

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

RESOLUTIONS

-of-

THE BRITISH VENTURE CAPITAL ASSOCIATION

(Passed 4 December 2008)

At a General Meeting of the British Venture Capital Association (the "Association"), duly convened and held at Tower 3, 3 Clements Inn, London, WC2A 2AZ on 4 December 2008 at 2.30 p.m. the resolution numbered 1 that follows was passed as an Ordinary Resolution and the resolutions numbered 2 to 4 that follow were passed as Special Resolutions

ORDINARY RESOLUTIONS

Council member conflicts

1. **THAT** the members of the Council be and they are hereby permitted to authorise any conflict or potential conflict situation proposed to them under section 175(5)(a) of the Companies Act 2006, such authorisation to be given subject to the Companies Act 2006, on such terms and conditions as may be set out in the Articles of Association of the Association from time to time or otherwise as the members of the Council shall think fit.

SPECIAL RESOLUTIONS

Change of Association's name

2. **THAT** subject to the consent of the Registrar of Companies, the name of the Association be changed to "The British Private Equity and Venture Capital Association".

Alteration of Memorandum of Association

3. **THAT**, pursuant to section 4 of the Companies Act 1985, the Memorandum of Association of the Association be altered by deleting clause 3(i) thereof and by substituting the following new clause therefor:

"The objects for which the Association is established are to promote the private equity and venture capital industry and do all such things as are from time to time considered conducive or incidental to the attainment of such objects including (without limitation):

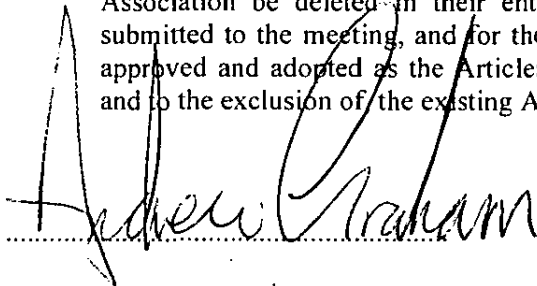
- a) to represent the interests and views of members of the Association on matters affecting or relating to their venture capital activities generally and, in particular, before HM Government, all governmental, regulatory or other public authorities, bodies, commissions or enquiries and, to that end, to make submissions and recommendations to, and give evidence before, any such authorities, bodies, commissions and enquiries, and



- b) to seek to develop and maintain high standards of business conduct and professional competence within the British venture capital industry and in that regard to provide education and training for employees of members of the Association"

Adoption of new Articles of Association

- 4. **THAT**, pursuant to section 9 of the Companies Act 1985, the Articles of Association of the Association be deleted in their entirety and the regulations contained in the document submitted to the meeting, and for the purpose of identification signed by the Chairman, be approved and adopted as the Articles of Association of the Association in substitution for, and to the exclusion of the existing Articles of Association of the Association.


.....

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM

AND

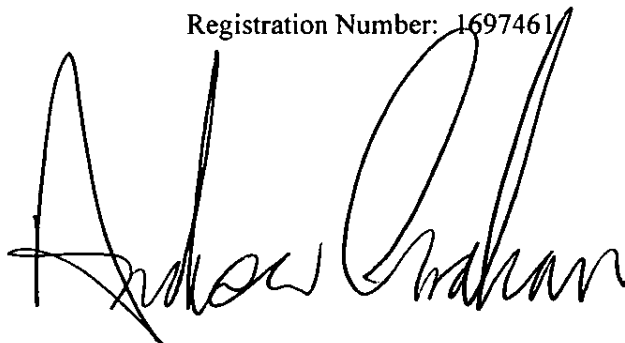
ARTICLES OF ASSOCIATION

OF

THE BRITISH VENTURE CAPITAL ASSOCIATION

Incorporated 7th February 1983

Registration Number: 1697461

A handwritten signature in black ink, appearing to read 'Andrew Graham', is written over the registration number. The signature is fluid and cursive, with a large initial 'A' and a long, sweeping underline.

