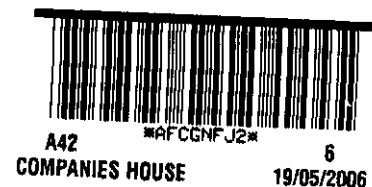


No. 2651248



THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

**MEMORANDUM OF ASSOCIATION  
OF  
FINANCE & LEASING ASSOCIATION**

1. The Company's name is "FINANCE & LEASING ASSOCIATION" (hereinafter called "the Association").
2. The Association's registered office is to be situated in England and Wales.
3. The Association's objects are:-
  - (a) to promote the business interests of the Members of the Association as asset financing, leasing and consumer finance providers and in particular to:-
    - (i) be a central representative body to put the collective views of the Members to government departments, Parliament, European institutions and other relevant organisations on matters which affect them.
    - (ii) safeguard the interests of Members so that they can function effectively and can compete on equal terms with other providers of finance.
    - (iii) promote honourable practices and encourage the highest standards of professionalism.
    - (iv) review, advise and take appropriate action in legal, fiscal, economic and financial developments as they affect Members.
    - (v) provide a forum for Members to raise and have discussed general issues affecting their business.
    - (vi) Provide business information to Members.
    - (vii) advance the public profile of the Association, its Members and their business and to ensure that the Association is the authoritative

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spokesman for the asset financing, leasing and consumer finance interests of its Members.

- (b) to carry on any other trade, business or activity whatever which can in the opinion of the Board be advantageously carried on in connection with or ancillary to any of the business of the Association.
- (c) to purchase, lease or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
- (d) to apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Association may acquire or propose to acquire.
- (e) to acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, company, association or body carrying on or proposing to carry on any of the businesses which the Association is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm, company, association or body or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm, company, association or body or for subsidising or otherwise assisting any such person, firm, company, association or body and to give or accept (but not issue), by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (f) to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Association.
- (g) to invest and deal with the moneys of the Association not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (h) to lend and advance money to give credit on any terms and with or without security to any person, firm, company, association or body (including without prejudice to the generality of the foregoing any holding company, subsidiary or

fellow subsidiary of, or any other company associated in any way with, the Association), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm, company, association or body (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

- (i) to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Association's property or assets (whether present or future) and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Association of any obligation or liability it may undertake or which may become binding on it.
- (j) to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (k) to apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Association to carry any of its objects into effect, or for effecting any modification of the Association's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Association's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Association's interests.
- (l) to enter into any arrangements with any government or authority (supreme, municipal, local, European or otherwise) that may seem conducive to the attainment of the Association's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Association may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges and concessions.
- (m) to subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

- (n) to control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Association has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operation of or generally with respect to any such company or companies.
- (o) to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Association, or of undertaking any business or operations which may appear likely to assist or benefit the Association or to enhance the value of any property or business of the Association, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (p) to sell or otherwise dispose of the whole or any part of the business or property of the Association, either together or in portions, for such consideration as the Association may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (q) to act as agents or brokers and as trustees for any person, firm or company and to undertake and perform sub-contracts.
- (r) to remunerate any person, firm, company, association or body rendering services to the Association either by cash payment or otherwise as may be thought expedient.
- (s) to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Association, or to contract with any person, firm or company to pay the same.
- (t) to establish and support or assist in the establishment and support of any charitable or benevolent associations or institutions and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purposes of the Association or calculated to further its objects.
- (u) to procure the Association to be registered or recognised in any part of the world.
- (v) to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

- (w) to do all such other things as may be deemed incidental or conducive to the attainment of the Association's objects or any of them.

AND so that:-

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Association.
  - (2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Association shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate Association.
  - (3) The word "company" in this Clause, except where used in reference to the Association, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
  - (4) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
4. The income and property of the Association, whencesoever derived, shall be applied solely towards the promotion of the objects of the Association as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, or profit, to the Members of the Association save as may be provided by the Articles of Association.
  5. The liability of the Members is limited.
  6. Every Member of the Association undertakes to contribute such amount as may be required (not exceeding £1) to the Association's assets if it should be wound up while he is a Member or within one year after he ceases to be a Member, for payment of the Association's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

