

Registered No: 2547272

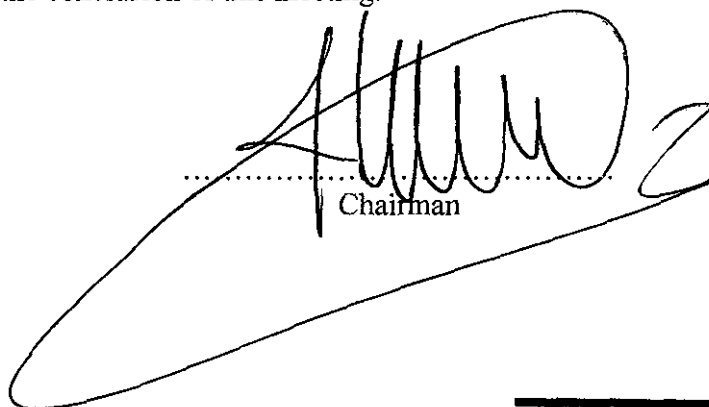
**THE COMPANIES ACT 1985 (AS AMENDED)**  
**COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING SHARE CAPITAL**  
**SPECIAL RESOLUTION**  
**of**  
**SMALL LUXURY HOTELS OF THE WORLD LIMITED**  
**(Pursuant to Section 378 of the Companies Act 1985)**

**passed on 5 July 2004**

At the annual general meeting of the above named Company, reconvened and held at the Chester Grosvenor Hotel, Chester, England on the 5<sup>th</sup> day of July 2004, the following Special Resolution was duly passed:

**SPECIAL RESOLUTION**

**THAT** the proposed new Articles of Association of the Company, in the form attached hereto, be and hereby are adopted in substitution for the existing articles of association of the Company with effect from the conclusion of this meeting.

  
.....  
Chairman



**THE COMPANIES ACTS 1985 AND 1989**

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

**ARTICLES  
OF  
ASSOCIATION**

**- of -**

**SMALL LUXURY HOTELS OF THE WORLD LIMITED**

.....  
  
(adopted pursuant to a special  
resolution passed on 5 July 2004)

Company no: 2547272

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

-OF-

SMALL LUXURY HOTELS OF THE WORLD LIMITED

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1. In these Articles-**

"the Act"	means the Companies Act 1985 including any statutory modification to or re-enactment thereof for the time being in force
"Annual General Meeting"	means the meeting held in accordance with Article 5.1
"the Articles"	means the Articles of Association of the Company as amended from time to time
"Bankruptcy"	means personal bankruptcy within the meaning of Parts VIII to XI of the Insolvency Act 1986 or where the context otherwise admits bankruptcy within the meaning of Chapter 7 or Chapter 11 of the United States Bankruptcy Code
"Chair"	means the director appointed pursuant to Article 17
"clear days"	means 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
"Company"	means Small Luxury Hotels of the World Limited
"Director(s)"	means any director(s) of the Company elected or appointed pursuant to the provisions of the Articles
"executed"	includes any mode of execution

"Member"	means any member of the Company as defined in Article 3.1
"Membership Year"	means the period commencing on 1 August in each year and ending on 31 July in the following year or such other period as may be set by the Directors in their sole discretion from time to time
"Memorandum"	means the Memorandum of Association of the Company as amended from time to time
"Office"	means the main place of business of the Company
"person"	includes bodies corporate partnerships and unincorporated associations
"the Seal"	means the common seal of the Company
"Secretary"	means the secretary of the Company or any other person appointed to perform any of the duties of the secretary of the Company including a temporary, joint, assistant or deputy secretary
"Terms and Conditions of Membership"	means the terms and conditions of membership of the Company in the form as may from time to time be set by the Directors and as are available for inspection at the Office or as may be supplied by the Company on request
"United Kingdom"	means Great Britain and Northern Ireland
"Vice-Chair"	means the Director appointed pursuant to Article 17

- 1.2. Words importing the singular shall include the plural and vice versa and words importing one gender shall include any other gender.
- 1.3. Unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company.
- 1.4. Expressions referring to writing shall unless the contrary appears include reference to handwriting typing printing photography and other methods of reproducing words in visible form.
- 1.5. Expressions referring to hotels shall unless the contrary appears refer to cruise ships and expressions referring to rooms shall unless the contrary appears refer to cabins.

## **2. OBJECTS**

- 2.1 The Company is established for the objects expressed in the Memorandum.