THE COMPANIES ACTS 1948 to 1981
COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

of

THE BRITISH VENTURE CAPITAL ASSOCIATION¹

Name

1. The name of the Company (hereinafter called the "Association") is "The British Venture Capital Association".

Registered office

2. The registered office of the Association will be situate in England.

Objects

3. (i) The objects for which the Association is established are to promote the private equity and venture capital industry and do all such things as are from time to time considered conducive or incidental to the attainment of such objects including (without limitation):
 - (a) to represent the interests and views of members of the Association on matters affecting or relating to their private equity and/or venture capital activities generally and, in particular, before HM Government, all governmental, regulatory or other public authorities, bodies, commissions or enquiries and, to that end, to make submissions and recommendations to, and give evidence before, any such authorities, bodies, commissions and enquiries, and
 - (b) to seek to develop and maintain high standards of business conduct and professional competence within the private equity and/or venture capital industries and in that regard to provide education and training for employees of members of the Association.²
- (ii) The Association shall have the following powers exercisable in furtherance of its said objects but not otherwise, namely:
 - (a) To purchase, take on lease or in exchange, hire or otherwise acquire real or personal property and rights or privileges, and to construct, repair,

¹ The name of the company was changed to "The British Private Equity and Venture Capital Association" by special resolution passed on 4 December 2008.

² This clause was amended by special resolution on 6 June 1995 and 4 December 2008.

furnish, equip, decorate, maintain and alter buildings, erections or works;

- (b) To sell, let, mortgage or charge, dispose of or turn to account all or any of the undertaking, property or assets of the Association;
- (c) To employ, retain, engage and pay such persons as may be thought fit to administer the Association or to assist in carrying out the objects thereof;
- (d) To borrow and raise money on such terms and on such security as may be thought fit;
- (e) To insure against any risk or risks to any of the property or assets of the Association and against any other risk or risks which the Association may think fit;
- (f) To invest the moneys of the Association not immediately required for its purposes in or upon such investments, securities or property, whether real or personal, whatsoever and wheresoever situate, and whether involving liability or not, as may be thought fit and to vary such investments for others of a like nature, 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;
- (g) To make bye-laws, rules and regulations with regard to the affairs and management of the Association;
- (h) To make, draw, endorse, execute and issue, cheques, promissory notes, bills of exchange and other negotiable or transferable instruments;
- (i) To pay all expenses preliminary or incidental to the incorporation of the Association and its registration;
- (j) To do all or any of the above things as principals, agents, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others;
- (k) To enter into such commercial or other transactions and to provide such services (whether with or for a member of the Association or with or for any other person) as may seem desirable to the Council for the time being of the Association for the purpose of promoting the Association's objects or affairs;
- (l) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

Income and property

4. The income and property of the Association shall be applied solely towards the promotion of its objects 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 members of the Association. Provided that nothing herein shall prevent any payment in good faith by the Association:

- (a) of reasonable and proper remuneration to any member, officer or servant of the Association for any services rendered to the Association;
- (b) of reasonable and proper interest on money lent to the Association by any member of the Association; and
- (c) of reasonable and proper rent, service charges and other similar payments for premises demised or let by any member of the Association.³

Limitation of members' liability

5. The liability of the members is limited.

Guarantee clause

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 five pounds.

Dissolution

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, the 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 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 provision, then to some charitable object.

³ This clause was amended by special resolution passed on 6 June 1995

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 DESCRIPTION OF SUBSCRIBERS

D J S Cooksey
on behalf of ADVENT MANAGEMENT LIMITED
25 Buckingham Gate
London SW1

J A Lorenz
on behalf of EQUITY CAPITAL FOR INDUSTRY LIMITED
Leith House
45-57 Gresham Street
London EC2R 7EH

R M Cohen
on behalf of ALAN PATRICO ASSOCIATES LIMITED
24 Upper Brook Street
London W1Y 1HD

G D Dean
on behalf of ELECTRA RISK CAPITAL PLC
Electra House
Temple Place
Victoria Embankment
London WC2R 3HP

Colin Clive
on behalf of THOMPSON CLIVE AND PARTNERS LIMITED
24 Old Bond Street
London W1X 3DA

