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(Reg Charity No. 1001041)

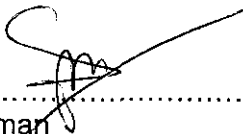
The Companies Acts 1985 and 1989

Hospitality Training Foundation

At an Extraordinary General Meeting of the Company held on 25 March 2004, the following Resolution was passed:

Special Resolution:

That for the purpose of becoming a Sector Skills Council the regulations set out in the printed documents produced to the meeting, and for the purpose of identification are signed by the Chairman, be approved and adopted as the Memorandum and Articles of Association of the Company in substitution for, and to the exclusion of, all the existing Memorandum and Articles of Association.



.....
Chairman

Date: 25 March 2004



THE COMPANIES ACTS 1985 – 1989

A PRIVATE COMPANY LIMITED BY GUARANTEE AND NOT

HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

HOSPITALITY TRAINING FOUNDATION

1. The name of the Company is "Hospitality Training Foundation".
2. The Registered Office of the Company is situated in England and Wales.
3. The objects for which the Company is established are:
 - (a) To promote and advance for the public benefit the education and training of persons employed or intending to be employed in the hospitality, leisure, travel and tourism industries (each an "**Industry**") (together "**the Sector**") both in the United Kingdom and elsewhere.
 - (b) To undertake and promote useful research into any matters relating to the training for employment in the Sector and to publish and disseminate any useful results of such research for the public benefit.

Provided that any private benefit resulting from such activities is purely incidental to the public benefit of the same.

4. In furtherance of the above objects but not further or otherwise the Company shall have the following powers:-
 - (a) To develop and set standards and qualifications for training, to validate, list and monitor such standards and to issue certificates.

- (b) To provide training courses, instructions and demonstrations in connection with such training.
- (c) To provide, equip and maintain training centres, workshops, libraries and other facilities for the purpose of or in connection with such training as aforesaid and to approve and accredit facilities and courses provided by others.
- (d) To employ and pay instructors, teachers, officers, superintendents, wardens, secretaries, accountants, clerks and any other staff, and any persons, firms or companies, whose services are required or deemed expedient for carrying out the objects of the Company.
- (e) To obtain grants from any source for the purposes of the Company and to carry out the terms of such grants.
- (f) To provide assistance by grants or otherwise to individuals engaged or intending to be engaged in any activities mentioned in the foregoing objects to enable them to obtain training or education.
- (g) To co-operate with any person or organisation in the provision of training or education.
- (h) To accept subscriptions, donations, devises and bequests of, and to acquire by purchase, lease, exchange, hire, hire purchase or otherwise any real or personal property and any rights or privileges necessary for the promotion of its objects and to construct maintain and alter any buildings as may be thought fit.
- (i) Subject to such consents as may be required by law, to sell, let mortgage, dispose of or turn to account all or any of the property of the Company and to invest any monies of the Company in any manner authorised by law for the investment of trust funds.
- (j) To establish and maintain close links with such national and international bodies concerned with the setting of training standards, the delivery of training and the provision of information about training.

- (k) To acquire all or any of the shares or loan capital of any company, wherever incorporated, engaging or proposing to engage in any activity or interest which appears likely to be advantageous to the Company.
- (l) Subject to such consents as may be required by law, to grant leases at a full market rent for periods not exceeding twenty one years of any part or parts of any land or buildings which from time to time are surplus to the requirements of the Company.
- (m) Subject to such consents as may be required by law, to borrow or raise money for any of the above purposes by mortgaging or charging the undertaking and all or any of the real and personal property and assets, present and future of the Company as may legally be mortgaged or charged with capital sums.
- (n) To establish and support or aid in the establishment and support of any charitable institution.
- (o) To issue appeals, hold public meetings and take such other steps as may be required for the purpose of procuring contributions to the funds of the Company in the shape of donations, subscriptions or otherwise, provided the Company shall not undertake any permanent trading activities in raising funds, other than trading activities in pursuance of the principal objects of the Company set forth above.
- (p) To invest the monies of the company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may be for the time being imposed or required by law and subject also hereinafter provided.
- (q) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts;

