

Company No. 2269505

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF



NATIONAL QUALITY ASSURANCE LIMITED
(adopted by Special Resolution passed 20th July 1995 and
amended by Special Resolution passed on 17th September 2004)

INTERPRETATION

1. In these regulations:-

"the Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
"the Articles"	means these articles of association.
"the Board"	means the Board of directors for the time being of the Company.
"Chairman"	means the Chairman for the time being of the Board.
"the Independent Certification Board"	means the body established under Article 81.
"clear days"	in relation to the period of a notice means that period excluding the day when the notice is given and the day for which it is given or on which it is to take effect.
"the Company"	means the above-named company.
"executed"	includes any mode of execution.
"office"	means the registered office of the Company.

"the holder"	in relation to shares means the member whose name is entered in the register of members as the holder of the shares.
"the Seal"	means the common seal of the company.
"Secretary"	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.
"the United Kingdom"	means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Company.

SHARE CAPITAL

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the Articles.
4. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
5. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall

specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

7. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

8. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a share shall extend to any amount payable in respect of it.
9. The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
10. To give effect to a sale the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be

required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
17. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
18. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
19. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may

authorise some person to execute an instrument of transfer of the share to that person.

21. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
22. A statutory declaration by a member of the Board or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

23. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
24. The Board may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless:-
 - (a) it is lodged at the office or at such other place as the Board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
 - (b) it is in respect of only one class of shares; and
 - (c) it is in favour of not more than four transferees.
25. If the Board refuses to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

26. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may determine.
27. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
28. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

29. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the Board may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

ALTERATION OF SHARE CAPITAL

32. The Company may by ordinary resolution:-
 - (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
33. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
34. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

35. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

36. All general meetings other than annual general meetings shall be called extraordinary general meetings.
37. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any member of the Board or any member of the Company may call a general meeting.

NOTICE OF GENERAL MEETINGS

38. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a member of

the Board shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is agreed:-

- (a) in the case of an 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 being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

- 39. 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

- 40. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 41. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine.
- 42. The Chairman, if any, of the Board or in his absence some other member of the Board nominated by the directors shall preside as chairman of the meeting, but if neither the Chairman nor such other member of the Board (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the members of the Board present shall elect one of their number to be chairman and, if there is only one member of the Board present and willing to act, he shall be chairman.
- 43. If no member of the Board is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the

members present and entitled to vote shall choose one of their number to be chairman.

44. A member of the Board shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
45. The chairman may, with the consent of a 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 an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
46. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
 - (a) by the chairman; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; and a demand by a person as proxy for a member shall be the same as a demand by the member.
47. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
48. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
49. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll.

The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

50. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
51. 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 either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
52. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
53. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

54. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
56. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to

57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
59. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
60. 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 directors may approve):-

Signed on 19 ."

" PLC/Limited
I/We,
of

, being a member/members of the above-named company,
hereby appoint
of
or failing him,
of
as my/our proxy to vote in my/our name[s] and on my/our behalf
at the annual/extraordinary general meeting of the company to be held on
19 and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against

Resolution No. 2 *for *against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.
Signed this day of 19 ."

62. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:-

- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to 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
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or the secretary or to any member of the Board;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

63. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the

authority of a person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

MANAGEMENT

64. The management of the affairs of the Company shall be vested in the Board which shall be constituted as follows:-
- (a) Unless and until otherwise determined by the Company by ordinary resolution the number of directors shall not be less than four.
 - (b) The directors shall have the power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an additional director.
 - (c) Without prejudice to the powers of the directors under paragraph (b) of this Article the Company may by ordinary resolution at any time and from time to time appoint any person to be a director either to fill a casual vacancy or as an additional director.
65. A member or members holding a majority in nominal amount of the issued ordinary shares for the time being in the Company shall have power at any time and from time to time to appoint any person as a director either as an additional director or to fill any vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or in the case of a member being a company signed by one of its directors on its behalf, may consist of several documents in the like form each signed by or on behalf of a member as aforesaid and shall take effect upon communication to the registered office of the Company by physical delivery or by any public or private means of telecommunication which produces an independent written facsimile or other documentary record of what is communicated.
66. At the date of the adoption of these Articles, the following persons are the members of the Board of Directors appointed pursuant to Article 64 and Article 65 hereof:-

D.L. Johnston	Chairman
S.S.J. Robertson	
J.S. Frame	
G.R. Harris	Chairman, ICB
J. Speirs	Managing Director
M.P. Feather (Mrs)	Financial Director
S.J. Clark	Operations Director
T.J. Nash	Commercial Director
D.I. Wood	Quality Systems Director