No.2651248

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

**ARTICLES OF ASSOCIATION**

(Adopted by Special Resolution passed on 6th November 1991)  
(Amended by Special Resolution passed on 3rd December 1992)  
(Amended by Special Resolutions passed on 28th February 1995)  
(Amended by Special Resolution passed on 22nd May 1997)  
(Amended by Special Resolution passed on 21st May 1998)  
(Amended by Special Resolution passed on 20<sup>th</sup> May 1999)  
(Amended by Special Resolution passed on 18<sup>th</sup> May 2000)  
(Amended by Special Resolution passed on 17<sup>th</sup> May 2001)  
(Amended by Special Resolution passed on 11<sup>th</sup> May 2006)

of

**FINANCE & LEASING ASSOCIATION**

Incorporated on the 4th October 1991

**Interpretation**

1. In these Articles the words in the first column of the table set out below shall have the meanings set opposite to them in the second column thereof unless the context otherwise requires:-

THE ACT	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force
ADDRESS	in relation to electronic communications includes any number or address used for the purposes of such communications
THE ARTICLES	the Articles of the Association
ASSOCIATE MEMBER	any member other than a Full Member
THE ASSOCIATION	the Finance & Leasing Association

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AUTHENTICITY	means the communication comes from a particular person or source, is accurately timed and dated and is intended to have legal effect
THE BOARD	the Board of the Association to be appointed in accordance with the Articles
CLEAR DAYS	in relation to the period of a notice is 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
DIVISION(S)	any one or more of the Asset Finance Division, the Consumer Finance Division and the Motor Finance Division as the context requires
ELECTRONIC COMMUNICATION	means sounds or images transmitted from one person to another, one device to another or from a person to a device or vice versa using telecommunications or some other electronic form
EXECUTED	includes any mode of execution as the context requires
FULL MEMBER	a Member who satisfies the conditions contained in Article 6 below
INTEGRITY	a communication which has not been tampered with or otherwise modified
MEMBER	a Full Member or Associate Member of the Association
OFFICE	the registered office of the Association
ORGANISATION	any person, firm, limited liability partnership, company, association, branch, European Economic Interest Group, place of business, independent trading entity or body
REPRESENTATIVE	a person approved to represent a Member pursuant to Article 4 below
THE SEAL	the common seal of the Association

SECRETARY

the Secretary of the Association or any other person appointed by the Board to perform any of the duties of the Secretary of the Association, including a joint, assistant or deputy secretary

THE UNITED KINGDOM

Great Britain and Northern Ireland

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 Association.

### **Members**

2. The subscribers to the Memorandum of Association of the Association and such other Organisations as are admitted to membership in accordance with the Articles shall be the Members of the Association.
3. Every Organisation which wishes to become a Member shall deliver to the Association an application for membership in such form as the Board requires executed on behalf of the applicant supported by such evidence as the Committee(s) of Management or the Board shall require and incorporating a revocable election for the purposes of Article 61 below. No Organisation shall be admitted as a Member of the Association unless approved by the Committee(s) of Management of the Division(s) for which such election was made or if the Board so requires in any case by the Board.
4. Each Member of the Association shall by instrument in writing signed on its behalf and delivered to the Office appoint a Representative (being a director or partner of such member or such other person as the Board may approve to represent such member) to attend and (if so entitled) vote on its behalf at general meetings of the Association and each Member may from time to time in such manner revoke any such appointment and make a fresh appointment. A Member may also in like manner from time to time appoint any of its directors or partners or such other person as the Board may approve to act as alternate to its Representative so appointed in the absence of the Representative. The Representative (or alternate) shall be entitled to exercise the same powers on behalf of a member as a member could exercise if it were an individual member of the Association in attendance at the meeting.

### **Register of Members**

5. The provisions of Section 352 of the Act shall be observed by the Association and there shall be entered in the Register with the names and addresses of the Members the category (i.e. Full Member or Associate Member) and if an Associate member the sub-category to which each Member belongs.

### **Full Members**

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6. Full membership of the Association shall be confined to Organisations who are engaged in the business of providing consumer credit and finance, instalment finance or asset finance or carrying on the business of asset leasing in the United Kingdom.

#### **Associate Members**

7. Associate Members of the Association shall be confined to Organisations which are not eligible for Full Membership but which provide goods or services to members or otherwise support the Association's objects set out in clause 3a of the Memorandum of Association. The Board may from time to time determine sub-categories of Associate Member.
8. Deleted.
9. Deleted.
10. Deleted.
11. Deleted.