Dated the Twenty-fifth day of January 1983

Witness to the above signatures

J A Lorenz
Greenacre
Beacon Hill
Penn
Bucks

Witness to the signature of J A Lorenz
on behalf of EQUITY CAPITAL FOR INDUSTRY

S J Hepburn
Hillrise Farm
Mountnessing
Brentwood
Essex

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE AND NOT
HAVING SHARE CAPITAL

ARTICLES OF ASSOCIATION

(as amended by Special Resolution on 6 December 2006 and 4 December 2008)

OF

THE BRITISH VENTURE CAPITAL ASSOCIATION

Interpretation

1. (a) In these Articles of Association the following words and expressions shall have the following meanings if not inconsistent with the subject or context:
- | | |
|-------------|--|
| “1985 Act” | The Companies Act 1985 from time to time in force. |
| “2006 Act” | The Companies Act 2006 from time to time in force. |
| "Acts" | The 1985 Act and the 2006 Act. |
| "Associate" | In relation to a person: |
- (a) each member of its Group;
 - (b) any general partner, limited partner or other partner in, or trustee, nominee, custodian, operator or manager of, or adviser to, any member of its Group;
 - (c) any member of the same group of companies as any trustee, nominee, custodian, operator or manager of, or adviser to, any member of its Group;
 - (d) any Fund which has the same general partner, trustee, nominee, operator, manager or adviser as any member of its Group;

(e) any Fund which is advised, or the assets of which (or some material part thereof) are managed (whether solely or jointly with others), by any member of its Group; or

(f) any Fund in respect of which any member of its Group is a general partner.

| | |
|--------------------------------|---|
| "the Association" | The British Venture Capital Association. |
| "these Articles" | The Articles of Association of the Association for the time being in force. |
| "Chairman and Vice" | Those members of the Council duly elected to such offices in accordance with the provisions of Article 47. |
| "clear days" | In relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect. |
| "the Council" | The Council for the time being of the Association. |
| "Council Member" | A member of the Council for the time being. |
| "Financial Services Authority" | The Financial Services Authority or any body with responsibility under legislation replacing the FSMA for carrying out regulatory actions. |
| "firm" | A partnership or a sole trader. |
| "FSMA" | The Financial Services and Markets Act 2000. |
| "Fund" | Any bank, company, unit trust, investment trust, investment company, limited, general or other partnership, industrial provident or friendly society, any collective investment scheme (as defined by the FSMA), any investment professional (as defined in article |

19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (the "FPO")), any high net worth company, unincorporated association or partnership (as defined in article 49(2) of the FPO or any high value trust (as defined in article 49(6) of the FPO), any pension fund or insurance company or any person who is an authorised person under the FSMA.

"Group"

In relation to a person, that person, its subsidiary undertakings, any of its parent undertakings, whether direct or indirect, and any other subsidiary undertaking of any such parent undertaking from time to time and references to a "member of a Group" shall be construed accordingly.

"in writing"

Written, printed or lithographed, or partly one and partly the other, or any other mode of representing or reproducing words in a visible form.

"Interest"

In relation to a Council Member means that Council Member being an officer of, or employed by the Association or being, whether directly or indirectly, a director or other officer of, employed by, holding shares or other securities in, or being a partner or member of or otherwise being interested in a Member or associate member or an Associate of such Member or associate member or any other body corporate or firm in which a Member, or associate member or an Associate of a Member or associate member holds shares or other securities or is otherwise interested.

"Member"

A member of the Association for the time being admitted pursuant to the provisions of Articles 2 to 5 (inclusive) (and, unless the context otherwise requires, excluding any associate or other such category of member as is referred to in Article 10).

"Membership"

the position of being a Member.

"Secretary"

The person appointed by the Council as Secretary for the time being.

"Situational Conflict"

A direct or indirect interest which conflicts or may potentially conflict with the interests

of the Association (other than a Transactional Conflict or which cannot reasonably be regarded as likely to give rise to a conflict of interest). For these purposes a conflict of interest shall include a conflict of interest and duty and a conflict of duties.

"Transactional Conflict"

A direct or indirect conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Association.

"Treasurer"

The person appointed by the Council as Treasurer for the time being.

