a member or is in the same group as a member and the council resolves that it cease to be a member;
- (6) if, in the case of a company, it goes into liquidation or a receiver or similar officer is appointed or the whole or any part of its undertaking or assets;
- (7) if he fails to pay the whole or any part of any fee or subscription payable by him to the Association for a period of twelve months from the date on which it became due for payment and the council resolves that he cease to be a member; or
- (8) if, in the opinion of the council, he is guilty of conduct rendering him unfit to be a member and the council resolves by a majority of two thirds of those voting on the resolution that he cease to be a member.

- 17 If the council proposes that a member shall cease to be a member under sub-paragraph (8) of article 16, it shall -
- (1) give to the member at least fourteen clear days' notice of the place and time of the meeting of the council at which the motion for his cessation of membership is to be put and of the grounds on which it is to be put; and
 - (2) permit the member to attend the meeting and (before the motion is put to the vote) allow him to give orally or in writing any explanation or defence of his conduct he may think fit.
- 18 A person who ceases to be a member shall remain liable for any subscription or other moneys which may then be due from him to the Association and for any sum which may thereafter become payable by him under the memorandum of association.

GENERAL MEETINGS

- 19 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 20 The council may convene a general meeting and, on a requisition made in accordance with the Act, shall convene an extraordinary general meeting for a date not later than eight weeks after the receipt of the requisition.

NOTICE OF GENERAL MEETINGS

- 21 An annual general meeting and an extraordinary general meeting for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice. Every notice shall specify the time and place of the meeting and the general nature of the business to be transacted. Except as otherwise provided in these articles, the notice shall be given to all the members, to the auditors of the Association and to all the *members of the council*.

- 22 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 the meeting. Any member present at a meeting, whether in person or by proxy or by an authorised representative, shall be deemed to have received notice of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 23 No business shall be transacted at any general meeting unless a quorum is present. Except as otherwise provided in these articles, five members entitled to vote at the meeting, each being a member or an authorised representative of a company, shall be quorum.
- 24 If a quorum is not present within fifteen minutes from the time appointed for the meeting (or such longer period as the chairman of the meeting may allow), the meeting, if convened on the requisition of members, shall be dissolved and, in any other case, shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the council may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for the meeting, any one person entitled to be counted in a quorum at the meeting shall be a quorum.
- 25 The president or, in his absence, a vice-president shall preside as chairman at every general meeting; but if neither the president nor a vice president is present within five minutes after the time appointed for the meeting and is willing to preside, the members of the council present shall elect one of their number to be chairman or, if there is only one of them present who is willing to preside, he shall be chairman. If no member of the council who is willing to preside is present within five minutes after the time appointed for the meeting, the members present in person and entitled to vote shall elect as the chairman one of their number or the authorised representative of a company entitled to vote.

- 26 The chairman of the meeting 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 or sine die and from place to place. No business shall be transacted at an adjourned meeting except business which might properly have been transacted at the meeting from which the adjournment took place.
- 27 If a meeting is adjourned for thirty days or more or sine die, at least seven clear days' notice specifying the time and place of the adjourned meeting and the general nature of the business to be transacted shall be given. Otherwise notice of an adjourned meeting need not be given.
- 28 If an amendment proposed to a resolution shall be allowed or ruled out of order by the chairman of the meeting in good faith, any error in the ruling shall not invalidate the proceedings on the substantive resolution. An amendment to a special resolution or an extraordinary resolution (except an amendment to correct a patent clerical error) shall not be allowed.
- 29 A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairman of the meeting or by any one member having the right to vote at the meeting.
- 30 Unless a poll is duly demanded and not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried, carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 31 A poll demanded on the election of a chairman of the meeting or on the question of an adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (being not more than thirty days after the poll was demanded) and place as the chairman of the meeting directs. The demand for

a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which the poll has been demanded.