## **3. MEMBERSHIP**

- 3.1 The Members shall be the following persons:

3.1.1 the subscribers to the Memorandum; and

3.1.2 any person who owns, operates or manages a hotel upon execution by that person and the Company of all contractual membership documentation as prescribed by the Directors from time to time.

3.2 Any application to be admitted to membership of the Company shall be submitted to the Directors for consideration together with any non-refundable payment which the Directors may from time to time require. The Directors may make such enquiries of a person applying for membership as they in their sole discretion think fit and may through the Company's officers employees or agents carry out further investigations and/or require reports to be prepared and submitted.

3.3 In the event that the Directors are satisfied as to all matters relating to an application made in accordance with Article 3.2 the Directors may resolve by a simple majority that the Chair shall invite such person to join the Company.

3.4 The invitation referred to in Article 3.3 will be conditional upon the person executing all contractual membership documentation as prescribed by the Directors from time to time and to give and/or procure any further assurance security or guarantee or furnish any information as the Directors may require.

## **4. TERMINATION OF MEMBERSHIP**

4.1. A Member may terminate his membership of the Company in accordance with the provisions of the membership contract executed by the Member and the Company.

4.2. Any notice given by a Member pursuant to Article 4.1 can only be withdrawn with the consent of the Directors who shall have absolute discretion on whether to give their consent to the withdrawal of such notice. If the Directors do give the Member permission to withdraw such notice then they may require the Member to pay a rejoining fee which shall be of such an amount as shall be determined by the Directors from time to time.

4.3. The Directors may resolve by a majority of not less than three fourths to terminate the membership of any Member of the Company if such Member: -

4.3.1. refuses neglects or fails materially to comply in any other way with the provisions

of the membership contract between the Member and the Company, the Articles or any bye-laws or other regulations of the Company from time to time, whether by virtue of an event of force majeure or otherwise;

4.3.2. is guilty of conduct which in the opinion of the Directors, whose decision shall be final, is likely materially to be prejudicial to the objects and/or interests of the Company and/or of the other Members;

4.3.3. fails materially to maintain a standard of operation in keeping with the standards required by the Company from time to time;

4.3.4. becomes bankrupt or is wound up whether voluntarily or involuntarily, or makes any arrangement or composition with creditors generally or is deemed unable to pay his/its debts in accordance with the Insolvency Act 1986 or similar legislation in any other jurisdiction.

4.4. For the purpose of Article 4.3 an event of force majeure shall without limiting the generality thereof include: strikes, lock-outs or other industrial action; civil commotion, riot, invasion, war, threat or preparation for war; fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster; or the loss by the Member of possession of any hotel or the right to collect income from any hotel due to any cause whatsoever including without limitation its default on any mortgage or other obligations or by operation of law.

4.5. Where the Directors resolve to terminate the membership of a Member the Member shall not be entitled to any repayment of any money paid to the Company and shall remain liable for all invoices or assessments issued or made or to be made by the Company or its agents to or on Members on or before or after the date on which the resolution comes into effect in accordance with the terms of the membership contract between the Member and the Company and shall not be entitled to receive any services provided by the Company.

4.6. For the avoidance of doubt any Member who shall have resigned or whose membership shall have been terminated by the Company for any reason shall no longer be a Member.

## **5. GENERAL MEETINGS**

5.1. A general meeting of the Company shall be held in every calendar year as its Annual General Meeting at such time (not being more than fifteen months after the holding of the last preceding Annual General Meeting) and place in the world as the Directors may think fit.

5.2. All general meetings other than Annual General Meetings shall be called extraordinary general meetings.

5.3. The Directors may call general meetings at such time and place in the world as they think fit. On the requisition of Members representing not less than 10% of the total voting rights of all the Members having at the date of deposit of the requisition the right to vote

at general meetings the Directors shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.

- 5.4. At each Annual General Meeting the Directors shall lay before the Members a statement of accounts (together with the auditors' report thereon) and a report of the activities of the Company in respect of the financial period of the Company last ended in such form as may be required by law.

## **6. NOTICE OF GENERAL MEETINGS**

- 6.1. An Annual General Meeting and an extraordinary general meeting called for the passing of a special resolution 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.
- 6.2. 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. If any such resolution is to be proposed as an extraordinary resolution or as a special resolution the notice shall contain a statement to that effect.
- 6.3. The notice shall be given to all the Members and to the Directors and auditors and shall set out the resolutions to be proposed at the meeting.
- 6.4. 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.