#### **Limitations on Associate Members**

12. The rights and status of Associate Members shall be limited as follows:-
  - (i) the Representative of an Associate Member shall be entitled to attend and speak at general meetings of the Association but shall not be entitled to vote thereat and an Associate Member shall not be entitled to vote on a poll taken at a general meeting of the Association;
  - (ii) an Associate Member shall not be taken into account in deciding whether or not a quorum is present at any general meeting of the Association;
  - (iii) the Representative of an Associate Member may not be a member of a Committee of Management of a Division and may not be chosen as the Chairman of a general meeting of the Association;
  - (iv) an Associate Member shall not be taken into account for the purpose of determining the number of members in each Division;
  - (v) an Associate Member shall not be entitled to nominate or vote for any person for election to the Committee of Management of any Division nor shall a Representative of an Associate Member be eligible for such appointment or election.

#### **Honorary Members**

13. Persons nominated or elected for or to honorary offices pursuant to Articles 79 and 80 below shall not be Members for any other purpose and shall not exercise the powers of Members unless or to the extent that they are also the duly appointed Representative of a Member.

#### **Subscriptions**

14. Every Member shall on admission pay to the Association such entrance fee and subscription as the Board may require. The Board may require the entrance fee to be paid at the time when the application for membership is made, in which case if the application is rejected such fee shall be returned in full to the applicant.
15. Each Member shall pay to the Association such subscription or subscriptions in each year of such amounts as the Board may from time to time determine (having regard to the financial requirements of the Association) and each such subscription shall be payable within twenty-one days of receipt of notice of the amount thereof.
16. No Member which is one month or more in arrear in payment of any entrance fee or subscription payable by it shall be entitled to receive notice of or attend or vote at any general meeting of the Association or to enjoy, receive or participate in any other right, privilege or advantage as a Member unless and until it shall have paid to the Association the whole amount so in arrear, together with interest thereon from the time when the same became payable to the day of payment at such rate not exceeding 10 per cent per annum as the Board may require but the Board may at its discretion waive the requirement of payment of such interest wholly or in part.

#### **Determination of Membership**

17. A Member may at any time withdraw from the Association by giving at least 3 months written notice to the Association. Membership shall not be transferable. Any such cessation of membership shall not release the Member from liability for any monies due from it to the Association in its capacity as a Member at the date of withdrawal.
18. The membership of any Member shall determine immediately upon the happening of any of the following events, such termination to be without prejudice to the continued liability of such Member for all monies due to the Association from it in its character of Member at the date of such cessation of membership:-
  - (i) if an order is made or an effective resolution passed for winding up the Member except for the purposes of a reconstruction or amalgamation; or
  - (ii) if a receiving order is made against the Member or if the Member shall compound with its creditors generally; or
  - (iii) if the Board shall pass a resolution to determine Membership in accordance with Article 57 below.

19. If any Member shall have remained continuously in arrear as mentioned in Article 16 for three months or more or if an administration order is made in relation to any Member the Board may resolve that its membership be determined and the same shall be determined accordingly but without prejudice to the continued liability of such Member for all monies due to the Association from it in its character of Member at the date of such cessation of membership provided that the Board may at any time reinstate such Member in membership on such terms as to payment of the arrears, interest and otherwise as the Board may in its discretion think fit.

### **Obligations of Members**

20. Each Member shall within 21 days of receipt make payment of invoices issued by the Association for services performed by the Association for and at the request of the Member.
21. Each Member shall submit to the Association by the due date specified any information reasonably required by the Board in order to calculate the rate of subscription payable by Members from time to time.
22. In the event that a Member does not submit the information required by Article 21 the Board may demand from that Member such subscription as the Board may in its absolute discretion determine.
23. Each Member shall submit to the Association by the due date specified returns of any statistical information reasonably required by the Board from time to time.
24. In the event that a Member does not submit the information required by Article 23 the Board may in its absolute discretion apply the provisions of Article 19.
25. The Members of the Association shall observe the provisions of the relevant Code(s) of Practice in force from time to time as may be adopted or amended from time to time in any general meeting of the Association.
- 25a. Any instance of non-compliance with the provisions of the relevant Code(s) in force from time to time will be drawn to the attention of the Member concerned by the Association. In the event of continued or repeated non-compliance the Association shall take such action as it deems appropriate, including a warning, or expulsion from membership of the Member concerned under the provisions of Article 57 below.
- 25b. Members will notify the Association of any matters which might adversely affect the reputation of the industry or of the Association.
- 25c. Unless the Association otherwise agrees, members shall not represent that any particular transaction or terms of a transaction exist only because the Association so wishes.

