

The Companies Act, 1948

Company Limited by Guarantee and not having a Share Capital

MEMORANDUM OF ASSOCIATION

Of

TALL SHIPS YOUTH TRUST²

(As amended)

1. The name of the Company (hereinafter called "the Association") is "**TALL SHIPS YOUTH TRUST**".
2. The registered office of the Association will be situate in England.
3. The objects for which the Association is established are:-
 - (A) To promote the training of young men and young women of all nationalities in sailing and seamanship particularly by the use of sail training-ships and sea schools; to promote among young persons interest in taking up sea-going careers with particular reference to service in the Royal Navy and Mercantile Marine; and to make available to the public a knowledge of up to date developments in the science of seamanship and sailing; and in order to carry out this purpose the Association may -
 - (i) Provide prizes, awards, medals and scholarships for young men and young women of all nations who, in connection with the sea, display outstanding gallantry, skill, character or devotion to duty, or who originate new ideas or show outstanding merit in creative activities of an artistic or scientific nature;
 - (ii) Arrange meetings and competitions between the crews of sail training-ships and sea-schools for the promotion of efficiency of cadets and other young seamen, and in particular, to organise an international race between sail training ships and similar craft which as far as circumstances permit will be substantially manned by cadets, pupils at sea-schools or other young men or young women undergoing sea training;
 - (iii) Arrange regattas, sports or such other contests of a nautical or allied nature as may be expected to help towards providing useful sea training, including under-water land and air training which are ancillary to sea training;
 - (iv) Arrange public lectures and exhibitions or present prizes and awards in relation to past, present and future knowledge of seamanship and sea-training including under-water land and in the air activities so far as these have relation to the sea;
 - (v) Arrange competitions or exhibitions or present prizes and awards in connection with life boats or other craft or apparatus engaged in sea rescue, including aircraft used for this purpose;
 - (vi) Provide or assist in providing libraries museums or similar institutions or collections for the keeping of records, models or other objects of a maritime nature, with special reference to sail training-ships;
 - (vii) By any other means which are ancillary to the aforesaid, arrange personal contacts between cadets, young seamen, pupils at sea schools and other

² As amended by Special Resolution dated 1 August 2003.



young persons undergoing sea training (whether for a career or not), at an international level so as to achieve in a practical form the spirit of the brotherhood of the sea.

- (B) Subject to the provisions of section 14 of the Companies Act, 1948, to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property including ships and any rights or privileges which the Association may think necessary or convenient for the promotion of its objects, and to construct, maintain and alter any buildings, ships or erections necessary or convenient for the work of the Association.
- (C) To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Associations for the purpose of the promotion of its objects.
- (D) To undertake and execute any charitable trusts which may lawfully be undertaken by the Association and may be conducive to its objects.
- (E) To borrow or raise money for the purposes of the Association on such terms and on such security as may be thought fit.
- (F) To establish promote or assist in establishing or promoting and to subscribe to or become a member of any other Association whose objects are similar in character to the objects of the Association. Provided that no subscription or other financial assistance shall be paid to any such other Association out of the funds of the Association except bona fide in furtherance of the objects of the Association and for charitable purposes only.
- (G) To accept and receive any gift of property, whether subject to any special trust or not and so far as the law may from time to time allow for any one or more of the objects of the Association.
- (H) To take such steps by personal or written appeals public meetings or otherwise for the purpose of procuring contributions to the funds of the Association in the shape of bequests, donations, annual subscriptions or otherwise.
- (I) In furtherance of the objects of the Association or any of them (but not otherwise) to print publish issue exhibit and circulate gratuitously or otherwise any reports periodicals books pamphlets leaflets films newsreels photographs broadcast performances (such as television) plays pageants instructional matter or any other documents or things or to assist in or procure due performance of the aforesaid activities or any of them.
- (J) To hire and employ secretaries, clerks, managers, servants and workmen and to pay to them and to other persons or retain for services rendered to the Association salaries, wages, gratuities and pensions or to provide a super-annuation fund or scheme for such employees or workmen.
- (K) To invest the moneys of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
- (L) To amalgamate with any companies, institutions, societies or associations having objects similar to those set out in sub-clause 3 (A) hereof and which by their constitution prohibit the distribution of their income and property among their members to an extent at least as great as is imposed on the Association under or by virtue of Clause 4 hereof, provided that no part of the funds of the Association shall be applied for other than charitable purposes.
- (M) To purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any one or more of the companies, institutions,

societies or associations with which the Association is authorised to amalgamate provided that no part of the funds of the Association shall be applied for other than charitable purposes.