- (b) Any reference in these Articles to a statute (including the Acts) shall be construed as a reference to that statute as the same may be amended, replaced, consolidated or re-enacted, with or without amendment.
- (c) Any words or expressions in these Articles which are defined in the Acts shall bear the same meaning in these Articles.
- (d) Unless the context otherwise requires, words in the singular include the plural and vice versa and words importing the masculine gender include any gender.

Membership of the Association

- 2. The number of Members of the Association shall not be subject to any limit.
- 3. Eligibility to become a Member of the Association shall be restricted to reputable corporations or firms whose business, in the opinion of the Council, includes making (whether from its own resources or third party funds), managing and/or advising on venture capital and private equity investments.
- 4. Any person wishing to become a Member of the Association must apply in writing in such form as may be prescribed by the Council, and must be sponsored by at least three existing Members of the Association.
- 5. Every such application shall be considered by the Council and, if the Council votes to admit the applicant to Membership of the Association, the applicant shall thereupon, subject to having signed or signing a written consent thereto, become a Member.
- 6. The Council shall have full power, at its sole and absolute discretion and without assigning any reason therefor, to decline to admit any applicant to Membership of the Association.
- 7. The rights and privileges of a Member shall not be transferable or transmissible.
- 8. A Member shall immediately cease to be a Member of the Association if:
 - (a) such Member serves a written notice of its resignation on the Association, or
 - (b) such Member fails to pay the annual subscription or any other moneys due and owing by it to the Association within three months of being required to

do so and the Council resolves that the Membership of such Member be terminated, or

- (c) in the case of the Member being a body corporate, a receiver, administrator or other similar official, is appointed of all or any of its assets, or a resolution is passed or an order is made for its winding up or dissolution, (unless in the opinion of the Council such winding up or dissolution be only for purposes of a bona fide reconstruction) or a voluntary or other arrangement or composition is made with its creditors generally, or
- (d) in the case of the Member being a partnership, the partnership is dissolved or becomes insolvent or makes a voluntary or other arrangement or composition with its creditors generally, or
- (e) in the case of the Member being a sole trader, a bankruptcy order is made against such member, or such Member becomes insolvent or makes an assignment for the benefit of, or any other composition with, its creditors, or has an award of sequestration made against it, or the Member dies, or
- (f) the Council so determines following an adverse finding in relation to such Member and/or its conduct under the Association's disciplinary procedures for the relevant time being, or
- (g) the Member ceases, in the opinion of the Council, either to satisfy the eligibility requirements for Membership set out in Article 3 or to be of appropriate standing, or otherwise fit and proper, for continuing Membership of the Association.

Subscriptions

- 9. (a) Every Member shall, on becoming a Member and in each subsequent year of its Membership, pay such annual subscriptions as may from time to time be determined by the Council.
- (b) In addition, the Council may, if it thinks fit, require, upon the admission of a Member, payment of an entrance fee of such amount as may from time to time be determined by the Council.
- (c) A Member shall not be entitled to any of the rights or privileges of Membership until it shall have paid all moneys payable by it to the Association upon becoming a Member.
- (d) In the event of the Membership of a Member being terminated (for whatever reason), its subscription shall be payable in full for the year during which such termination occurs, and, if such Member has already paid such subscription, it shall not be entitled to recover such payment or any part thereof from the Association, unless and to the extent (if any) that the Council agrees otherwise.

Associate and other categories of membership

- 10. The Council may, at its discretion and from time to time, create and continue one or more categories of 'associate membership' of the Association and, in addition, other categories of membership and determine the rights, privileges and terms and conditions applicable to associate and any such other category of membership

provided that the Council may not confer upon any such associate or other category of member any right to vote at any general meeting of the Association nor shall any person be deemed to be a Member of the Association for the purposes of the Act or clause 6 of the Memorandum by virtue of being an associate member or such other category of member.

General meetings

11. The Association shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The annual general meeting shall be held at such time and place as the Council shall appoint.
12. *INTENTIONALLY LEFT BLANK*
13. The Council may, whenever it thinks fit, convene a general meeting and a general meeting may also be requisitioned by Members in accordance with section 303 of the 2006 Act. If at any time there are not within the United Kingdom sufficient Council Members capable of acting to form a quorum of the Council, any Council Member or any two Members of the Association may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Council.