67. The Board may by resolution appoint such person (whether or not a member of the Company) as the Board may select to act as the Chairman of the Board for such period and upon such terms as to remuneration (if any) and otherwise as the Board may so resolve and (but without prejudice to any claim for damages for breach of any agreement entered into in any particular case) may by resolution determine any such appointment. The Chairman so appointed shall be entitled to preside at all meetings of the Board at which he shall be present.
68. The Board may by unanimous resolution appoint any person as a consultative member of the Board provided that there shall not at any one time be more than three consultative members in office. Such members shall have the right to attend and to speak at meetings of the Board but shall not have the right to vote thereat. The Board may by resolution remove from office as a consultative member of the Board any person so appointed.
69. A member of the Board need not be a member of the Company, but a member of the Board who is not a member of the Company shall nevertheless be entitled to receive a notice of and attend and speak at every general meeting of the Company.

MANAGING DIRECTOR AND SECRETARY

70. (a) The Board may from time to time appoint a director as the Managing Director of the Company's business. The Board shall fix his remuneration and determine the conditions of his engagement.
- (b) There shall be a Secretary of the Company who shall be appointed by and whose remuneration shall be fixed by the Board.

QUALITY SYSTEMS DIRECTOR

71. A member of the Board shall be appointed as Quality Systems Director. The Quality Systems Director shall be responsible for ensuring that the Company's certification schemes are developed and applied in accordance with the requirements for accreditation having regard to advice received from, and the requirements of, the Independent Certification Board.

POWERS OF THE BOARD

72. The Board may exercise all such powers of the Company save as in Article 81 as are not by the Act or by these Articles required to be exercised by the Company in general meeting. No regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made; provided that the members of the Board for the time being may, notwithstanding any vacancy in their body, act and exercise the powers of the Board.

ALTERNATE MEMBERS OF THE BOARD

73. Every member of the Board other than the Chairman or the Managing Director may in respect of any single meeting of the Board or any adjournment thereof, with the consent of the Chairman, appoint any other person (approved by the Chairman and by the company or other body whom he represents) to be and to act as an alternate or substitute member of the Board in his place, and such appointment shall be in writing under the hand of the member of the Board so appointing and shall, subject to approval and consent as aforesaid, have effect as from delivery of such written appointment to the Company and such appointee shall be entitled to notice of the meetings of the Board and to attend and vote thereat, and to exercise all rights and powers hereunder of the member of the Board by whom he was appointed, and the provisions of the Memorandum and of the Articles where they refer to members of the Board shall be taken to apply as well to alternate or substitute members of the Board duly appointed, provided that such alternate or substitute member of the Board shall ipso facto vacate office if and when the appointor vacates office as member of the Board or removes the appointee from office and gives notice in writing thereof to the Company.
74. If and so long as there is a sole director the quorum necessary for the transaction of the business of the directors shall be one. If and so long as there is more than one director the quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two. A person who holds office only as an alternate director shall (if his appointor is not present) be counted in the quorum.
75. Minutes of the proceedings of every meeting of the Board and of the attendance of the members of the Board thereat respectively shall be recorded by the Secretary in a book kept for that purpose and be signed by the chairman of the meeting at which

they are read. Every such minute when so recorded and signed shall, in the absence of proof of error therein, be considered a correct record of the proceedings it purports to record.

76. The office of a member of the Board shall be vacated in any of the following events, namely:-
- (a) if his resignation as member of the Board be accepted by the Board;
 - (b) if he vacates office by virtue of any provision of the Act;
 - (c) if he is removed under Article 73 by the member of the Board he represents;
 - (d) if he or the member of the Company by which he was appointed ceases to be a member of the Company for any reason; or
 - (e) if at a general meeting of the Company a resolution be passed removing him from office.
77. All acts done at any meeting of the Board or by any member of the Board shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Board or member of the Board or that they or any of them were not qualified at the time of their appointment or have become disqualified, be as valid as if such Board or member of the Board had been duly appointed and was qualified to act.

MEETINGS OF THE BOARD

78. Meetings of the Board shall be held at such times and places as the members of the Board think fit. Such meetings may adjourn for such time and to such places as the members of the Board present may determine.
79. A Board meeting shall at any time be called by the Secretary at the request of the Chairman or any member of the Board on giving not less than fourteen days notice to the members of the Board.
80. A resolution in writing signed by all the members of the Board for the time being shall be as effective as a resolution passed at a meeting of the Board duly convened and held.

INDEPENDENT CERTIFICATION BOARD

81. (a) An Independent Certification Board (hereinafter referred to as the 'ICB') shall be established by the Board with the terms of reference set out in Article 82 and shall be responsible to the Board for ensuring the impartiality

and proper functioning of the Company's certification schemes and for advising the Board on any matter which in the view of the ICB will involve breach of the terms under which the Company is for the time being an accredited certification body .