- (N) To transfer all or any part of the property, assets, liabilities and engagements of the Association to any one or more of the companies, institutions, societies or associations with which the Association is authorised to amalgamate provided that no part of the funds of the Association shall be applied for other than charitable purposes.
- (O) To do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.

Provided that:-

- (i) In case the Association shall take or hold any property which may be subject to any trusts, the Association shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
- (ii) The Association shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others, any regulation, restriction or condition which if an object of the Association would make it a Trade Union.
- (iii) In case the Association shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales or Minister of Education, the Association shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the Council of Management or Governing Body of the Association shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Council of Management or Governing Body have been if no incorporation had been effected, and the incorporation of the Association shall not diminish or impair any control or authority exercisable by the Chancery Division, the Charity Commissioners or the Minister of Education over such Council of Management or Governing Body but they shall as regards any such property be subject jointly and separately to such control or authority as if the Association were not incorporated.

- 4. The income and property of the Association, whence-so-ever derived, shall be applied solely towards the promotion of the objects of the Association as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Association.

Provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Association, or to any member of the Association, in return for any services actually rendered to the Association, nor prevent the payment of interest at a rate not exceeding 5 per cent. per annum on money lent or reasonable and proper rent for premises demised or let by any member to the Association, but so that, except in special circumstances and with the prior written approval of the Charity Commissioners³, no member of the Council of Management or Governing Body of the Association shall be appointed to any salaried office of the Association or any office of the Association paid by fees and that no remuneration or other benefit in money or money's worth shall be given by the Association to any member of such Council or Governing Body, except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Association provided that a member shall not be precluded from receiving free or at less than cost any publication or other benefit provided pursuant to sub-clause (I) where the provisions thereof for members is in furtherance of the objects of the Association.

³ As amended by Special Resolution dated 1 August 2003.

5. The liability of the members is limited.
6. Every member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.
7. If upon the winding up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, that same shall not be paid to or distributed among the members of the Association, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Association, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Association under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the members of the Association at or before the time of dissolution, and if and so far as effect cannot be given to such provisions, then to some charitable object.
8. True accounts shall be kept of the sums of money received and expended by the Association, and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Association and of the property, credits and liabilities of the Association; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Association for the time being, such accounts shall be open to the inspection of the members. 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.

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

EVAN BERNARD MORGAN,
11 and 12 Marble Arch,
London W.1.
Solicitor.

GEORGE LEONARD WOOD,
30 Western Road,
Lancing, Sussex.
Solicitors Clerk.

GEORGE JAMES STRACHAN,
145 Westland Avenue,
Hornchurch, Essex.
Solicitors Clerk.

W. HENRY COOMBS,
12 Kings Bench Walk,
Temple, E.C.4.
Master Mariner, Barrister-at-Law.

JAMES J.S. YORKE,
29 Porchester Gardens,
London, W.2.
Captain Royal Navy.

ALAN H. PAUL,
Turwith Park Cottage,
Henley on Thames.
Secretary of Royal Ocean Racing Club.

JAMES PETER THOMSON,
"Northlands", 24 Parkfield Gardens,
Harrow, Middlesex.
Marine Superintendent (retired).

Dated the 31st day of May 1956

WITNESS to the signatures of EVAN BERNARD MORGAN, GEORGE LEONARD WOOD and
GEORGE JAMES STRACHAN:-

GORONWY O. JONES,
Bevis Marks House,
London, E.C.3.
Solicitor.

WITNESS to the signature of CAPTAIN WILLIAM HARRY COOMBS, C.B.E., R.N.R.
W.L. BATTY,
68 Jamieson Terr. York.
Railway Clerk.

WITNESS to the signature of JAMES J.S. YORKE:-

E.G. MASON,
17 Park Gate Road,
Wallington, Surrey.
Commander Royal Navy.