## **7. PROCEEDINGS AT GENERAL MEETINGS**

- 7.1. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors.
- 7.2. No business shall be transacted at any meeting unless a quorum is present. Members entitled to exercise 20% of the total voting rights of all the Members being present in person or by proxy or represented through a duly authorised representative shall constitute a quorum.
- 7.3. If such a quorum is not present within half an hour from the time appointed for the meeting the meeting shall stand adjourned to the same date in the next week at the same time and place or such time and place as the Directors may determine. However so long as a quorum is present at the time appointed for the meeting or within half an hour from such time the Members present may transact or continue to transact business even though a quorum ceases to be present.
- 7.4. The Chair or in his absence the Vice-Chair shall preside as chair of the meeting but if

neither the Chair nor the Vice-Chair are present within fifteen minutes after the time appointed for holding the meeting and willing to act the Members present may elect any Member to chair the meeting.

- 7.5. The Chair 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 thirty 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.
- 7.6. 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. A poll may be demanded before a show of hands is held. Subject to the provisions of the Act a poll may be demanded by the Chair or by at least two Members having the right to vote at the meeting or 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 where the resolution concerns the election or removal from office of any Director by any Member and a demand by a person as proxy for a Member shall be the same as a demand by the Member.
- 7.7. Unless a poll is duly demanded a declaration by the Chair 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 votes recorded in favour of or against the resolution.
- 7.8. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chair 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.
- 7.9. A poll shall be taken as the Chair 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 Chair may in his absolute discretion direct that a poll be conducted either by secret ballot in which case voting papers are to be returned anonymously or by open ballot in which case voting papers are to be returned indicating the identity of the voting Member. For the avoidance of doubt and without prejudice to the generality of the foregoing sentences save in the case of a poll demanded on the election of a Chair or on a question of adjournment the Chair may direct that a poll be taken by sending voting papers to the Members to be returned by post to the Office or to some other place. The result of the poll shall be deemed to be the resolution of a meeting at which the poll was demanded.
- 7.10. In the case of an equality of votes whether on a show of hands or on a poll the Chair shall be entitled to a casting vote in addition to any other vote he may have.

- 7.11. A poll demanded on the election of a Chair 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 Chair directs not being more than thirty days after the poll is demanded or by post provided that voting papers are sent to Members not more than thirty days after a poll is demanded requiring returns within fourteen days of delivery or deemed delivery of voting papers to Members in accordance with the Articles. 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.
- 7.12. 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.
- 7.13. 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 that Member 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 like form each executed by or on behalf of one or more Members.

## **8. VOTING RIGHTS**

- 8.1. On a show of hands or on a poll every Member present in person or by proxy or by a duly authorised representative (or where voting papers are sent to Members to be returned by post every Member returning such a voting paper to the Office or other place directed by the Chair) shall have one vote for each hotel that the Member owns, operates or manages and which benefits from marketing services provided by the Company under the terms of the contractual membership documentation referred to in Article 3.1.2.
- 8.2. 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 Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 8.3. 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 Chair whose decision shall be final and binding.

- 8.4. 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):-

"Small Luxury Hotels of the World Limited

I                      of                      , being a member of the above-named company hereby appoint                      of                      or failing him                      of                      as my proxy to vote in my name and on my behalf at the annual/extraordinary general meeting of the company to be held on                      200                      and at any adjournment thereof.

signed on                      200                      ."

- 8.5. Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy 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):-

"Small Luxury Hotels of the World Limited

I                      of                      , being a member of the above-named company hereby appoint                      of                      or failing him                      of                      as my proxy to vote in my name and on my behalf at the annual/extraordinary general meeting of the company to be held on 200                      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                      200                      ."

- 8.6. 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 shall be deposited at the Office or at such other place 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 and an instrument

of proxy which is not so deposited or delivered in a manner so specified shall be invalid.

- 8.7. 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 the 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) for the time appointed for taking the poll.
- 8.8. Any body corporate partnership or unincorporated association which is a Member shall by resolution of its directors partners office bearers or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of such body corporate partnership or unincorporated association which he/she/it represents as if he/she/it were a Member.