### **General Meetings**

26. The Association shall in each calendar 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 15 months shall elapse between the date of one annual general meeting of the Association and that of the next. The annual general meeting in each year 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.
27. 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 8 weeks after receipt of the requisition. If there are not within the United Kingdom sufficient members of the Board to call a general meeting, any member of the Board or the Association may call a general meeting.

### **Notice of general meeting**

28. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 Clear Days' notice. All other extraordinary general meetings shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. 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. The notice shall be given to all Members, to the Board and to the auditors.
29. 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**

30. No business shall be transacted at any meeting unless a quorum of Full Members is represented. Save as otherwise expressly provided herein the lesser of 15 Full Members or 25 per cent of the total number of Full Members from time to time shall be a quorum.
31. 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 other time or place as the chairman of the meeting may determine and if at such

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adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the Full Members present shall be a quorum.

32. The Chairman of the Board (or in his absence the Deputy-Chairman of the Board) shall preside as chairman of the meeting, but if neither of them be present within 15 minutes after the time appointed for holding the meeting and willing to act, the Full Members represented shall elect a member of the Board or if no member of the Board be present and willing to act the Full Members represented shall elect the Representative of one of their number to be chairman.
33. The chairman of the meeting 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 14 days or more, at least 7 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.
34. 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 Full Members having the right to vote at the meeting; or
  - (c) by a Full Member or Full Members representing not less than one-tenth of the total voting rights of all the Full Members having the right to vote at the meeting.
35. 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.
36. 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. No poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.
37. 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.

38. 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.
39. When demanded a poll shall be taken at such time and place as the chairman directs not being more than 30 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.
40. 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 it 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**

41. (a) On a show of hands every Full Member which is present by its Representative (or his alternate) shall have one vote and on a poll every Full Member at the time the poll is demanded shall be entitled to vote and shall have the number of votes to which it is entitled under Article 41(c) below.
- (b) In the event that a poll is demanded pursuant to the provisions of the Articles the Full Members entitled to vote shall be divided for the purpose of the poll into three tiers, the first, second and third of which shall comprise respectively those Full Members who have paid or are due to pay the largest, middle and smallest amounts of annual subscription. If the total number of Full Members is divisible by three each tier shall contain an equal number of Full Members and if it is not so divisible then the third tier shall be increased to contain the extra number of Full Members. If at the margins between the tiers any two or more Full Members have paid or are due to pay the same level of annual subscription as each other at the time of such division and the inclusion of all of such Members within one tier would result in that tier having an excessive number of members the Board shall draw lots to determine which tier they shall belong to.
- (c) On a poll each Full Member belonging to the first tier shall have 3 votes, each Full Member belonging to the second tier shall have 2 votes and each Full Member belonging to the third tier shall have 1 vote.

### **The Board**

42. The Board shall comprise not more than 12 members and shall consist of the holders for the time being of the following posts, that is, the Chairman and the Vice-Chairman of each Division, the Director General and such other persons as may be appointed by the Board which shall be subject to confirmation in office as a body at each Annual General Meeting.
43. The Chairman shall be elected by the Board from its own members at a meeting before each annual general meeting. The Board may from time to time elect a Deputy Chairman. Neither the Director General nor a non-member director shall be eligible for election as Chairman.
44. No person shall be qualified for election as a member of the Board unless he is a Chairman or Vice-Chairman of a Division. The Board may appoint any person to be a member of the Board. Persons who are not qualified for election may be appointed or removed by a majority decision of the other members of the Board. Appointed members of the Board shall be appointed for a term of two years and shall then be eligible for immediate re-appointment.