- 32 A poll shall be taken in such manner as may be directed by the chairman of the meeting, who may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 33 The demand for a poll may be withdraw before the poll is taken only with the consent of the chairman of the meeting. If the demand is so withdrawn, the meeting shall continue as if it had not been made and its withdrawal shall not invalidate the result of a show of hands declared before the demand was made.
- 34 If a poll is not taken immediately and if the time and place at which it is to be taken are not announced at the meeting at which it was demanded, seven clear days' notice of the time and place shall be given. Otherwise notice of a poll need not be given.
- 35 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
- 36 A member of the council may speak at a general meeting notwithstanding that he is not a member of the Association.

VOTES AT GENERAL MEETINGS

- 37 Except as otherwise provided in these articles, on a show of hands every member who (being an individual) is present in person or (being a company) is present by an authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every complete £1 of the member's turnover for the penultimate year.
- 38 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote in dispute is tendered, and every vote not

disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

- 39 A member entitled to vote at a general meeting may appoint any other person (who need not be a member) as his proxy to vote for him on a poll.
- 40 The instrument appointing a proxy shall be in writing in any usual form or in any other form approved by the council, and shall be under the hand of the appointor or of his agent duly authorised in writing or, if the appointor is a company, either under its common seal or under the hand of an officer. Instruments of proxy need not be witnessed.
- 41 To be valid, the instrument appointing a proxy and the authority (if any) under which it is signed, or a copy of the authority certified notarially or in another way approved by the council, may -
- (a) in the case of an instrument in writing, be deposited at the Association's registered office or at such other place within the United Kingdom as is specified in, or in any document accompanying, the notice convening the meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications -
 - (i) in the notice convening the meeting, or
 - (ii) in any document accompanying the notice convening the meeting, or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received (in the manner permitted in sub-clause (b) after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Unless the contrary is stated in the instrument, it shall be valid also for any adjournment of the meeting to which it relates. In this article 41 and in article 42, 'address' in relation to electronic communications includes any number or address used for the purposes of such communications.

- 42 A vote cast or a poll demanded by a proxy shall not be invalidated by the previous termination of his authority unless notice of the termination has been received by the Association at its registered office or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received not less than three hours before the time appointed for the meeting or adjourned meeting at which the vote is cast or the poll demanded or (in the case of a vote cast at a poll not taken on the day it was demanded) the time appointed for taking the poll.

THE OFFICERS AND THE COUNCIL

- 43 At each annual general meeting the Association shall appoint three persons to hold office as the president, vice-president and treasurer of the Association respectively and may appoint one other person to hold office as an additional vice-president. The

council may fill a casual vacancy in any of those offices and, if at any time there is only one vice-president in office, it may appoint one additional vice-president.

44 A person holding office as the president, a vice-president or the treasurer shall vacate the office if he resigns from it by notice signed by him and given to the Association or if he ceases to be a member of the council; otherwise he shall hold the office until the conclusion of the annual general meeting next following his appointment or last re-appointment, when he shall retire but shall be eligible for reappointment at that meeting.

45 A person shall not be appointed or re-appointed as the president, a vice-president or the treasurer unless he is qualified to hold office as a member of the council and, in the case of an appointment or reappointment at an annual general meeting, he has been nominated by the council.

46 A person shall not be qualified to hold office as a member of the council unless he is an ordinary member or is a director of or is employed in an executive or consultative capacity by a company which is an ordinary member or a subsidiary of an ordinary member.

47 The president, each vice-president and the treasurer shall be members of the council ex officio.

48 (A) In this article -

‘council representative’ means a person who, being qualified to hold office, is appointed or is to be appointed a member of the council pursuant to this article;

‘category A members’ means ordinary members with a turnover in excess of £100 million;

‘category B members’ means ordinary members with a turnover not exceeding £100 million .