- (r) To insure and arrange insurance cover for and to indemnify its officers, servants and voluntary workers and those its members from and against all such risks incurred in the course of the performance of their duties as may be though fit;
- (s) Subject to the provisions of Clause 4 hereof, to pay reasonable annual sums or premiums for or towards the provisions of pensions and superannuation for officers or servants for the time being of the Company or their dependants.
- (t) To amalgamate with any companies, institutions, societies or associations which are charitable at law and/or which have objects altogether or mainly similar to those of the Company and prohibit the payment of any dividend or profit to and the distribution of any of their assets amongst their members at least to the same extent as such payments or distributions are prohibited in the case of members of the Company by this Memorandum of Association;
- (u) To carry out business overseas and to procure the Company to be registered or recognised in any country or place in any part of the world.
- (v) To do all such other things as are necessary for the attainment of the above objects or any of them.

PROVIDED ALWAYS THAT:

- (i) If the Company shall take or hold any property which may be subject to any trust, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
- (ii) The objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
- (iii) In case the Company shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales the

Company shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the Board of the Company shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Board have been if no incorporation had been effected and the incorporation of the Company shall not diminish or impair any control or authority exercisable by the Chancery Division of the High Court or the Charity Commissioners over such Board but they shall as regards any such property be subject jointly and separately to such control or authority as if the Company were not incorporated.

5. The income and property of the Company, shall be applied solely towards the promotion of the objects of the Company as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Company and no member of the Board shall be appointed to any office of the Company paid by salary or fee or receive any remuneration or other benefit in money or money's worth from the Company PROVIDED that nothing herein shall prevent the payment in good faith by the Company
 - (a) of reasonable and proper remuneration to any member, officer or servant of the Company not being a member of the Board for services actually rendered to the Company.
 - (b) Interest at a reasonable and proper rate on money loaned by any member or member of the Board to the Company.
 - (c) A reasonable and proper rent for premises demised or let by any member or member of the Board to the Company.
 - (d) to any member, officer or member of the Board of reasonable out of pocket expenses incurred on behalf of the Company.

- (e) of fees, remuneration or other benefit in money or moneys worth to any company of which a member of the Board or member may be a member and in which such member shall not hold more than one hundredth part of the capital and such member shall be bound to account for any share of profits he may receive in respect of any such payment.
- 6. The liability of the members is limited.
- 7. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, the payment of debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves such amounts as may be required not exceeding £1.
- 8. If on the winding-up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities any property whatsoever the same shall not be distributed amongst the members of the Company but shall be given or transferred to some other charitable institution or institutions having objects which are the same as the objects of the Company and which will prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof. Such institution or institutions may be determined by the members of the Company before the time of dissolution, and if and so far as effect cannot be given to such provision then to some other charitable institution or institutions having objects similar to the objects of the Company.

THE COMPANIES ACTS 1985 – 1989

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

**ARTICLES OF ASSOCIATION
OF
THE HOSPITALITY TRAINING FOUNDATION**

INTERPRETATION

1. In these Articles:-

"the Act" means the Companies Act 1985 and every other act for the time being in force concerning companies and affecting the Company.

"the Board" means the Board of Trustees of the Company.

"Board Member" means a member of the Board.

"the Sector" means the sector comprising the hospitality, leisure, travel and tourism industries (each an "Industry") .

"the Seal" means the common seal of the Company.

"Secretary" means any person appointed to perform the duties of the Secretary of the Company.

"Trade Associations" means trade associations representing Industries in the Sector.

"the United Kingdom" means Great Britain and Northern Ireland.

"the Members" means the members of the Company.

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

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date which these Articles become binding on the Company and words denoting a gender shall include all genders.