### **Powers and Proceedings of the Board**

45. Subject to the provisions of the Act the Memorandum and the Articles and to any directions given by Special Resolution the business of the Association shall be managed by the Board who may exercise all the powers of the Association. No alterations of the Memorandum or Articles and no such directions can invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.
- 45a. Any notice to be given or resolution circulated to the Board or any sub- committee of the Board or to the Committees of Management of the Association or any other committee or group of Members should be in writing or should be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice or circulating the resolution.
- 45b. Any member of the Board or sub-committee of the Board or Committee of Management or any other committee or group who is able directly or by electronic communication to communicate and be heard or seen by each of the other members of the Board, sub-committee or Committee of Management at such meeting or can simultaneously communicate with the other members shall be entitled to vote and be included in the quorum accordingly. Such meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting then is, and the word "meeting" should be construed accordingly.
46. The Board shall meet at least 4 times in each calendar year.
47. On the request of the Chairman or any two members of the Board the Secretary shall call meetings of the Board at any time by notice served upon each member of the Board at an address notified to the Secretary as an address at which notices may be served upon him.
48. The quorum necessary for the transaction of the business of the Board shall be fixed by the Board but should consist of a minimum of three members of the Board present, one of whom should be the Director General, or in the latter's absence, his nominated alternative.
49. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
50. All acts done by a meeting of the Board or by a person acting as a member thereof shall notwithstanding that it be afterwards discovered that there was a defect in the appointment of any such member or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be such a member and had been entitled to vote.



51. A resolution in writing or circulated using electronic communications should be as valid and effected as if it had been passed at a meeting of the Board, sub-committee of the Board or Committee of Management duly convened and held and may consist of several instruments or electronic communications each executed by or on behalf of one or more of the Board or committee using such means of determining authenticity and integrity as the Board think fit. For the purpose for determining whether or not a resolution has been passed, the appropriate provisions in terms of quorum and voting shall apply as if the resolution has been considered at a physical meeting.
52. The Board shall cause proper minutes to be made of all appointments of officers made by the Board of all the proceedings of all general meetings of the Association and of the Board and all business transacted at such meetings and any such minutes of any meeting if purporting to be signed by the Chairman of such meeting shall be sufficient evidence without any further proof of the facts therein stated.
53. Subject to the provisions of the Act and to Articles 53b and 53c below and providing that he has disclosed to the Board the nature and extent of any material interest of his a member of the Board may be a party to, or otherwise interested in, any transaction or arrangement with the Association, may vote in respect thereof and shall not, by reason of his office, be accountable to the Association for any benefit which he derives therefrom.
- 53a. The Board may in consequence of its appointment of any member of the Board in accordance with Article 42 above enter into an agreement or arrangement with him for his employment by the Association or for the provision by him of any services outside the scope of his ordinary duties as a member of the Board. Any such appointment, agreement or arrangement may be made upon such terms as the Board determines. Any such agreement or arrangement with a member of the Board shall terminate if he ceases to be a member but without prejudice to any claim to damages for breach of any contract of service or contract for services between him and the Association.
- 53b. A member of the Board shall not vote at a meeting of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Association or on any matter arising out of such.
- 53c. In relation to a resolution on which he is not entitled in accordance with Article 53b above to vote, a member of the Board shall not be counted for the purposes of determining as contemplated by Article 48 whether proceedings shall be transacted at any meeting of the Board.
- 53d. A member of the Board appointed by the Board shall disclose to the Association any remuneration and/or other benefit derived from such office in the financial year in which it is received.

- 53e. Notwithstanding anything contained in Articles 53-53d inclusive, the prohibitions contained therein may at any time or times be suspended or relaxed to any extent by resolution of the Members in general meeting.
54. The Board may pay to any member thereof or any other person out of the funds of the Association any reasonable expenses which such member or other person incur in or about the ordinary business of the Association or in performing special services on its behalf with the authority or sanction of the Board but not otherwise.
55. The Board may delegate any of its powers to sub-committees consisting of such persons as it thinks fit or to the Committees of Management of the Divisions. Any such delegation may be made subject to any conditions the Board may impose and may be revoked or altered. Subject to any such conditions the proceedings of any such sub-committee shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.
56. The Board may lay down Rules of Membership (not being inconsistent with the Articles or with any legislation) which shall be binding on the Members.
57. Without prejudice to any other provisions of the Articles the Board may by a resolution passed by a majority of not less than two thirds of its voting members at its absolute discretion determine the membership of a Member.