- (B) For the purposes of appointing council representatives, the ordinary members shall be divided into two categories (as at 31st January 2003) and as at each subsequent 31st January thereafter) according to their respective turnovers, category A members and category B members; and (subject to paragraph (F) of this article) each category A member shall be entitled to appoint one council representative and all the category B members shall be entitled, between them, to appoint four council representatives.
- (C) For the purpose of determining the turnover of any member on 31st January in any year, the turnover shall be the turnover by reference to which the subscriptions for the year then current on that date were fixed.
- (D) The president shall not be eligible for appointment as a council representative, and if a council representative is appointed as the president he shall thereupon vacate office as a council representative.
- (E) Each vice-president shall be eligible for appointment as a council representative.
- (F) If during any period (in this article referred to as 'the relevant period') a person is both the treasurer and a director of or employed in an executive or consultative capacity by an ordinary member ('the employing member') or a subsidiary of the employing member, that person (subject to article 51) -
- (1) shall be the council representative of the employing member, if a category A member, during the relevant period (for so long as the employing member remains a category A member) and thereafter unless or until he is removed from or vacates office under paragraph (G) of this article; or
 - (2) if the employing member is a category B member, shall be a council representative in addition to and shall not be counted from appointment as the treasurer as one of the four council representatives of the category B

members mentioned in paragraph (B) of this Article, throughout the relevant period but shall cease to be a council representative immediately on ceasing to be treasurer.

If the provisions of this paragraph (F) apply, the number of council representatives shall be reduced so that -

- (3) in the case of the category A member, the council member appointed by it who is not treasurer shall vacate office so that the number of representatives of a category A member does not exceed the number to which it is entitled; and
 - (4) in the case of the category B members, if one of the council representatives appointed by the category B members together and who is not the treasurer is employed in an executive or consultative capacity by the employing member of the treasurer or a subsidiary of it, such representative shall vacate office and if so a vacancy shall occur in the number of council representatives appointed by the category B members together.
- (G) Each category A member may, by notice signed by or on behalf of it and given to the Association, from time to time appoint the number of council representatives to which it is entitled and remove from office any council representative appointed by it. If a member ceases to be a category A member (whether by reason of its becoming a category B member on 31st January in any year or by reason of its ceasing to be a member under article 16) its right of appointment and removal of council representatives shall thereupon cease and any person then holding office as its council representative shall thereupon vacate that office.
- (H) The category B members together shall elect the council representatives to which the category B members are entitled in accordance with the following provisions -

- (1) Each category B member (except any category B member which itself or through a subsidiary employs the treasurer in an executive or consultancy capacity or of which the treasurer is a director) may nominate one person for election as one of the council representatives of the category B members.
 - (2) If the number of persons standing for election as the council representatives of the category B members does not exceed the number of council representatives to which the category B members are entitled, those persons shall be deemed to be elected as the council representatives of the category B members. Otherwise the council representatives of the category B members shall be elected either at a separate meeting of the category B members or by ballot (by post or otherwise) as the council may prescribe or approve. Every category B member shall have one vote for each council representative to which the category B members are entitled. Every election shall be held in such manner (being not inconsistent with these articles) as the council may prescribe or approve.
 - (3) Elections shall be held at the annual general meeting in 2004 and thereafter at the annual general meeting in each alternate subsequent year (so that the next elections after the annual general meeting in 2004 will be at the annual general meeting in 2006 and so on).
- (l) The council representatives of the category B members elected or deemed elected under paragraph (H) of this Article shall (subject to article 51) hold office -
- (1) in relation to those holding office following the annual general meeting in 2003 until the annual general meeting in 2004; and, thereafter
 - (2) following their election, to the conclusion of the second annual general meeting next following their election.

The council may fill a casual vacancy among those council representatives. A retiring council representative shall be eligible for re-election.

49 A person qualified to hold office may be appointed as an additional member of the council -

(1) by the Association by ordinary resolution if he has been nominated by the council; or

(2) by the council.

A person appointed as a member of the council under this article shall (subject to article 51) hold office until the conclusion of the annual general meeting next following his appointment or last re-appointment, when he shall retire but shall be eligible for re-appointment at that meeting.

50 A member of the council shall not by reason of his office be liable to account to the Association for any benefit which he derives from a transaction or arrangement to which the Association is a party and in which he is interested, and the transaction or arrangement shall not be liable to be avoided by reason of his office.