OBJECTS

2. The Company is established for the objects expressed in the Memorandum of Association of the Company.

MEMBERS

3. Board Members shall be appointed in accordance with Articles 20.1 to 20.6 and Articles 26(d) to 26(h).
4. On appointment to the Board, a Board Member shall become a Member of the Company. If for any reason a Board Member vacates the office of Board Member, then that person shall cease to be a Member of the Company.

GENERAL MEETINGS

5. The Company shall each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next.
6. Provided that the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Board shall appoint. All General Meetings

other than Annual General Meetings shall be called Extraordinary General Meetings.

7. The Board may, whenever it thinks fit, convene an Extraordinary General Meeting, 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 at any time there are not within the United Kingdom sufficient members of the Board to form a quorum, any two members of the Board may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

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

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

- (a) in the case of the Annual General Meeting, by all the Members entitled to attend and vote; and
- (b) in the case of any other meeting, by a majority of the Members having a right to attend and vote as the meeting, being a majority together representing not less than ninety-five per cent of the total voting rights at that meeting of all the Members.

9. 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

10. The business to be transacted at an Annual General Meeting shall include the consideration of the accounts, balance sheets, and the reports of the Board and auditors, and the appointment of, and the fixing of the remuneration, of the auditors.
11. No business shall be transacted at any General Meeting and such General Meeting shall not be quorate unless at least 60% of Members are present at the time when the meeting proceeds to business. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; and in any other case shall be adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine.
12. The chairman, if any, of the Board shall chair every General Meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the members of the Board present shall elect one of their number to chair the meeting.
13. If at any meeting no Board Member is willing to act as chairman or if no Board Member is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to chair the meeting.
14. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for

thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

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

VOTES OF MEMBERS

16. On a show of hands every Member present in person or (being an organisation) is present by a duly authorised representative shall have one vote. On a poll each Member shall have one vote.
18. Subject to the provisions of the Act, a resolution in writing signed by all the Members entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of two or more documents in like form each signed by one or more members or a resolution to which every such Member has signified his approval in writing or by fax.

THE BOARD

19. The maximum and minimum number of Board Members shall be determined by the Company in General Meeting, but unless and until so fixed there shall be a maximum number of twenty four Board Members.
- 20.1 A Trade Association whose membership is made up of employers within the Sector shall be entitled to nominate at any time or re-nominate one prospective Board Member ("Nominee") for approval by the Nominations Committee (as defined in Article 26(c)). There shall be no more than seven Board members at any one time nominated by Trade Associations.
- 20.2 A Nominee nominated by a Trade Association must be an employer, director, manager or sole proprietor concerned with the management of activities in the Sector (but not an employee of any of the Trade Associations) with sufficient

knowledge of or experience in the Industry which he represents to advance the objectives of the Company.

- 20.3 A Trade Union whose membership is made up of employees within the Sector shall be entitled to nominate at any time or re-nominate one prospective Board Member ("Nominee") for approval by the Nominations Committee.
- 20.4 A Nominee nominated by a Trade Union must have sufficient knowledge of or experience in the Sector to advance the objectives of the Company.
- 20.5 The Nominations Committee may appoint up to nine prospective Board Members who have been identified by the Nominations Committee. Such Board Members must have sufficient knowledge of or experience in the Sector to advance the objectives of the Company.
- 20.6 The Nominations Committee may replace any Board Member appointed by it under this Article in the event that any such Board Member ceases to be a Board Member for any reason whatsoever.
21. Board Members shall be appointed to the Board for a period not exceeding three years subject to
- (a) re-nomination by the relevant Trade Associations pursuant to Article 20.1.
 - (b) re-nomination by a Trade Union pursuant to Article 20.3.
 - (c) re-appointment by the Nominations Committee pursuant to Article 20.6.
 - (d) re-nomination by the relevant sub-committee pursuant to Articles 26 (d), (e), (f), (g) and (h)
22. The Board Members shall from time to time appoint or reappoint one of their number to be Chairman of the Board. The Chairman shall hold office until he shall cease to be a Board Member or for such shorter period as the Board shall decide.

