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**HEDGE FUND STANDARDS BOARD LIMITED ('THE COMPANY')**

**COMPANY NUMBER 6465317**

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

**WRITTEN RESOLUTION OF THE COMPANY**

**PURSUANT TO SECTION 288 OF THE COMPANIES ACT 2006**

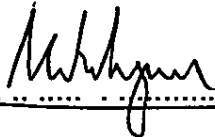
**PASSED ON 9 JULY 2008**

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The following written resolution having been duly proposed by the directors of the Company was duly passed by the Company as a special resolution

**SPECIAL RESOLUTION**

**THAT** the Articles of Association contained in the document annexed hereto and initialled for the purpose of identification be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company



.....  
Director

**FOR AND ON BEHALF OF HEDGE FUND STANDARDS BOARD**

WEDNESDAY



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20/08/2008

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COMPANIES HOUSE

Company Number 06465317

**THE COMPANIES ACTS 1985 TO 2006**

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

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**HEDGE FUND STANDARDS BOARD LIMITED**

**Incorporated on 7th January 2008**

**ARTICLES OF ASSOCIATION**

**(Adopted by Special Resolution passed on [ 9 July ] 2008)**

## ARTICLES OF ASSOCIATION

of

### HEDGE FUND STANDARDS BOARD LIMITED

(adopted by special resolution passed on [ ٩٧٤٧ ] 2008)

#### PRELIMINARY

1 (1) In these articles the following words bear the following meanings-

"the 1985 Act" means the Companies Act 1985 to the extent in force from time to time,

"the 2006 Act" means the Companies Act 2006 to the extent in force from time to time,

"the Acts" means the 1985 Act and the 2006 Act,

"electronic address" means any number or address used for the purposes of sending or receiving notices, documents or information by electronic means,

"these articles" means the articles of the Company,

"clear days" means in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

"electronic form" has the same meaning as in the 2006 Act,

"electronic means" has the same meaning as in the 2006 Act,

"executed" means any mode of execution,

"Founders" means Michael Alen-Buckley, Michael Cohen, Stuart Fiertz, Stanley Fink, Michael Hintze, Klaus Jantti, Nagi Kawkabani, Paul Marshall, Jeffrey Meyer, Bernard Oppetit, George Robinson, Emmanuel Roman, Paul Ruddock and Robert Standing and a "Founder" means any one of them,

"Member" means a person who is a subscriber to the Memorandum of Association of the Company or who is admitted as a Member in accordance with these articles,

"Office" means the registered office of the Company,

**"the seal"** means the common seal (if any) of the Company,

**"secretary"** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,

**"Signatory"** means a person who is accepted by the Trustees as a signatory to the best practice standards published by the Hedge Fund Working Group on 22 January 2008 and as subsequently published from time to time by the Company,

**"Trustee"** means a director of the Company

- (2) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles have the same meaning as in the Acts
  - (3) Except where otherwise expressly stated, a reference in these articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force
  - (4) In these articles, unless the context otherwise requires -
    - (a) words in the singular include the plural, and vice versa,
    - (b) words importing any gender include all genders, and
    - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons
  - (5) In these articles -
    - (a) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form, whether sent or supplied in electronic form or made available on a website or otherwise,
    - (b) references to "other", "otherwise", "including" and "in particular" shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible,
    - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise, and
    - (d) references to a committee of the Trustees are to a committee established in accordance with these articles, whether or not comprised wholly of Trustees
  - (6) The headings are inserted for convenience only and do not affect the construction of these articles
- 2 No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table A and Table C in the Companies (Tables A to F) Regulations 1985, apply as the regulations or articles of association of the Company

### **ADMISSION AS A MEMBER**

- 3 The subscribers to the memorandum of association of the Company and, subject to their agreeing to be bound by the memorandum and the articles, such other eligible persons as are admitted to membership in accordance with these articles shall be members of the Company
- 4 Eligible persons shall be any person who is appointed as a Trustee
- 5 No person shall be admitted as a Member unless his admission as such is approved by the Trustees
- 6 Each person who wishes to become a Member shall deliver to the Company an application for membership, in such form as the Trustees may require, duly executed by him

### **CEASING TO BE A MEMBER**

- 7 Membership shall not be transferable and a Member shall cease to be a Member on the occurrence of any of the following events
  - (a) that person ceases to be a Trustee, or
  - (b) the death of the Member

### **NOTICE OF GENERAL MEETINGS**

- 8 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The annual general meeting shall be held at such time, date and place as the Trustees shall appoint
- 9 The Trustees may call general meetings. If there are not sufficient Trustees to form a quorum in order to call a general meeting, any Trustee may call a general meeting. If there is no Trustee, any Member of the Company may call a general meeting
- 10 Subject to the provisions of the Acts, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Acts. The notice shall specify the place, the date and the time of 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. Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting. Notices shall be given to all the Members and to the Trustees and the auditors of the Company
- 11 The accidental omission to give notice of a meeting to, or the failure to give notice due to circumstances beyond the Company's control 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**

- 12 No business shall be transacted at any meeting unless a quorum is present. Three persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member (including

for this purpose three persons who are corporate representatives of the same Member), shall be a quorum