DISQUALIFICATION OF MEMBERS OF THE COUNCIL

51 The office of a member of the council shall be forthwith vacated -

(1) if a receiving order is made against him or he makes any arrangement or composition with his creditors generally;

(2) if he is, or may be, suffering from mental disorder and either -

(a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

- (b) an order is made by a court of competent jurisdiction (whether in the United Kingdom or elsewhere) on the ground (however formulated) of mental disorder for his detention or for the appointment of a receiver or other person to exercise powers with respect to his property or affairs;
- (3) if he ceases to be qualified to hold office under article 46;
- (4) if he is prohibited by law from holding office;
- (5) if he is removed from office under section 303 of the Act;
- (6) if he is absent from meetings of the council for twelve successive months and his alternate (if any) has not during that period attended in his stead and the council resolves that his office be vacated; or
- (7) if he resigns his office by notice signed by him and given to the Association.

52 The provisions of section 293 of the Act shall not apply to the Association.

ALTERNATES

- 53 A member of the council (other than an alternate member) may appoint as his alternate any person who holds or is qualified to hold office as a member of the council, and may remove from office an alternate so appointed by him. The appointment of an alternate shall cease if the person appointing him ceases to be a member of the council and is not forthwith re-appointed to the council.
- 54 Every alternate shall be entitled to attend and vote as a member of the council at any meeting of the council and of any committee of the council of which the person appointing him is a member at which that person is not personally present, and generally to perform all the functions of a member of the council in the absence of the person appointing him.

- 55 Except as otherwise provided in these articles, an alternate shall be deemed for all purposes to be a member of the council, alone responsible for his own acts and defaults, and not the agent of the person appointing him.
- 56 Any appointment or removal of an alternate shall be made by notice signed by the person making it and given to the Association, or in any other manner approved by the council.

POWERS OF THE COUNCIL

- 57 Subject to the provisions of the Act, the memorandum of association and these articles, the business of the Association shall be managed by the council, which may exercise all the powers of the Association.
- 58 The council may make such bye-laws (being not inconsistent with these articles) as it may think fit for the management of the Association's affairs and may alter or rescind any bye-laws so made.
- 59 The council may prescribe that products of such description as it may from time to time determine shall be included in the Association products, either as an addition to any existing sector of Association products or as an additional sector of Association products.
- 60 The council may delegate any of its powers (except the power to make, alter or rescind bye-laws) to any committee consisting of two or more persons, who need not be members of the council. Any such delegation may be made subject to any conditions (being not inconsistent with these articles) which the council may impose, and either collaterally with or to the exclusion of its own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of every committee shall be governed by the provisions of these articles regulating the proceedings of the council so far as they are capable of applying.

PROCEEDINGS OF THE COUNCIL

61 The council may regulate its proceedings as it thinks fit. A member of the council who is also an alternate shall be entitled, in addition to his own vote, to a separate vote for each absent member for whom he is an alternate. In the case of an equality of votes *the chairman of the meeting shall have a second or casting vote.*

62

(A) A motion which involves a matter of policy shall not be carried by the council at the first meeting at which it is considered unless all the votes cast are in favour of the motion; and if at that meeting a vote is cast against the motion, it shall be reconsidered at a further meeting of the council to be held not less than 14 days and not more than 30 days after the first meeting. At the further meeting the motion shall be passed by a simple majority of votes unless the council decides (by a simple majority of votes) to submit the matter to the Association in general meeting for decision. If a question arises as to whether or not a motion involves a matter of policy, the question shall be referred to the chairman of the meeting, whose ruling shall be final and conclusive.

(B) A motion to which paragraph (A) of this article does not apply shall (subject to article 16(8)) be passed by a simple majority of votes.

(C) A person dealing with the Association shall not be concerned to see or enquire whether a motion of the council is one to which paragraph (A) or (B) of this article applies.

63 The council or the president may, and on the request of at least three members of the council the secretary shall, convene a meeting of the council. At least seven clear days' notice of every meeting shall be given to every member of the council and every alternate who is not absent from the United Kingdom. The notice shall specify the time and place of the meeting and, in the case of a meeting convened at the request of members, the general nature of the business to be transacted, and only the business so notified shall be transacted at the meeting.