WITNESS to the signature of ALAN H. PAUL:-
M.H. KIRKPATRICK,
50 Ashburnham Mansions,
Ashburnham Road, London, S.W.10.
Assistant Secretary R.O.R.C.

WITNESS to the signature of JAMES PETER THOMSON:-
AUDRAY M. WALLACE,
43 Alton Road,
Croydon, Surrey.
Secretary.

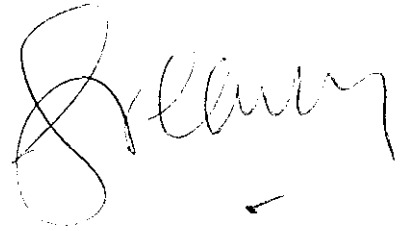
I CERTIFY that this is a true and exact copy of the Memorandum of Association as altered by Special Resolution dated the 10th day of November, 1960.

Secretary

Company No.: 00567460

COMPANIES ACTS 1948

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

A handwritten signature in dark ink, appearing to be 'J. L. L. L.', is written over the text 'COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL'. There is a small checkmark to the right of the signature.

ARTICLES OF ASSOCIATION

OF

TALL SHIPS YOUTH TRUST⁴

(As amended)

INTERPRETATION

1. In these Articles:

"the Act"	means the Companies Act 1985, but so that any reference to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of the provision for the time being in force
"the Council"	means the Council of Management of the Company
"the seal"	means the common seal of the Company
"secretary"	means any person appointed to perform the duties of the secretary of the Company
"President"	means the member of the Council appointed to that office as provided by Article 28(a)(i)
"Vice President"	means the member of the Council elected to that office as provided in Article (28)(a)(ii)

⁴ As amended by Special Resolution dated 1 August 2003.

"Elected Council Member"	means a member of the Council elected to that office as provided in Article 28(a)(iii)
"Co-Opted Council Member"	means a member of the Council co-opted as a Council Member such as provided in Article 28(a)(iv)
"Branches"	means such local groups of members of the Company as may be designated or recognised as Branches pursuant to Rules or Bye-laws pursuant to Article 66
"the United Kingdom"	means Great Britain and Northern Ireland

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification or re-enactment thereof for the time being in force.

OBJECTS

2. The objects of the Company are those expressed in the Memorandum of Association.

MEMBERS

3. Such persons as the Council shall admit to membership shall be members of the Company. Every member of the Company shall either sign a written consent to become a member or sign the register of members on becoming a member.

4. Unless the members of the Council or the Company in General Meeting shall make other provision pursuant to the powers contained in Article 66 the members of the Council may in their absolute discretion permit any member of the Company to retire, provided that (regardless of any other provision pursuant to Article 66) after such retirement the number of members is not less than three.

GENERAL MEETINGS

5. Subject to the provisions of any elective resolution of the Company for the time being in force, the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Council shall appoint. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

6. The Council may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act. If at any time there are not within the United Kingdom sufficient members of the Council capable of acting to form a quorum, any member of the Council or any twenty members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Council.

NOTICE OF GENERAL MEETINGS

7. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Articles of Association of the Company, entitled to receive such notices from the Company:

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and

- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing (subject to the provisions of any elective resolution of the Company for the time being in force) not less than ninety-five per cent of the total voting rights at that meeting of all the members.

8. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

9. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, twenty members present in person or one-tenth of the membership, whichever shall be the lower shall be a quorum. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon 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 to such other day and at such other time and place as the Council may determine.

10. The President (or in his absence the Vice-President), if any, of the Council shall preside as chairman at every General Meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the members of the Council present shall elect one of their number to be chairman of the meeting.

11. If at any meeting no member of the Council is willing to act as chairman or if no member of the Council is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

12. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, a notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

13. 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 on the declaration of the result of the show of hands) demanded:

- (a) by the chairman of the meeting; or
- (b) by at least two members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

14. Except as provided in Article 16, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

15. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

16. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

17. Every member shall have one vote.

18. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis

appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.

19. No member shall be entitled to vote at any General Meeting unless all moneys presently payable by him to the Company have been paid.