Notice of general meetings

14. An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice in writing to the Members of the Association, and all other meetings of the Association shall be called by at least fourteen clear days' notice in writing to the Members of the Association. The notice shall specify the place, the day and the time of meeting, the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. The notice shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting to such persons (including the auditors) as are, under these Articles, entitled to receive such notices from the Association:

Provided that a meeting of the Association shall, notwithstanding that it is called by shorter notice than that specified in this Article or the 2006 Act, be deemed to have been duly called if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting being a majority together representing not less than ninety-five per cent of the total voting rights at the meeting of all the Members.

15. 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.

Proceedings at general meetings

16. No business shall be transacted at any general meeting unless a quorum of Members is present. Save as provided in Article 17, three persons entitled to vote on the business to be transacted, each being Members present in person or by proxy, shall be a quorum.
17. 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, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum provided that one Member alone shall not constitute a quorum.

18. Subject as provided in Article 19, the Chairman or, failing him, the Vice Chairman shall preside as chairman at every general meeting of the Association. A Council Member shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting. The chairman of the meeting may permit other persons who are not:

(a) Members; or

(b) otherwise entitled to exercise the rights of Members in relation to general meetings,

to attend and speak at a general meeting.

19. If there is no Chairman or Vice Chairman or if neither is present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present shall elect one of their number to be chairman of the meeting.
20. The chairman of a general meeting at which a quorum is present may, with the consent of that meeting (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, 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.
21. 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 by the chairman or not less than three Members present in person or by proxy or any Members present in person or by proxy representing not less than one tenth of the total voting rights of all the Members having the right to vote at that meeting, and unless a poll is 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 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, that resolution.
22. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
23. 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.
24. A poll demanded on the election of a chairman of the meeting or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Votes of Members

25. Subject as provided in Article 27, on a show of hands, every Member present in person or by proxy shall have one vote.
26. Subject as provided in Article 27, on a poll, every Member present in person or by proxy shall have one vote.
27. No Member shall be entitled to vote (whether in person or by proxy) at any general meeting unless all moneys at that time due for payment by it to the Association have been paid.
28. The instrument appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing, or, if the appointor is a body corporate, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Association.
29. 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 Association or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting (or, to the extent permitted by the 2006 Act, sent using electronic communications to the Association at an address specified or deemed to have been specified), 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 taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll, or in the case of a poll taken not more than 48 hours after it was demanded, before the end of the meeting at which the poll was demanded and in default the instrument of proxy shall not be treated as valid.
30. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Council may approve):

“The British Venture Capital Association

We
of _____ being a Member of
the above named association, hereby
appoint _____
of _____ or failing
him _____ of _____ as our
proxy to vote for us on our behalf at the general meeting of
the Association, to be held on the _____ day
of _____ and at any adjournment
thereof.

Signed this _____ day of _____.”

31. Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto

35. Subject to the provisions of the Acts, the Memorandum and these Articles and to any directions given by special resolution, the affairs of the Association shall be managed by the Council who may exercise all the powers of the Association. No alteration of the Memorandum or the Articles and no such direction shall invalidate any prior act of the Council which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Council by these Articles and a meeting of Council Members at which a quorum is present may exercise all powers exercisable by the Council.
36. The Council shall be empowered to adopt and amend from time to time on such terms as it thinks fit, and to implement disciplinary procedures applicable to Members of the Association and, to the extent that the Council so determines other categories of membership of the Association. Such procedures may include:
- (i) provisions for the Council and/or the Chairman or Vice-Chairman to appoint ad hoc committees (comprising one or more members of the Council and, in addition, one or more persons who are not members of the Council) to investigate, and make decisions in relation to, the alleged conduct of any Member or other category of member of the Association, and
 - (ii) provision for the imposition of sanctions including sanctions that the membership of a Member (or other category of member) may, if the Council thinks fit, be suspended or terminated. Any sanctions so imposed upon a Member (or other category of member) will be binding upon such person accordingly.
37. The members of the Council shall be entitled to be repaid all reasonable travelling, hotel or other expenses properly incurred by them in or about the business of the Association.
38. 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 Council Members present at each meeting of the Council and of any committee of the Council Members;
 - (c) of all resolutions and proceedings at all meetings of the Association, and of the Council, and of committees of Council Members.