- 64 Unless the council decides otherwise, the quorum for the transaction of the business of the council shall be three. An alternate shall be counted in a quorum in the absence of the person appointing him, but not less than three individuals shall constitute the quorum.
- 65 *A member of the council may vote and be counted in the quorum upon a motion in respect of any matter in which he is interested.*
- 66 The continuing members or member of the council may act notwithstanding a vacancy in its body; but if its number is less than the number fixed as its quorum, the continuing member or members may act for the purpose only of convening a general meeting.
- 67 The president or, in his absence, a vice-president shall preside at all meetings of the council; but if neither the president nor a vice-president is present within five minutes after the time appointed for the meeting and is willing to preside, the members of the council present may choose one of their number to be chairman.
- 68 All acts done by a meeting of the council or of a committee of the council or by a person acting as a member of the council shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any of the members of the council or that any of them was disqualified or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed, was qualified, had continued to be a member of the council and had been entitled to vote.

THE SECRETARY

- 69 The council shall, subject to the provisions of the Act, appoint the secretary on such terms as it thinks fit. The council may also appoint any other person, either generally or specially, to perform all or any of the duties of the secretary. A reference in these articles to the secretary shall include any other person so appointed.

THE SEAL

- 70 The common seal of the Association shall be used only with the authority of the council or a committee of the council authorised by the council. Every instrument to which the seal is affixed shall be signed autographically by one member of the council and the secretary or by two members of the council.

ACCOUNTING RECORDS

- 71 A member of the Association who is not a member of the council shall not have any right of inspecting the accounting records of the Association, except as conferred by law or as authorised by the council.

NOTICES

- 72 Any notice to be given by or to the Association pursuant to these articles shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. A notice to be given by the Association to a member of the Association or of the council shall be given to him -

- (a) personally; or
- (b) by leaving it or sending it through the post in a prepaid envelope addressed to him, in the case of a member of the Association, at his registered address and, in the case of a member of the council, at an address in the United Kingdom to be given by him to the Association for that purpose; or
- (c) by giving it using electronic communications to an address for the time being notified for that purpose to the person giving the notice.

Any notice in writing to be given to the Association shall be deposited at its registered office. In this article 72 'address' in relation to electronic communications includes any number or address used for the purposes of such communications.

- 73 A member of the Association without a registered address in the United Kingdom shall not be entitled to receive any notice from the Association unless he has given to the Association an address in the United Kingdom for the service of notices, which address shall be deemed for that purpose to be his registered address.
- 74 A notice sent by post shall be deemed to have been given on the expiry of 48 hours after the envelope containing the notice was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

ALTERATION TO THESE ARTICLES

75

- (A) Article 62 shall not be deleted or altered without either -
- (1) the sanction of an extraordinary resolution passed at a separate meeting of the ordinary members of each sector; or
 - (2) the consent in writing of those ordinary members who, on a poll taken at each such separate meeting at the time the consent is given, would represent at least three-fourths of the total voting rights exercisable on the poll.
- (B) The provisions of the Act and of these articles relating to general meetings shall apply to every such separate meeting; but the number of votes to which a member is entitled on a poll shall be determined by reference exclusively to his turnover from the sector of Association products by virtue of which he belongs to the sector of members concerned.
- (C) For the purpose of this article -
- (1) those ordinary members who at the last preceding 31st January were category B members for the purpose of article 48 shall form a separate sector of members: and

- (2) those ordinary members, not falling within sub-paragraph (1), who manufacture a separate sector of Association products shall form a separate sector of members.

If a member manufactures two or more sectors of Association products, the member shall belong to each sector of members concerned.

INDEMNITY

- 76 Subject to the provisions of the Act, every member of the council and other officer of the Association (including an auditor) shall be indemnified out of the assets of the Association against any costs, charges, expenses, loss or liability incurred by him in or about the execution of or otherwise in relation to his office.

WINDING UP

- 77 Clause 9 of the memorandum of association relating to the winding up and dissolution of the Association shall have effect as if its provisions were repeated in these articles.