20. (a) Any member of the Company entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of him and any proxy so appointed shall have the same right as the member to speak at the Meeting.

(b) On a poll votes may be given either personally or by proxy.

21. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.

22. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

23. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

" LIMITED

I/We of in the County of being a
member/members of the above named Company, hereby appoint of
or failing him of as my/our proxy to vote for me/us on
my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the
Company to be held on the day of 200 , and at any adjournment thereof.

Signed this day of 200 ".

24. 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 a form as near thereto as circumstances admit:

“ LIMITED

I/We _____ of _____ in the County of _____ being a
member/members of the above named Company, hereby appoint _____ of _____
or failing him _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the
(Annual or Extraordinary as the case may be) General Meeting of the Company to be held
on the day of _____ 200 , and at any adjournment thereof.
Signed this _____ day of _____ 200 ."

This form is to be used in favour⁵ of the resolution
against

Unless otherwise instructed, the proxy will vote as he thinks fit.

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

26. A vote given in accordance with the terms of an instrument or proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

27. Any corporation which is a member of the Company may by resolution of its Council or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

⁵ Strike out whichever is not desired.

COUNCIL OF MANAGEMENT

28. (a) The Council of Management shall be elected by resolution of the Company in general meeting (except as expressly provided below) and shall comprise :-

- (i) a President, who shall be elected by the Members of the Company having been nominated by the Council or by at least twenty other members of the Company and shall, subject to the provisions of Article 34, serve for a period of three years when the President shall retire but shall be eligible for re-election; and
 - (ii) a Vice-President, who shall be elected by the Members of the Company having been nominated by the Council or by at least twenty other members of the Company; and shall subject to the provisions of Article 34 serve for a period of three years when the Vice-President shall retire but shall be eligible for re-election; and
 - (iii) up to fourteen Elected Council Members who shall be elected by the Members having been nominated by the Council or by at least twenty other members of the Company; and
 - (iv) up to seven Co-Opted Council Members who shall be elected by the Council of Management.
- (b) All members of the Council (other than Co-Opted Council Members) shall be required to be members of the Company;
- (c) Unless otherwise determined by the Company in general meeting the maximum number of Members of the Council shall be twenty-three and the minimum number of Members of the Council shall be ten.
- (d) Nominations for President, Vice-President and Elected Council Members by members of the Company must be in writing, in such form as Council may from time to time prescribe, and left at the registered office of the Company not less than 28 nor more than 45 days prior to the date of the Annual General Meeting.

29. The members of the Council shall be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Council or

any committee of the Council or General Meetings of the Company or in connection with the business of the Company.

BORROWING POWERS

30. The Council may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party subject to such consents as may be required by law if such action will directly further the charitable objects of the Company.

POWERS AND DUTIES OF THE COUNCIL

31. (a) The business of the Company shall be managed by the Council who may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Act or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Council which would have been valid if that regulation had not been made.

(b) In the exercise of the aforesaid powers and in the management of the business of the Company, the members of the Council shall always be mindful that they are charity trustees within the definition of Section 97 of the Charities Act 1993 as the persons having the general control and management of the administration of a charity.

32. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Council shall from time to time by resolution determine.

33. The Council shall cause minutes to be made in books provided for the purpose:-

- (a) of all appointments of officers made by the Council
- (b) of the names of the members of the Council present at each meeting of the Council and of any sub-committee of the Council

- (c) of all resolutions and proceedings at all meetings of the Company, and of the Council and of sub-committees of the Council.

DISQUALIFICATION OF MEMBERS OF THE COUNCIL

34. The office of member of the Council shall be vacated if the member:

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited from being a member of the Council by reason of any order made under any provision of the Act or any other statute or otherwise becomes prohibited by law from being a member of the Council; or
- (c) becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs, or
- (d) resigns his office by notice in writing to the Company; or
- (e) is directly or indirectly interested in any contract permitted by clause 4 of the Memorandum with the Company and fails to declare the nature of his interest in the manner required by Section 317 of the Act; or
- (f) being a Co-Opted Council Member he is removed from office by a Resolution of the Council;
- (g) is removed from office by ordinary resolution pursuant to the provisions of Article 43.