- (b) The Board shall have a duty to consult the ICB and to seek the approval of the ICB on all matters relating to the content, functioning and impartiality of the Company's certification schemes.
- (c) The Board shall have a duty to consult the ICB upon the appointment, period of office and terms of reference of the Quality Systems Director and upon any variation of his terms of reference insofar as they apply to the work of the ICB.

ICB TERMS OF REFERENCE

- 82. (a) The ICB shall approve all matters relating to the content, functioning and impartiality of the Company's certification schemes and in particular:-
 - (i) policy matters relating to the operation of the Company's certification schemes;
 - (ii) the basis, form and content of the certification process;
 - (iii) the requirements for assessment and methods of assessments utilised;
 - (iv) the frequency with which assessments are undertaken to ensure the maintenance by certified clients of their approved systems;
 - (v) the instructions for and restrictions on the use of certificates, marks and statements of approval issued by the Company; and
 - (vi) the issue, withholding or withdrawal of certificates by the Company.
- (b) The ICB shall also have responsibility:-
 - (i) for ensuring that the Company receives no financial support subject to conditions which in the view of the ICB would compromise the impartiality of the Company's certification schemes;
 - (ii) for satisfying itself that all fees and charges determined by the Board in relation to the Company's certification schemes are fair and reasonable; and

- (iii) for ensuring that sufficient funds are available as in its view are necessary to maintain the certification activity for the time being accredited.
- (c) The Chairman of the ICB shall advise the Board forthwith if the ICB decides that any of the matters referred to in paragraphs (a) and (b) of this Article are in its view not satisfactory, and of any action which the ICB recommends should be taken to correct the situation.
- (d) If the Board fails to act in accordance with such recommendation or otherwise take action to correct the situation of which it has been advised under paragraph (c) of this Article, or if the ICB shall decide that its impartiality or independence is threatened by the action or inaction of the Board, the Chairman of the ICB shall inform the body responsible for the accreditation of the Company.

CONSTITUTION OF THE ICB

83. The ICB shall consist of not less than ten members appointed in manner hereinafter appearing.

The Board shall each year appoint two non-voting members of the ICB who shall be directors, officers or employees of the Company. In addition there shall be eight voting members of the ICB (known as external members) who shall not be directors, officers or employees of the Company but shall be appointed from amongst persons having a significant interest in the content and functioning of the Company's certification schemes including at least one member from each of the following categories:-

- (i) Specifiers of Goods and/or Services;
- (ii) Providers of Goods and/or Services;
- (iii) Consumers of Goods and/or Services;
- (iv) Professional Institutions and/or Government; and
- (v) Electrotechnical interests.

At no time shall the members of any one category constitute more than a quarter of the ICB.

84. (a) At the date of the adoption of these Articles the following persons are the external members of the ICB and the interests which they represent are set out against their names.

<u>Member</u>	<u>Organisation</u>	<u>Representative Interest</u>
P. Lawson-Smith	ACE	Specifiers of Goods and/or Services

M. Cleary	CIBSE	Specifiers of Goods and/or Services
D.T. Bell	Transport Industry	Providers of Goods and/or Services
D.V. Clift	South Western Electricity plc	Providers of Goods and/or Services
M.A. Rushton	Trading Standards	Consumers of Goods and/or Services
E.J.B. Garnham	IEE	Professional Institutions and/or Government
R.E.B. Wyke	IQA	Professional Institutions and/or Government
G.R. Harris (Chairman)	BEAMA	Electrotechnical interests

At its first meeting immediately following the ending of the financial year in which this Article is adopted and annually thereafter, the ICB as then constituted shall appoint the external members of the ICB for the financial year then ensuing in accordance with this Article. In the event that at any time the external members representing any one category constitute more than a quarter of the ICB, the ICB shall make additional appointments in such manner as to ensure that no one interest predominates and that impartiality is safeguarded.

- (b) Except as provided for by Article 84(c) no member of the ICB with the exception of the members appointed by the Board may retain membership of the ICB for more than seven consecutive years.¹
- (c) Any member of the ICB who was not appointed by the Board and who has retained membership of the ICB for seven consecutive years may continue to serve as a member of the ICB subject to annual approval by the Chairman of the ICB and provided that, in any event, no such member shall retain membership of the ICB for more than ten consecutive years.²

¹ Amended by Special Resolution passed on 17th September 2002.

² Inserted by Special Resolution passed on 17th September 2002.

85. The external members of the ICB shall annually appoint the Chairman of the ICB from amongst their number. The Chairman of the ICB shall be a member of the Board ex officio.