23. The Board Members may from time to time appoint or reappoint one or more of their number to the office of Deputy Chairman upon such terms and for such period, subject to the provisions of these Articles, as the Board may think fit.
- 24.1 The Board Members may from time to time appoint a person who may or may not be a Board Member to act as Chairman of an executive management team ("the Management Board"), which shall be responsible for the operations and administration of the Company. The Chairman of the Management Board shall be appointed to oversee the work of the Management Board for such period and on such terms as the Board Members think fit.
- 24.2 The Board Members may from time to time appoint a person who is not a Board Member to act as chief executive officer of the company and of the Management Board ("CEO"). The CEO shall report to the Chairman of the Management Board, and otherwise to the Chairman of the Board. The CEO shall be appointed for such period and on such terms as the Board Members think fit.
- 24.3 The Chairman of the Management Board or the chief executive officer shall be responsible for the nomination of persons with the necessary skills, knowledge and experience to make up the Management Board. Such nominations to be approved by the Nominations Committee.
- 24.4 The CEO and the Chairman of the Management Board shall be invited by the Chairman of the Board to attend and participate (but not vote unless a Board Member) in all Board Meetings. The Chairman of the Board shall, during the course of Board Meetings, invite the Chairman of the Management Board and the CEO to lead on matters relevant to their responsibilities.
25. The Board Members shall be paid all reasonable out of pocket expenses properly incurred by them in attending and returning from Board meetings or General Meeting of the Company or in connection with the business of the Company.

SUB-COMMITTEES

26. The Board Members shall

- (a) appoint two of their number, having regard to those members with the most relevant skills and experience, and shall invite the Chairman of the Management Board and the CEO, to be members of a remuneration committee ("the Remuneration Committee"). Members of the Remuneration Committee shall hold office until they shall cease to be a Board Member or for such shorter period as the Board shall decide. The members of the Remuneration committee shall consider the remuneration of the senior executives of the Company and of any subsidiary of the Company and of the Chairman of the Management Board. For the avoidance of doubt no Board Member shall receive any remuneration. No member of the Remuneration Committee shall vote on their own remuneration.

The Board may invite one other who may or may not be a Board Member, to be a member of the Remuneration Committee having regard to his relevant skills and experience.

- (b) appoint two of their number, but not the Chairman of the Board, having regard to those members with the most relevant skills and experience, and shall invite the Chairman of the Management Board and the CEO, to be members of an audit committee ("the Audit Committee"). Members of the Audit Committee shall hold office until they shall cease to be a Board Member or for such shorter period as the Board shall decide. The Audit Committee shall make recommendations to the Board on the purchase of non-audit, accountancy and financial services and the appointment of external Auditors.

The Board may invite one other who may or may not be a Board Member, to be a member of the Audit Committee having regard to his relevant skills and experience.

- (c) appoint two of their number, having regard to those members with the most relevant skills and experience, and shall invite the Chairman of the Management Board, to be members of a nominations committee ("the Nominations Committee"). Members of the Nominations Committee shall hold office until they shall cease to be a Board Member or for such shorter period as the Board shall decide.

The Board may invite one other who may or may not be a Board Member, but not the CEO, to be a member of the Nominations Committee having regard to his relevant skills and experience.

On giving consideration to the approval of Nominees, the Nominations Committee shall consider the appropriate mix of skills, knowledge, experience, geographic location and employer company size required on the Board and shall have due regard to the specialisms a Nominee may contribute to the Board and the knowledge of or experience in the Industries in which he is or has been engaged.

- (d) form four sub committees for each of England, Scotland, Wales and Northern Ireland (each a "country of representation"), or appoint other bodies to form such sub committees, to ensure that the Company's work is taken forward throughout the United Kingdom.

Board Members shall have due and careful regard to a body's standing in the Sector within a country of representation before seeking to appoint a body to act as a sub-committee for such country of representation.