35. A member of the Council shall not vote in respect of any contract in which he is interested or any matter arising thereout, and if he does so vote his vote shall not be counted.

ROTATION OF ELECTED MEMBERS OF THE COUNCIL

36. At the Annual General Meeting in every year one one-third of the Elected Members of the Council for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

37. The Elected Members of the Council to retire in every year shall be those who have been longest in office since their last election, but as between persons who become members of the Council on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

38. A retiring member of the Council shall be eligible for re-election, unless at the date of the relevant General Meeting he has served as a member of the Council for nine years or more since the date of adoption of these Articles.

39. The Company at the meeting at which an Elected Member of the Council retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Elected Member of the Council shall, if offering himself for reelection, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Elected Member of the Council shall have been put to the meeting and lost.

40. No person other than an Elected Member of the Council retiring at the meeting shall unless nominated or recommended by the Council be eligible for election to the office of Elected Member of the Council at any General Meeting unless, not less than fourteen nor more than thirty days before the date appointed for the meeting, there shall have been left at the registered office of the Company notice in writing signed by not less than twenty members duly qualified to attend and vote at the meeting for which such notice is given, of the intention to propose such person for election, stating the particulars which would, if he were so elected, be required to be included in the Company's register of Council Members and also notice in writing signed by that person confirming his willingness to be elected.

41. Subject to Article 28(a) the Company may from time to time by ordinary resolution increase or reduce the number of members of the Council, and may also determine in what rotation the increased or reduced number is to go out of office.

42. The Council shall have power at any time, and from time to time, to appoint a member of the Company to be a Member of the Council, either to fill a casual vacancy or as an addition to the existing members of the Council, provided that the maximum number of twenty-three members of the Council, comprising the numbers within each category referred to in Article 28(a), shall not at any time be exceeded.

Any member of the Council so appointed, other than a Co-Opted Member, shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the members of the Council who are to retire by rotation at such meeting.

43. The Company may by ordinary resolution, of which special notice has been given in accordance with Section 379 of the Act, remove any member of the Council before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such member of the Council.

44. The Company may by ordinary resolution appoint another person in place of a member of the Council removed from office under the immediately preceding Article. Without prejudice to the powers of the Council under Article 42 the Company in General Meeting may appoint any person to be a member of the Council (within any category specified in subparagraph (i),(ii) or (iii) of Article 28(a) hereof) either to fill a casual vacancy or as an additional member of the Council.

PROCEEDINGS OF THE COUNCIL

45. The Council may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote. A member of the Council may, and the secretary on the requisition of a member of the Council shall, at any time summon a meeting of the Council. It shall not be necessary to give notice of a meeting of the Council to any member of the Council for the time being absent from the United Kingdom.

46. The quorum necessary for the transaction of the business of the Council may be fixed by the Council, and unless so fixed shall be seven members of the Council or fifty percent of the Council members, whichever is the higher.⁶

47. The continuing members of the Council may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of members of the Council, the continuing members or member of the Council may act for the purpose of increasing the number of members of the Council to that number, or of summoning a General Meeting of the Company, but for no other purpose.

⁶ As amended by a Special Resolution dated 1 August 2003.

48. The President of the Company, or in his absence the Vice-President, shall act as Chairman of the Meetings of the Council but if at any meeting the President or Vice-President is not present within five minutes after the time appointed for holding the same the Members of the Council present may choose one of their number to be Chairman of the Meeting.

49. (a) The Council shall be entitled to establish an Executive Committee of which the President and Vice-President shall be members or ad hoc working group and to which the Council may delegate such of their powers as they think fit provided that such Committee or ad hoc working group shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Council and shall report all acts and proceedings thereof to the Council as soon as is reasonably practicable.

(b) The Council may also establish such Advisory Committees as they think fit, provided that the Chairman of each such Committee shall be a Member of the Council, to consider and advise the Council on such matters as the Council may from time to time request provided that the authority of any such Advisory Committee shall be limited to reporting to the Board in accordance with such rules or regulations that may be imposed on it by the Council from time to time.

50. The Chairman of any Committee appointed by the Council shall act as Chairman of its meetings but if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same the Members present may choose one of their number to be chairman of the Meeting.

51. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.

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

53. A resolution in writing, signed by all the members of the Council for the time being entitled to receive notice of a meeting of the Council shall be as valid and effectual as if it had been passed at a meeting of the Council duly convened and held.

SECRETARY

54. Subject to Section 13(5) of the Act, the secretary shall be appointed by the Council for such term, at such remuneration and upon such conditions as the Council may think fit, and any secretary so appointed may be removed by it: Provided always that no member of the Council may occupy the salaried position of secretary.

55. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a member of the Council and the secretary shall not be satisfied by its being done by or to the same person acting both as a member of the Council and as, or in place of, the secretary.

THE SEAL.

56. If the Company has a seal the Council shall provide for its safe custody and it shall only be used by the authority of the Council or the Executive Committee, if so authorised by the Council in that behalf, and every instrument to which the seal shall be affixed shall be signed by a member of the Council and shall be countersigned by the secretary or by a second member of the Council or by some other person appointed by the Council for the purpose.

ACCOUNTS

57. The Council shall cause accounting records to be kept in accordance with the provisions of the Act.

58. The accounting records shall be kept at the registered office of the Company or, subject to the provisions of the Act, at such other place or places as the Council thinks fit, and shall always be open to the inspection of the officers of the Company.

59. The Council 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 Company or any of them shall be open to the inspection of members not being members of the Council and no member (not being a member of the Council) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Council or by the Company in General Meeting.

60. Subject to the provisions of any elective resolution of the Company for the time being in force, the Council shall from time to time in accordance with the provisions of the Act, cause to be

prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those provisions.

- 61 (a) Subject to the provisions of any elective resolution of the Company for the time being in force, a copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in a General Meeting together with a copy of the auditor's report, and Council Report (together known as "the Documents"), shall not less than twenty-one days before the date of the meeting be sent to every member of the Company and every person entitled to receive notice of General Meetings of the Company;
- (b) References in this Article to sending the Documents to every member of the Company and to every person entitled to receive notice of General Meetings of the Company include using electronic communications to send the Documents to such addresses as may for the time being be notified to the Company by that person for that purpose.
- (c) For the purposes of this Article, the Documents are also to be treated as sent to any member of the Company and to any person entitled to receive notice of General Meetings PROVIDED that:
- (i) the Company and the person have agreed to the person having access to the Documents on a web site (instead of the Documents being sent to the person); and
 - (ii) the person is notified not less than 21 days before the date of the meeting, in a manner for the time being agreed for the purpose between the person and the Company, of the publication of the Documents on the web site, the address of that web site, the place on the web site where the Documents may be accessed, and how they may be accessed; and
 - (iii) the Documents are published on the web site throughout a minimum period beginning at least 21 days before the date of the meeting and ending with the conclusion of the meeting.⁷

AUDIT

62. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

NOTICES

63. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of

⁷ As amended by a Special Resolution dated 1 August 2003

notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

64. Notice of every general meeting shall be given in any manner hereinbefore authorised to :

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
- (b) every person being a trustee in bankruptcy of a member where the member but for his bankruptcy would be entitled to receive notice of the meeting.
- (c) the auditors for the time being of the Company; and
- (d) each member of the Council

No other person shall be entitled to receive notices of General Meetings.

DISSOLUTION

65. Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles.

RULES OR BYE LAWS

66. The Council may from time to time make such Rules or Bye-Laws as it may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, it may by such Rules or Bye Laws regulate:

- (i) The admission and classification of members of the Company and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by the members.

- (ii) The conduct of members of the Company in relation to one another, and to the Company's servants.
- (iii) The setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes.
- (iv) The procedure at general meetings and meetings of the Council and sub-Committees of the Council insofar as such procedure is not regulated by these presents.
- (v) And, generally, all such matters as are commonly the subject matter of the Company rules.

(b) The Company in General Meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions thereto and the Council shall adopt such means as they deem sufficient to bring to the notice of members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all members of the Company. Provided, nevertheless, that no Rule or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or Articles of Association of the Company.

INDEMNITY

67. (a) Every member of the Council or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the court, and no member of the Council or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.