The Council

39. Unless and until otherwise determined by a resolution of the Members of the Association, the Council shall consist of not more than 25 or less than 4 persons. Each Council Member is a director for the purposes of the Acts.
40. A person shall not be eligible to be appointed or elected as a member of the Council unless he is a director or member of a body corporate or a partner in or proprietor of a firm, in either case which is a Member or an associate member of the Association or he holds an executive office or employment with the Association.
41. The Council may at any time and from time to time appoint any person (being a person who is eligible under Article 40) either to fill a casual vacancy or by way of

addition to the Council provided that the maximum number of members of the Council is not exceeded as a result. Any Council Member so appointed shall hold office only until the next annual general meeting when (unless reappointed thereat) he shall vacate office at the conclusion of such meeting.

42. If the number of Council Members for the time being is less than the number fixed as the quorum, the continuing Council Members or member may act only for the purpose of filling vacancies pursuant to Article 41 or calling a general meeting.
43. The office of a member of the Council shall be vacated if the person concerned:
- (a) ceases to be a Council Member by virtue of any provision of the Acts or becomes prohibited by law from being a Council Member; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) is, or may be, suffering from mental disorder and either:
 - (i) 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
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (d) he shall for more than six consecutive months have been absent without permission of the Council from meetings of the Council held during that period and the Council resolves that his office be vacated;
 - (e) resigns his office by notice in writing to the Association; or
 - (f) *INTENTIONALLY LEFT BLANK*
 - (g) being directly or indirectly interested in any contract with the Association, he fails to declare the nature of his interest in the manner required by, and where such failure would be a breach of, sections 177 or 182 of the 2006 Act and/or these Articles and the Council resolves that his office be vacated; or
 - (h) ceases to be eligible to be a member of the Council as provided in Article 40 unless at the relevant time the Council resolves otherwise but in such event he shall continue to hold office only until whichever is the earlier of the conclusion of the next annual general meeting or such other date (if any) as the Council shall determine; or
 - (i) being a director of a body corporate or a partner in or proprietor of a firm which is a Member or associate member of the Association, such body corporate or firm ceases to be such a Member or associate member.
44. *INTENTIONALLY LEFT BLANK*

45. The Association may by ordinary resolution, of which special notice has been given in accordance with section 312 of the 2006 Act remove any Council Member before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Association and such Council Member. Such removal shall be without prejudice to any claim such Council Member may have for damages for breach of any contract of service between him and the Association. The Association may by ordinary resolution appoint another eligible person in place of a Council Member removed from office under this Article. Without prejudice to the powers of the Council under Article 41, the Association in general meeting may appoint any eligible person to be a Council Member either to fill a casual vacancy or as an additional Council Member provided that the maximum number of Council Members is not exceeded as a result.
46. (a) At each annual general meeting, one third of the Council Members for the time being who have been longest in office since their last appointment or reappointment shall vacate office by rotation at the conclusion of such meeting (unless reappointed at such a meeting). If their number is not three or a multiple of three, the number nearest to one-third shall vacate office; but, if there is only one Council Member who is subject to vacate office by rotation, he shall vacate office.
- (b) Any Council Member appointed pursuant to Article 41 shall (unless re-appointed at such meeting) vacate office at the conclusion of the next annual general meeting after his appointment.
- (c) At the meeting at the conclusion of which a Council Member is due to vacate office in the manner aforesaid, the Association may fill the office to be vacated by electing an eligible person thereto or by re-appointing the Council Member who is due to vacate office.
47. The Council shall once in each year elect, from amongst its members, a Chairman and Vice Chairman. The persons as elected shall hold office from the appointed day, as decided by the Council, up until a maximum of 13 months from the appointed day (subject to the provision of Articles 43 and 45). The Council may also at any time elect a Chairman or Vice Chairman to fill any vacancy in either such office
48. The Chairman and Vice Chairman shall be respectively Chairman and Vice Chairman of the Association and of the Council.
49. Council Members shall not have the power to appoint alternates.