The members of each of the four sub-committees shall appoint one of their number to be its prospective chair from time to time. The chair appointed may be removed and replaced by the sub-committee which appointed him as that sub-committee shall think fit. The chair, or any other of their number, may be nominated by the relevant sub-committee as a prospective Board Member ("Nominee") for approval by the Nominations Committee such appointment not to exceed a period

of three years. Such Board Member shall vacate the office of Board Member should they cease to be a member of the sub-committee.

Nominees must have sufficient knowledge of or experience in the Sector to advance the objectives of the Company.

- (e) form a Small and Medium Sized Enterprise ("SME") / Micro Business Taskforce ("the Taskforce") to ensure that the educational and training needs of SME's and Micro Businesses in the Sector are investigated and solutions identified, developed and promoted. The Nominations Committee shall appoint the initial chair of the Taskforce who shall also be appointed to the Board, such appointments not to exceed a period of three years.

The chair must be an employer, director, manager or sole proprietor concerned with the management of activities in the Sector.

- (f) Board Members shall require the chair (or in the absence of a chair the Nominations Committee shall appoint a chair) of the Taskforce to conduct an election whereby members of the Taskforce appoint a new chair or re-appoint the chair. The chair appointed must at all times be an employer, director, manager or sole proprietor concerned with the management of activities in the Sector. In the event that the chair ceases to fulfil this qualification requirement, he shall forthwith be removed and replaced by the Taskforce. The chair may otherwise be removed and replaced as the members of the Taskforce shall think fit.

Board Members shall require the members of the Taskforce to nominate one of their number as a prospective Board Member ("Nominee") (provided always that such Nominee (who may be the chair) is an employer, director, manager or sole proprietor concerned with the management of activities in the Sector) for approval by the Nominations Committee. The appointment of the Nominee to the Board shall be for a period not exceeding three years. Such Board Member shall vacate the office of Board Member should they cease to be a member of the sub-committee.

The Taskforce shall be entitled to nominate a Nominee for approval by the Nominations Committee to replace any Board Member nominated by it in the event that such Board Member ceases to be a Board Member for any reason whatsoever.

- (g) ask key employers engaged in hospitality, leisure, travel and tourism within the public services sector, including those engaged in healthcare, the armed forces, local authorities, social services and the prison service to form a sub-committee ("the Public Services Sub-Committee"). The members of the Public Services Sub-Committee shall nominate one of their number to be the chair of the Public Services Sub-Committee from time to time, such appointment not to exceed a period of three years. Such chair may be removed and replaced as the Public Services Committee shall think fit. The chair or any other of their number may be nominated by the Public Services Sub-Committee as a prospective Board Member ("Nominee") for approval by the Nominations Committee such appointment not to exceed a period of three years. Such Board Member shall vacate the office of Board Member should they cease to be a member of the sub-committee.

A Nominee nominated by the Public Services Sub-Committee must be an employer, director, manager or sole proprietor concerned with the management of activities in the Sector.

The Public Services Sub-Committee shall be entitled to nominate a Nominee for approval by the Nominations Committee to replace any Board Member nominated by it in the event that such Board Member ceases to be a Board Member for any reason whatsoever.

- (h) ask key professional bodies having a membership engaged in the Sector to form a sub-committee ("the Professional Bodies Sub-Committee"). The members of the sub-committee shall nominate one of their number to be the chair of the Professional Bodies Sub-Committee such appointment not to exceed three years, from time to

time. The chair may be removed and replaced by the Professional Bodies Sub-Committee at any time. The chair or any other of their number may be nominated by the Professional Bodies sub-committee as a prospective Board Member ("Nominee") for approval by the Nominations Committee such appointment not to exceed a period of three years.

Such Board Member shall vacate the office of Board Member should they cease to be a member of the sub-committee.