#### **Disqualification and removal of Members of the Board**

58. The office of a member of the Board shall be vacated if:
- (a) (i) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (ii) he is convicted of any offence of dishonesty; or
  - (b) he is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - (c) he ceases to hold the office by which he was qualified to be a Board member unless the other members of the Board invite him to continue and there are

sufficient vacancies on the Board to enable his successor in that office also to become a member of the Board; or

- (d) he gives notice of resignation from the Board; or
- (e) the current composition of the Board is not confirmed at any Annual General Meeting, in which event the members of the Board shall continue in office for 28 days during which time the Committee of Management of each Division will be required to re-elect or replace their Chairman or Vice-Chairman and the officers so re-elected and the replacements of officers not so re-elected shall constitute a new Board from the expiry of the 28 day period which thereafter may reappoint or replace any one or more of the other former members of the Board by resolution pursuant to Article 42.

#### **Secretary**

- 59. Subject to the provisions of the Act, the Secretary shall be appointed by the Board on such terms and for such period as the Board may think fit; and any Secretary so appointed may be removed by the Board.

#### **Director General**

- 60. A Director General of the Association may be appointed by the Board on such terms including remuneration and for such period as the Board may think fit and may also be appointed Secretary. Any Director General so appointed may be removed by the Board.

#### **The Divisions**

- 61. When applying for membership of the Association each Member shall elect to join any one or more of the Divisions. A Member may thereafter apply to join another Division or become a member of all Divisions and the provisions of Article 3 regarding the approval of an application for membership shall apply mutatis mutandis to such an application.
- 62. The Asset Finance Division ("AFD") shall be concerned with all asset finance.
- 63. The Consumer Finance Division ("CFD") shall be concerned with all consumer credit and consumer finance matters.
- 63a. The Motor Finance Division ("MFD") shall be concerned with all motor finance matters.

#### **The Committees of Management**

64. All references to "the Committee" in the Articles below shall be construed as referring to any one or more of the Committees of the Divisions as the context requires. Each Committee shall save as expressly provided in these Articles determine its title and the conduct of its own proceedings.
65. Deleted.
66. No person shall be eligible for appointment, co-option or election or to continue in office as a member of a Committee unless he is either a director, partner, the Representative or other nominee (approved by the Board) of a Full Member who is a member of the Division and (in the case of election) his willingness to be elected has been notified to members of the Division in the nominations sent to the members of the Division before each election held pursuant to Articles 69 and 73.
67. Save as provided in Article 73 below each member of the Committee shall be appointed for a term of 3 years and shall then be eligible for immediate re-election.
68. The members of each Committee shall be entitled to co-opt other persons on to the Committees to fill any vacancy thereon as a casual vacancy.
69. Prior to each Annual General Meeting of the Association ballots of the members of each Division ("the annual ballots") shall be taken to determine the persons who are to be elected to fill the vacancies in the respective Committees whether arising by reason of the retirements referred to in Article 72 below or otherwise.
70. Each member of each Division shall be entitled to nominate in writing one person from that Division for membership of the Committee of that Division provided that no person shall be nominated for membership of the Committee of more than one Division.
71. On every annual ballot every member of each Division may cast as many votes in aggregate as there are vacancies in that Division's Committee to be filled but a member of a Division may not cast more than one vote in favour of each nominee for the Committee. Those nominees receiving a majority of the votes cast by the members of each Division shall become members of the Committees and if any nominees should receive an equality of votes the Chairman of the relevant Division shall have such number of casting votes as are required to determine which of such nominees should be elected. Save as herein expressly provided the conduct of any ballot and the counting of the votes cast in any ballot shall take place as the Board directs and the Board may appoint scrutineers (who need not be members) and take any other steps it may consider necessary to verify the results of any ballot.
72. At every annual ballot of each Division those of the elected members of each Committee who will have served for three years or more shall retire except that:-