## **9. ELECTION OF DIRECTORS**

- 9.1. For the purpose of electing Directors, the world shall be divided into Regions whose number and boundaries may be set and subsequently varied from time to time by the Directors. Save to give effect to subsequent variations the Regions and their boundaries shall remain as last set by the Directors.
- 9.2. Subject to Article 9.1 the Regions shall be as follows: -
- 9.2.1. Region 1 shall consist of and be called Europe, Middle East and Africa
  - 9.2.2. Region 2 shall consist of and be called the Americas (including for this purpose the continents of North and South America, the Caribbean Islands, Bermuda, The Bahamas and Hawaii).
  - 9.2.3. Region 3 shall consist of the remainder of the world not comprised in Regions 1 or 2 and shall be called Asia / Pacific.
- 9.3. The Members of each of the Regions so set shall be the Members whose hotels in that Region benefit from marketing services of the Company as a result of the membership contract between the Member and the Company. A Member may be a member of more than one Region.
- 9.4. The Members of each Region shall be entitled to elect to the board of Directors the number of Directors determined by the board of Directors at its discretion from time to time.
- 9.5. On or before 31 December in any calendar year, the Directors shall give notice to all Members within any Region in which there may be a vacancy or an impending vacancy for a Director representing that Region to submit nominations for Directors. Such notice shall require such nominations to be given to and received by the Secretary not later than 21 days from the date of such notice.

9.6. Nominations for Directors may be made only by a Member of any Region in favour of a Member (or his representative) of such Region who has been a Member for at least one complete Membership Year. Any such nomination must be seconded by a Member of such Region and must be accompanied by a notice executed by the nominee indicating his or her willingness to act as a Director. The Members of each Region shall so elect its permitted number of Directors.

9.7. The Directors may but shall not be obliged to nominate Members (or their representatives) for election as Directors and such nominees shall be added to the list of nominations duly proposed and seconded under Article 9.6. Any such nomination must be accompanied by a notice executed by the nominee indicating his or her willingness to act as a Director.

9.8. The ballot paper for such election shall be submitted to all Members entitled to vote in accordance with procedures prescribed by the Directors from time to time. Such ballot paper will indicate the number of Directors to be elected and any ballot paper containing votes for more or less than the number of vacancies so indicated will be invalid provided the ballot paper contains a statement to this effect.

9.9. Directors elected pursuant to this Article 9 shall assume office immediately following the retirement of the retiring Directors pursuant to Article 11 at the Annual General Meeting following such election (or forthwith if elected at an Annual General Meeting).

9.10. If any Director ceases to be a Director for any reason whatsoever other than retirement pursuant to Article 11 the Directors may appoint a Member or his representative from the relevant Region to fill the vacancy so arising. A director so appointed shall hold office only until the end of the next following Annual General Meeting and shall not be taken into account in determining the directors who are to retire by rotation at such Annual General Meeting in accordance with Article 11.

## **10. NUMBER OF DIRECTORS**

10.1. Unless otherwise determined by ordinary resolution of the Members, the number of Directors shall be subject to a maximum of twelve.

10.2. No Director may appoint an alternate director.

## **11. RETIREMENT OF DIRECTORS**

11.1. At every Annual General Meeting one-third of the Directors (or if their number is not three or a multiple of three the number nearest to one-third) shall retire from office by rotation.

11.2. Subject to the provisions of the Act and notwithstanding Article 11.1 or Article 11.3 (and in the interests of continuity and prudent succession planning) at the Annual General Meeting next following the adoption of these Articles and the first and second Annual General Meetings thereafter, the Directors shall determine the number and

identity of the individuals amongst their number who shall retire from office

- 11.3. Subject to the provisions of the Act and Articles 11.1 and 11.2, at every Annual General Meeting the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment but as between persons who became or were reappointed Directors on the same day those to retire shall unless they otherwise agree among themselves be determined by lot.

## **12. POWERS OF THE DIRECTORS**

- 12.1. Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article 12 shall not be limited by any special power given to the Directors by the Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 12.2. Without prejudice to the generality of Article 12.1 and for the avoidance of doubt the Directors may delegate any of their powers to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. The Directors shall also have the power to contract out or out-source the Company's operations and administration to a third party and to appoint any person by power of attorney or otherwise to be an agent of the Company for such purposes and on such conditions as the Directors think fit including granting authority for an agent to delegate all or any of his powers.
- 12.3. The Directors may from time to time make such bye-laws or regulations as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership and in particular but without prejudice to the generality of the foregoing they may by such bye-laws or regulations regulate:-
- 12.3.1. the admission and classification of Members and the rights and privileges of such Members and the Terms and Conditions of Membership and the terms on which Members may resign or have their membership terminated and the entrance fees subscriptions and other fees or payments to be made by Members;
  - 12.3.2. the conduct of Members in relation to one another and to the Company's employees contractors or agents;
  - 12.3.3. the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;

12.3.4. the procedure at general meetings, meetings of the Directors and committees insofar as such procedure is not regulated by the Articles; and

12.3.5. generally all such matters as are commonly the subject matter of company rules. The Directors shall adopt such means as they deem sufficient to bring to the notice of Members all such bye-laws regulations or Terms and Conditions of Membership which so long as they shall be in force shall be binding on all Members provided nevertheless that no bye-law regulation or Terms and Conditions of Membership shall be inconsistent with or shall affect override or repeal anything contained in the Memorandum or the Articles.