The Professional Bodies Sub-Committee shall be entitled to nominate a Nominee for approval by the Nominations Committee to replace any Board Member nominated by it in the event that such Board Member ceases to be a Board Member for any reason whatsoever.

BORROWING POWERS

27. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF THE BOARD

28. The business of the Company shall be managed by the Board who may pay all expenses incurred in the formation of the Company, and may exercise all such powers of the Company as are not required to be exercised by the Company in General Meeting. Any such requirement may be imposed, either by the Act or by these Articles or by any regulation made by the Company in General Meeting; but no such regulation shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
29. No person is capable of being appointed a member of the Board if at the time of his appointment he has attained the age of 70.

30. A member of the Board shall vacate his office at the conclusion of the Annual General Meeting commencing next after he attains the age of 70 but acts done by a person as a member of the Board are valid notwithstanding that it is afterwards discovered that his appointment had terminated under this Article.
31. All cheques and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed drawn accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time determine.
32. The Board may delegate all or any of its powers either generally or for a specific purpose to any Board Member or Members or to any committee established by the Board (whether consisting of Board Members or of other persons or of both) and subject to such terms and conditions as the Board may think fit. The Board may grant such powers of sub-delegation as it may think fit provided that any person or committee exercising delegated powers shall report every exercise as soon as reasonably possible to the Board.
33. The Board shall cause minutes to be made
 - (a) of all appointments of officers made by the Board.
 - (b) of the names of the Board Members present at each Board Meeting.
 - (c) of all resolutions and proceedings at all meetings of the Company, and of the Board.

DISQUALIFICATION OF BOARD MEMBERS

34. The office of Board Member shall be vacated if the Board Member:
 - (a) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (b) becomes prohibited from being a Board Member by reason of any order made under the Act; or

- (c) becomes incapable by reason or mental disorder, illness or injury of managing and administering his property and affairs; or
- (d) resigns his office by written notice to the Company; or
- (e) shall for more than six months have been absent without permission of the Board from meetings of the Board held during that period;
- (f) is removed by ordinary resolution of the Company in accordance with Article 35.
- (g) is directly or indirectly interested in any contract with the Company and fails to declare the nature of the interest in accordance with Article 36 below.
- (h) ceases to be appropriately qualified as a Board Member for a period in excess of six months.

35. Without prejudice to Article 34, a Board Member may be removed from office by a resolution passed by a majority of the Board present and voting at a Board Meeting at which all other Board Members shall be present. The Board Member whom it is proposed to remove from office shall be given at least seven days notice of the Board Meeting at which the resolution is to be proposed and he shall be entitled to attend the meeting and be heard in his defence but shall not be entitled to be present at the voting or take part in the proceedings otherwise than as the Board shall permit.
36. A member of the Board who is in any way, whether directly or indirectly, interested in a contract or proposed contract, arrangement or dealing with the Company, shall declare the nature of his interest at a meeting of the Board, and subject to the right of the remaining members of the Board to resolve that he withdraw and not vote on the particular matter he may be counted in the quorum present at any meeting of the Board whereat such contract, arrangement or dealing with the Company is considered or entered into and may vote in respect thereof.

PROCEEDINGS OF THE BOARD

37. The Board may meet together for the despatch of business, adjourn, and otherwise regulate their meeting, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. A Board Member may, and the Secretary on the request of a Board Member shall, at any time summon a Board meeting. For the avoidance of doubt, notice of a Board Meeting shall be given to all members of the Board including members for the time being absent from the United Kingdom.
38. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be
- a. 60% of the Board Members from time to time (rounded up to the nearest whole number) and
 - b. The majority of Board Members attending a Board Meeting must be employers, directors, managers or sole proprietors concerned with the management of activities in the Sector.
39. The Board may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the necessary quorum pursuant to Article 38a, or if the quorum does not meet the criteria set out in Article 38b, the Board may act for the purpose of increasing the number of Board Members to that number or for the purpose of summoning a General Meeting of the Company, but for no other purpose.
40. A sub-committee may elect a chair of its meetings; if no such chair is elected, or if at any meeting the chair is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to chair the meeting.
41. A sub-committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of

the sub-committee present, and in the case of an equality of votes the chairman shall have a second or casting vote.