MEETINGS

86. (a) The ICB shall meet at least four times a year in the offices of the Company or at such other place as the notice of the meeting may specify.
- (b) Special meetings of the ICB shall be held whenever called by any two members at such time and place as may be specified in the respective notice.
- (c) Notice of such meetings shall be mailed directly to each member of the ICB addressed to him at his residence or usual place of business to arrive at least ten (10) days before the day on which the meeting is to be held or shall be sent to him at such a place by telex or facsimile confirmed by letter.

QUORUM

87. (a) At all meetings of the ICB, the presence of a majority of the external members of the ICB shall be necessary and sufficient to constitute a quorum for the transaction of business.
- (b) A majority of the members of the ICB present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time until a quorum shall be present.

MANNER OF ACTING

88. (a) The action of the majority of ICB members present at any meeting at which a quorum is present shall be the act of the ICB.
- (b) Any action required or permitted to be taken at any meeting of the ICB may be taken without a meeting if all members of the ICB consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the ICB.
- (c) Any one or more members of the ICB may participate in an ICB meeting by means of conference telephone call or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.

VACANCIES

89. If a vacancy occurs in the ICB by reason of the death, resignation, disqualification, removal with or without cause or inability to act of any external member, a replacement satisfying the requirements of Article 83 may be appointed by the ICB to fill the vacancy. The person so appointed shall serve until the first meeting of the ICB in the next financial year of the Company and such service shall not count for the purposes of Article 84(b).

RESIGNATION

90. An ICB member may resign at any time by giving written notice to the Secretary. Unless otherwise specified in such notice, such resignation shall take effect upon receipt and the acceptance of such resignation shall not be necessary to make it effective.

REPRESENTATIONS

91. (a) The ICB shall have the duty to consider any written representation made to the ICB by any person with an interest in the certification process in relation to the Company's certification schemes and any representation made to the Company which cannot be resolved by the Company to the satisfaction of the representor shall be referred to the ICB.
- (b) The ICB shall keep records of such representations and minutes of associated meetings. In the event that the representations are in connection with a decisions or decisions made by the ICB which cannot be resolved to the satisfaction of the representor then an appeal may be made to the Appeals Committee.
- (c) The Board shall have no power to overrule any decision of the ICB approving or disapproving the issue, withholding or withdrawal of any certificate or as to the satisfaction by any person of the surveillance and assessment procedures under any of the Company's certification schemes.

APPEALS COMMITTEE

92. The Board shall establish an Appeals Committee for the purpose of hearing appeals from decisions of the ICB concerning but not limited to application, assessment, registration, surveillance, licensing and marking. Unless and until otherwise determined by the Board with the approval of the ICB, the Appeals Committee shall be constituted and convened as required and shall consist of not less than three persons selected from persons nominated by the Chairman of the ICB, none of whom shall be an employee of the Company, a member of the Board or a member of the ICB. No member of the Appeals Committee shall have any

commercial or vested interest in the matter under consideration and the members appointed shall be such that no one interest shall predominate. The Appeals Committee shall establish its own rules of procedure as they think fit. Neither the Board nor the ICB shall have power to amend, rescind or otherwise vary any decision of the Appeals Committee.

OTHER COMMITTEES

93. The Board may establish committees of any other nature as it deems expedient under the chairmanship of an individual and with members nominated by the Board. Members of such committees need not be members of the Board or of the Company. Such committees shall act only in an advisory capacity and they shall report to the Board or to any other committee as appropriate.

MINUTES

94. The Board shall cause minutes to be made in books kept for the purpose:-
- (a) of all appointments of officers made by the Board; and
 - (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of committees of the Board, including the names of the members of the Board present at each such meeting.

THE SEAL

95. The Seal shall only be used by the authority of the Board or of a committee authorised by the Board. The Board may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a member of the Board and by the Secretary or by a second member of the Board.

DIVIDENDS

96. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.
97. Subject to the provisions of the Act, the Board may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

The Board may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Board act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

98. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
99. A general meeting declaring a dividend may, upon the recommendation of the Board, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Board may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
100. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
101. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
102. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

103. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by ordinary resolution of the Company.

CAPITALISATION OF PROFITS

104. The Board may with the authority of an ordinary resolution of the Company:-
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
 - (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
 - (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

105. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board need not be in writing.
106. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the

joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

107. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
108. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
109. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall unless the contrary is proved be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
110. A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

111. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

112. Subject to the provisions of the Act but without prejudice to any indemnity to which a member of the Board may otherwise be entitled, every member of the

Board or other officer or auditor of the Company shall be indemnified out of the assets of the Company against 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 in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.