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- (a) the Chairman and Vice-Chairman of a Committee shall not be subject to retirement during their respective term of office; and
  - (b) the Chairman of the Association shall not be subject to retirement either during his term of office or before the next Annual General Meeting succeeding his term of office.
73. Any vacancy in the Committee occurring during the year may be left vacant or may be filled by appointment by the Committee as a casual vacancy or may be filled by election by ballot of the members of the Division and the provisions of Articles 70 and 71 shall apply mutatis mutandis to any such ballot. Any member of the Committee so elected shall retire when the annual ballot is held during his third year of office. Any member of the Committee appointed by the Committee shall retire automatically at the next annual ballot to be held by the Division and shall be eligible for immediate re-election at that annual ballot.
74. Each Committee shall elect a Chairman and Vice-Chairman of the Committee normally to hold office for two years except in the circumstances provided for in Article 58(e) but so that such Chairmen and Vice-Chairmen shall be drawn from six different Full Members. In the event that such elections should result in two or more persons from the same Full Member having been elected preference would be given to one of them continuing in office from the previous year and subject thereto to any elected as a Chairman rather than a Vice-Chairman in the current year and otherwise as decided by lot drawn by the Secretary. The other or others so elected would be disqualified and fresh election(s) held.
75. Deleted.
76. A member of the Committee shall cease to hold office if any of the events referred to in Article 58 should befall him.
77. Deleted.
78. Deleted.

#### **Honorary Officers**

79. The Board may nominate a person as eligible for election to the office of President of the Association, and the name of such person shall be specified in the notice convening the General Meeting of the Association at which the election of the President is to take place. No person other than a person nominated by the Board as aforesaid shall be eligible for election to the office of President. The Board may in like manner nominate and elect a person to the office of Deputy President of the Association.

80. (a) The persons nominated in accordance with the preceding Article shall be the President or Deputy President of the Association as the case may be if elected by a majority of the votes of the Members voting on the resolutions for their election at the General Meeting. The President and Deputy President shall retire from office at the Annual General Meeting next following the General Meeting at which they were elected, but shall be eligible for re-election.
- (b) Subject as aforesaid the election of Honorary Officers shall be conducted in such manner as the chairman of the General Meeting shall direct.
- (c) The President and Deputy President in their capacity as such (if elected) shall be honorary officers of the Association but shall not be members of the Board.

### **The Seal**

81. The Seal shall only be used by the authority of the Board and in the presence of at least two members of the Board or one such member and the Secretary who shall sign every instrument to which the seal shall be so affixed in their presence.

### **Legal Proceedings**

82. The Association shall not contribute to the costs of conducting or defending any action or other proceedings in any Court of Law save in any case in which the Board shall have determined that in their opinion the institution or defence thereof is in the interests of the Association.

### **Accounts**

83. The Board shall cause proper books of accounts to be kept with respect to:-
- (a) all sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place ;
- (b) all sales and purchases of goods by the Association; and
- (c) the assets and liabilities of the Association.
84. The books of account shall be kept at the Office, or at such other place or places as the Board shall think fit, and shall always be open to the inspection of the members of the Board.
85. The Association in general meeting may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by the Members of the accounts and books of the Association, or any of them, and subject to such conditions and regulations the accounts and books of the Association shall be open to the inspection of Members at all reasonable times during business hours.

86. Once at least every year the Board shall lay before the Association in general meeting an income and expenditure account for the period since the last preceding account made up to a date not more than nine months before such meeting, together with a balance sheet made up as at the same date. Every such balance sheet shall be accompanied by a report of the Board and a report of the auditors and a copy of such account, balance sheet and reports shall not less than twenty-one days before the date of the meeting be sent to all persons entitled to receive notice of general meetings.

### **Audit**

87. Once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.
88. Auditors shall be appointed and their duties regulated in accordance with Sections 384-394A of the Act.

### **Notices**

89. Any notice to be given to or by any person pursuant to the Articles shall be in writing.
90. The Association may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at its address as appearing in the Register of Members or by leaving it at that address. A Member whose registered address is not within the United Kingdom and who gives to the Association an address within the United Kingdom at which notices may be given to it shall be entitled to have notices given to it at that address, but otherwise no such Member shall be entitled to receive any notice from the Association.
91. A Member present at any meeting of the Association shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
92. 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 be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 92a. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 12 hours after the time it was sent.

### **Winding up**

93. On the winding-up and dissolution of the Association the balance of its funds and assets after satisfaction of its debts and liabilities shall be transferred to another body with similar objects to those of the Association.

### **Indemnity**

94. Subject to the provisions of the Act every member of the Board, Secretary or other officer or auditor of the Association shall be indemnified out of the assets of the Association 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 Association.

Arts. of Assoc.doc

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