42. All acts done by any meeting of the Board or of a sub-committee, or by any person acting as a Board Member, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as if every such person had been duly appointed and was qualified to be a Board Member.
43. A resolution in writing, signed by all the Board Members entitled to receive notice of a Board meeting, shall be as valid and effectual as if it had been passed at a Board meeting duly convened and held, and may consist of several documents in like form each signed by one or more Board Member or a resolution to which every such member has signified his approval in writing or by fax.
44. Any Board Member may validly participate in a meeting of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board Members shall for the purposes of the Articles be deemed to be validly and effectively transacted at a meeting of the Board notwithstanding that fewer than two Board Members are physically present at the same place. 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 then is.

SECRETARY

45. Subject to Section 283 of the Act the secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as the Board may think fit; and any secretary so appointed may be removed by it:

Provided always that no Board Member may occupy the salaried position of secretary.

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

THE SEAL

47. The Board shall provide for the safe custody of the seal, which shall only be used by the authority of the Board or of a sub-committee authorised by the Board in that behalf and every instrument to which the seal shall be affixed shall be signed by a Board Member and shall be countersigned by the secretary or by a second Board Member or by some other person appointed by the Board for the purposes.

ACCOUNTS

48. The Board shall cause accounting records to be kept in accordance with sections 221-222 of the Act.
49. The accounting records shall be kept at the registered office of the Company or, subject to Section 227 of the Act, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the officers of the Company.
50. The Board shall from time to time determine whether and to what extent and at what terms 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 Board Members, and no member (not being a Board Member) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board or by the Company in General Meeting.
51. The Board shall from time to time in accordance with Sections 238-242 of the Act cause to be prepared and to laid before the Company in General Meeting

such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.

52. 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 Board's report, shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures 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 or to be more than one of the joint holders of any debentures.

AUDIT

53. Auditors shall be appointed and their duties regulated in accordance with Sections 384-392 of the Act or any statutory modification thereof for the time being in force and for this purpose the said sections shall have the effects as if "member of the Board" be substituted for "Director" and "the Directors" respectively.

NOTICES

54. A notice may be given by the Company to any Member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. Proof that an envelope containing a notice was properly addressed, prepared and posted shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
55. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:
- (a) every Member except those Members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;

- (b) every person being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for this death or bankruptcy would be entitled to receive notice of the meeting;
- (c) the auditor for the time being of the Company;
- (d) each Board Member; and
- (e) such additional persons as the Board may from time to time nominate in the Rules and Bye Laws of the Company made in accordance with Article 57.

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

DISSOLUTION

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

RULES OR BYE LAWS

57. (a) The Board may from time to time make such Rules or Bye Laws as it may deem necessary or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of Membership, and in particular but without prejudice to the generality of the foregoing, it may by such Rules or Bye Laws regulate:
- (i) Subject to Article 4, the admission and classification of Members of the Company, and the rights and privileges of such Members, and the conditions of Membership and the terms on which members may resign or have their Membership terminated and the entrance fees, subscriptions and other fees or payments to be made by Members.
 - (ii) The conduct of Members of the Company in relation to one another and to the Company's employees.

- (iii) The setting aside of the whole or any part of parts of the Company's premises at any particular time or times or for any particular purpose or purposes.
 - (iv) The procedure at General Meetings and meetings of the Board and sub-committees in so far as such procedure is not regulated by these Articles.
 - (v) And, generally, all such matters as are commonly the subject matter of Company rules.
- (b) The Company in General Meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions to them and the Board shall adopt such means as they deem sufficient to bring to the notice of Members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all Members of the Company. Provided nevertheless, that no Rule or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum and Articles of Association of the Company.

INDEMNITY

58. 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.