### **13. PROCEEDINGS OF THE DIRECTORS**

13.1. Subject to the provisions of the Articles the Directors may regulate the proceedings of their meetings as they think fit. The Chair, Vice-Chair or any two Directors and the Secretary at the request of such persons may call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes.

13.2. Any Director may participate in a meeting of the Directors and any member of a committee may participate in a meeting of that committee by means of a conference telephone or other communication 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 Chair of the meeting is.

13.3. The quorum for the transaction of the business of the board of Directors shall be such number as is equal to or greater than half the number of Directors holding office.

13.4. The Directors may act notwithstanding any vacancies in their number but if the number of Directors is less than six then the Directors may act only for the purpose of filling vacancies or of calling a general meeting.

13.5. All acts done by the Directors or by a person acting as a Director shall notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any Director was disqualified from holding office or had vacated office or was not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

13.6. A resolution in writing signed by all the Directors entitled to receive notice of a Directors' meeting or of all the members of a committee shall be as valid and effectual as if it had been passed by the board of Directors or the committee (as the case may be) and may consist of several documents in the same terms each signed by one or more Directors or members (as the case may be).

### **14. DISQUALIFICATION AND REMOVAL OF DIRECTORS**

14.1. The office of a Director shall be vacated if that Director:-

14.1.1. ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or

14.1.2. if, being an individual, he becomes bankrupt, or, if as representative of a body corporate, that body corporate enters into liquidation other than by reason of restructuring or amalgamation, or in either case makes an arrangement or composition with his or its creditors generally; or

14.1.3. is or may be suffering from mental disorder and either:-

14.1.3.1. 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

14.1.3.2. an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for that Director's detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

14.1.4. resigns his office by notice to the Directors; or

14.1.5. shall have been absent without permission of the Directors from two consecutive meetings of the Directors and the Directors resolve that his office be vacated; or

14.1.6. ceases to be a Member; or

14.1.7. is a representative of a Member and he ceases to be an employee or authorised representative of that Member or that Member ceases to be a Member.

## **15. REMUNERATION OF DIRECTORS**

15.1. The Directors shall be entitled to such reasonable remuneration and reimbursement of travelling, hotel and other expenses incurred by them in connection with the discharge of their duties as the board of Directors may resolve and unless the resolution provides otherwise the remuneration shall be deemed to accrue from day to day.

## **16. COMMITTEES OF THE BOARD OF DIRECTORS**

16.1. The Directors may (but shall not be obliged to) resolve to delegate all or any of their powers to one or more committees each consisting of such Directors and upon such terms and conditions as they may think fit. The Directors may also appoint any person who is not a Director as a member of any such committee. Appointments to a committee whether of Directors or other persons shall be by simple majority of the Directors.

16.2. Subject to any terms and conditions upon which the Directors resolve to delegate their powers in accordance with Article 16.1 the proceedings of any committee shall be governed by the Articles regulating the proceedings of the Directors so far as they are capable of applying.

16.3. Without prejudice to the generality of Article 16.1 and for the avoidance of doubt the powers of any committee of the Directors shall be limited to the extent that such committee may not:-

16.3.1. take any final action on any matter that requires approval of the Members in general meeting;

16.3.2. fill vacancies on the board of Directors or on any committee that has the authority of the Directors;

16.3.3. fix the remuneration of any Director for serving on the board of Directors or on any committee;

16.3.4. amend or repeal bye-laws or adopt new bye-laws;

16.3.5. amend or repeal any resolution passed by the Directors;

16.3.6. create any other committee of the Directors or appoint the members of any such committee;

16.3.7. employ any person or terminate the services of any employee of the Company.

16.4. The members of committees shall automatically retire at the Annual General Meeting each year. Retiring committee members shall be eligible for re-appointment.

## **17. OFFICERS, MANAGEMENT AND SECRETARY**

17.1. Subject to the provisions of the Act the Directors may appoint one or more Directors to the offices of Chair and Vice-Chair and to any other executive office in the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any Chair or Vice-Chair so appointed shall serve at the pleasure of the Directors and may hold office either on a yearly basis or for such shorter period as the Directors shall decide. Any such appointment agreement or arrangement may be made upon such terms as the Directors determine and the Company shall remunerate any such Director for his services as the Directors think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.