Proceedings of the Council

50. (a) The members of the Council may hold meetings for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit.
- (b) Reasonable notice of all meetings of the Council shall be given to all the Council Members for the time being other than a Council Member who is absent abroad. A member of the Council may at any time summon a meeting of the Council.
- (c) The Council may, at its discretion, invite or allow any person to attend its meetings to observe or speak.

- (d) Any Council Member may participate in a meeting of the Council Members or a committee of the Council Members of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other. A person so participating shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
51. Questions arising at a meeting of the Council shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a casting vote in addition to any other vote he may have.
52. The quorum necessary for the transaction of the business of the Council shall be three or such higher number (if any) as may be fixed by the Council.
53. The Council may delegate any of its powers, authorities and discretions to any committee, consisting of such person or persons (whether a member or members of the Council or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may be imposed on it by the Council.
54. A committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for commencing the same, the committee members present may choose one of their number to be chairman of the meeting.
55. Subject to any regulations imposed by the Council, a committee may meet, adjourn and otherwise regulate its meetings as it thinks proper.
56. 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 Council Member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Council or the relevant committee.
57. A resolution in writing, signed by all the members of the Council or of a committee of the Council for the time being entitled to receive notice of a meeting of the Council or of such committee, shall be as valid and effectual as if it had been passed at a meeting of the Council or of such committee duly convened and held and may consist of several instruments in all substantial respects in the like form each executed by one or more members of the Council or of such committee.

Executives

58. (a) The Council may from time to time appoint, for such term, at such remuneration and upon such terms and conditions as the Council thinks fit, such person as it thinks fit to an office or employment with the Association having a descriptive designation or title of "Director General" and (as a separate and further appointment) "Director".

- (b) The Council may delegate to any person so appointed such of its powers, authorities and discretions as it thinks fit and may at any time revoke or vary such delegation.
- (c) The Council may at any time determine any such appointment or the use of any such designation or title as aforesaid.
- (d) The inclusion of the words "Director General" or "Director" in the designation or title of such office or employment with the Association shall not of itself be deemed to imply that the holder of the office is a member of the Council nor shall such holder thereby (unless elected to the Council) be empowered in any respect to act as a member of the Council or be deemed to be a director of the Association for any of the purposes of the Acts.

Secretary and Treasurer

- 59. The Council may if it so desires appoint any person as it thinks fit as the Secretary for such term, at such remuneration and upon such terms and conditions as the Council thinks fit and any person so appointed may be removed from such office by the Council. The Secretary need not be (or be eligible to be) a member of the Council.
- 60. The Council shall have the power to appoint such person as it thinks fit as the Treasurer for such term, at such remuneration and upon such terms and conditions as the Council thinks fit and any person so appointed may be removed from such office by the Council.

Seal

- 61. The common seal of the Association shall not be affixed to any instrument except by the authority of a resolution of the Council, and in the presence of a member of the Council and of the Secretary or such other person as the Council may appoint for the purpose; and that member of the Council and the Secretary or other person as aforesaid shall sign every instrument to which the common seal of the Association is so affixed in their presence.

Accounts

- 62. The Council shall cause accounting records to be kept in accordance with the provisions of sections 386 and 389 of the 2006 Act.
- 63. The accounting records shall be kept at the registered office of the Association, or, subject to section 388 of the 2006 Act, at such other place or places as the Council thinks fit, and shall always be open to the inspection of the members of the Council.
- 64. The Council shall from time to time and at its discretion determine whether and to what extent (if any) and at what times and places and under what conditions or regulations the accounts and books of the Association or any of them shall be open to the inspection of Members not being Council Members. No Member (not being a Council Member) shall have any right of inspecting any accounts, other books or any other documents of the Association except as conferred by statute or authorised by the Council or by the Association in general meeting.
- 65. The Council shall, from time to time cause to be prepared and to be laid before the Association in general meeting income and expenditure accounts, balance sheets, group accounts (if any) and reports of the Association.

Audit

66. Auditors shall be appointed and their duties regulated in accordance with the Acts.

Notices

67. A notice may be given by the Association to any Member either personally or by sending it in a prepaid envelope addressed by post to him to his registered address, or if he has no registered address within the United Kingdom, to him at the address, if any, within the United Kingdom supplied by him to the Association for the giving of notices to him or shall be given using electronic communications to an address for the time being notified to the Association by the Member or by publication on a website subject to and in accordance with the 2006 Act.