17.2. Subject to the provisions of the Act the Directors may appoint the Secretary for

such term and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

17.3. The Chair shall direct the Secretary to prepare the agenda for any Directors meeting and shall preside at every meeting of the Directors at which he is present and shall in the case of an equality of votes at any meeting of the Directors at which he is present be entitled to a second or casting vote. He shall at the written request of any Member bring any material matter to the attention of the Directors and/or the other Members in any manner he thinks fit.

17.4. The Vice-Chair shall aid the Chair in the discharge of his duties and in the absence of the Chair shall preside at every meeting of the Directors at which he is present and in the absence of the Chair shall in the case of an equality of votes at any meeting of the Directors at which he is present be entitled to a second or casting vote.

## **18. AUDITORS**

18.1. Auditors shall be appointed and their duties regulated in accordance with the Act or any statutory modification thereof for the time being in force.

## **19. ACCOUNTS**

19.1. The Directors shall cause accounting records to be kept in accordance with Sections 221 and 222 of the Act.

19.2. The accounting records shall be kept at the Office or subject to Section 222 of the Act at such other place or places as the Directors think fit and shall always be open to the inspection of the officers of the Company.

19.3. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.

19.4. The Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meetings such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Act.

19.5. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting together with a copy of the auditor's report and the report of the Directors shall not less than twenty-one days before the date of the meeting be sent to every Member of the Company. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware.

## **20. APPLICATION OF FUNDS**

- 20.1. All the property and funds of the Company shall be applied by or under the authority of the Directors for the purposes of the Company and in particular the investment of any of the funds of the Company.

## **21. AMENDMENTS**

- 21.1. These Articles and the Memorandum may at any time and from time to time be amended by the Members by special resolution.

## **22. MINUTES**

- 22.1. The Directors shall cause minutes to be made in books kept for the purpose:-

22.1.1. of all appointments of officers made by the Directors; and

22.1.2. of all resolutions and proceedings at meetings of the Company and of the Directors and of committees including the names of the Members and Directors present at each such meeting.

## **23. COPIES OF ARTICLES, REPORTS AND ACCOUNTS**

- 23.1. Any additional copy of these Articles shall be provided to each Member on entry to membership and additional copies may be obtained by any Member on application to the Secretary on payment of such amount as may from time to time be determined by the Directors.

- 23.2. A copy of the last annual report and accounts of the Company may be obtained by the Member on application to the Secretary free of charge.

- 23.3. Any Member may during normal business hours inspect the register of Members.

## **24. REGISTER OF MEMBERS**

- 24.1. The Secretary shall keep a register of all the Members and shall enter therein the names and addresses thereof and the dates on which each such person became and ceased to be a Member.

## **25. SEAL**

- 25.1. Unless otherwise determined by the Directors any instrument to which the Seal is affixed shall be signed by a Director and by the Secretary or by a second Director.

## **26. NOTICES**

- 26.1. 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 Directors need not be in writing.

26.2. The Company may give any notice or send any other communication or document 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 or by using electronic communications to such address as may for the time being have been notified by any Member to the Company for that purpose.

26.3. A Member present either in person or by proxy at any meeting of the Company shall be deemed to have received notice of the meeting and where requisite of the purposes for which it was called.

26.4. Proof that an envelope containing a notice was properly addressed prepaid and posted or that a message sent using electronic communications to such address as may for the time being have been notified by any Member to the Company for that purpose 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 24 hours after the envelope containing it was posted or the message electronically transmitted.

## **27. WINDING-UP**

27.1. The Company shall be wound up voluntarily whenever an extraordinary resolution is passed requiring the Company to be so wound up. Subject to Clause 7 of the Memorandum which shall have effect as if the provisions thereof were repeated herein, upon the passing of such a resolution the property of the Company shall be realised by the Directors and the surplus, if any, after discharging or providing for all debts and liabilities of the Company shall be distributed among the Members rateably according to the amount of subscriptions respectively paid by such Members to the Company during the three complete financial years last preceding the date of dissolution.

## **28. INDEMNITY AND INSURANCE**

28.1. The Company shall be entitled to purchase and maintain insurance for any officer or auditor of the Company against any liability attaching to such person in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

28.2. Subject to the provisions of the Act the Company may indemnify every Director, auditor or other officer of the Company against all costs, charges, losses, expenses and liabilities incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or auditor of the Company and 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.

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