In these Articles, "address" in relation to electronic communications includes any number or address used for the purpose of such communications.

68. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with the guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted, or, in the case of a notice contained in an electronic communication (other than by publication on a website), at the expiration of 24 hours after the time it was sent. A notice given by means of publication on a website is deemed to have been given when: (i) the notice was first made available on the website; or (ii) if later, when notification that the notice was available on the website was received or deemed received.
69. Notice of every general meeting shall be given in some manner hereinbefore authorised to every member entitled to vote at such meeting and to the auditors of the Association. No other persons shall be entitled to receive notices of general meetings.

Indemnity and insurance

70. (a) Subject to, and on such terms as may be permitted by, the provisions of the 2006 Act and of the Memorandum of Association but without prejudice to any indemnity to which a Council Member, Secretary, Treasurer or other officer or executive may otherwise be entitled, every member of the Council, the Secretary, the Treasurer and any other officer or executive of the Association shall be entitled to be indemnified by the Association against all costs, charges, losses, expenses and liabilities incurred by him in the proper execution and discharge of his duties or in relation thereto.
- (b) Subject, and on such terms as may be permitted by, the provisions of the 2006 Act, the Association may from time to time purchase and maintain insurance for the benefit of any person who is or was at any time a Council Member, Secretary, Treasurer or other officer or executive of the Association against liability for negligence, default or any other liabilities which may be lawfully insured against.
- (c) Subject to, and on such terms as may be permitted by the 2006 Act, the Association may provide a Council Member with funds to meet expenditure incurred or to be incurred by him at any time:

- (i) in defending any civil or criminal proceedings brought or threatened against him; or
- (ii) in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority,

in either case in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Association and the Association shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the 2006 Act to enable a Council Member to avoid incurring such expenditure.

Winding up

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

Council Members' conflicts of interest

72. If a situation arises or exists in which a Council Member has or could have a Situational Conflict, without prejudice to the provisions of Article 73, any Council Member may propose (either in writing to the Council or orally at a meeting of the Council) to the Council that such Situational Conflict be authorised. Subject to the 2006 Act, the Council Members may authorise such Situational Conflict and the continuing performance by the relevant Council Member of his duties as a Council Member on such terms as they may think fit. The relevant Council Member shall not be counted in the quorum at the relevant meeting of the Council to authorise such Situational Conflict nor be entitled to vote on the resolution authorising it.
73. If a Council Member has or may have an Interest, notwithstanding such Council Member's office or the existence of an actual or potential conflict between his Interest and the interests of the Association which would fall within the ambit of section 175(1) of the 2006 Act such Council Member:
- (a) shall be entitled to attend any meeting or part of a meeting of the Council or a committee of the Council Members at which any matter which may be relevant to the Interest may be discussed, and to vote on a resolution of the Council Members or a committee thereof relating to such matter, and any Council papers relating to such matter shall be provided to the relevant Council Member at the same time as other Council Members;
 - (b) shall not be obliged to account to the Association for any remuneration or other benefits received by him in consequence of any Interest; and
 - (c) will not be obliged to disclose to the Association or use for the benefit of the Association any confidential information received by him by virtue of his Interest and otherwise than by virtue of his position as a Council Member.
74. No contract entered into shall be liable to be avoided by virtue of:
- (a) any Council Member having an interest of the type referred to in Article 72 where the relevant Situational Conflict has been approved as provided by that Article; or

(d) any Council Member having an Interest which falls within Article 73.

75. The provisions of Articles 72 to 74 shall not apply to Transactional Conflicts but the following provisions of this Article 75 and Article 76 shall so apply. Any Council Member may be interested in an existing or proposed transaction or arrangement with the Association provided that he complies with the 2006 Act and Article 76.
76. Without prejudice to the obligation of each Council Member to declare an interest in accordance with the 2006 Act, a Council Member may not vote at a meeting of the Council or of a committee of the Council on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Association, save that this Article shall not prevent a Council Member from voting on a resolution concerning a matter, being a matter which affects all Members and/or associate members by virtue only of him having an Interest.