- 13 If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting 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 date, time and place as the Trustees may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meeting shall be dissolved.
- 14 The chairman (if any) of the board of Trustees, or in his absence the vice or deputy-chairman (if any), or in the absence of both of them some other Trustee nominated prior to the meeting by the Trustees, shall preside as chairman of the meeting, but if neither the chairman nor the vice or deputy-chairman nor such other Trustee (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Trustees present shall elect one of their number present and willing to act to be chairman, and if there is only one Trustee present he shall be chairman.
- 15 If no Trustee is present within fifteen minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be chairman.
- 16 The chairman of the meeting may permit other persons who are not members of the Company to attend and, at the chairman's discretion, speak at a general meeting.
- 17 (1) Without prejudice to any other power of adjournment he may have under these articles or at common law -
  - (a) the chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, and
  - (b) the chairman of the meeting may, without the consent of the meeting, adjourn the meeting before or after it has commenced, to another date, time or place which the chairman may decide, if the chairman considers that -
    - (i) the behaviour of anyone present prevents, or is likely to prevent, the orderly conduct of the business of the meeting,
    - (ii) an adjournment is necessary to protect the safety of any person attending the meeting, or
    - (iii) an adjournment is otherwise necessary in order for the business of the meeting to be properly carried out
- (2) When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give notice of an adjourned meeting. 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.

- 18 A resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is duly demanded. A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

A poll on a resolution may be demanded by -

- (a) the chairman,
- (b) the Trustees, or
- (c) not less than three Members having the right to vote at the meeting

- 19 Unless a poll is duly demanded and the demand is not subsequently withdrawn, 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 in respect of such declaration 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.

- 20 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.

- 21 Polls at general meetings shall, subject to articles 22 and 23 below, be taken as and when the chairman directs. The chairman may appoint scrutineers (who need not be Members) and decide how and when the result of the poll is to be declared. The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

- 22 A poll on -

- (a) the election of the chairman of the meeting, or
- (b) a question of adjournment,

must be taken immediately.

Other polls must be taken either immediately or within 30 days of their being demanded. A demand for a poll does not prevent a general meeting from continuing, except as regards 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.

- 23 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice must be given specifying the time and place at which the poll is to be taken.

- 24 In the case of an equality of votes, whether on a show of hands or a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

## **VOTES OF MEMBERS**

- 25 On a show of hands every Member who is present in person has one vote, and every proxy present who has been duly appointed by a Member entitled to vote has one vote, and on a poll every Member (whether present in person or by proxy) has one vote
- 26 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court. Evidence to the satisfaction of the Trustees of the authority of the person claiming the right to vote shall be delivered to the Office, or such other place as is specified in accordance with these articles for the delivery or receipt of appointments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable
- 27 No objection may be raised to the qualification of any person voting at a general meeting or on a poll or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting or at the time the poll is taken (if not taken at the meeting or adjourned meeting) at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting or when the poll is taken shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive

## **PROXIES AND CORPORATE REPRESENTATIVES**

- 28 A Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. The appointment of a proxy shall be deemed also to confer authority (in accordance with section 329 of the 2006 Act) to demand or join in demanding a poll. Delivery of an appointment of proxy shall not preclude a Member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a Member
- 29 Where two or more valid appointments of proxy are received in respect of the same Member in relation to the same meeting, the one which is last sent shall, unless otherwise specified in the notice convening the meeting, be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of such appointments shall be treated as valid in respect of that share
- 30 Subject to article 31 below, an appointment of proxy shall be in writing in any usual form or in any other form which the Trustees may approve and shall be executed by or on behalf of the appointor which in the case of a corporation may be either under its common seal or under the hand of a duly authorised officer
- 31 The Trustees may allow an appointment of proxy to be sent or supplied in electronic form subject to any conditions or limitations as the Trustees may specify, and where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the meeting (including



any document necessary to show the validity of, or otherwise relating to, an appointment of proxy, or notice of the termination of the authority of a proxy) may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting

- 32 An appointment of proxy together with any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the Trustees may -
- (a) in the case of an appointment of proxy in hard copy form, be received at the Office or such other place in the United Kingdom as is specified in the notice convening the meeting, or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote, or
  - (b) in the case of an appointment of proxy in electronic form, be received at the electronic address specified in the notice convening the meeting, or in any instrument of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote, or
  - (c) in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid not less than 24 hours (or such shorter time as the Trustees may determine) before the time appointed for the taking of the poll

An appointment of proxy which is not, or in respect of which the authority or copy thereof is not, received or delivered in a manner so permitted shall be invalid

- 33 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll, unless notice of the termination was delivered to the Company at the Office, or at such other place or address at which an appointment of proxy may be duly received or delivered, not later than the last time at which an appointment of proxy should have been received in order for it to be valid for use at the meeting at which the vote was given or the poll demanded or for use on the holding of the poll at which the vote was given
- 34 The Trustees may at the expense of the Company send or make available appointments of proxy or invitations to appoint a proxy to the Members by post or by electronic means or otherwise (with or without provision for their return prepaid) for use at any general meeting, either in blank or nominating in the alternative any one or more of the Trustees or any other person. If for the purpose of any meeting, appointments of proxy or invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote at it. The accidental omission, or the failure due to circumstances beyond the Company's control, to send or make available such an appointment of proxy or give such an invitation to, or the non-receipt thereof by, any Member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting

- 35 Subject to the provisions of the Acts, any corporation (other than the Company itself) which is a Member may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person or persons so authorised is present at it

## **TRUSTEES**

- 36 Unless otherwise determined by the Company by ordinary resolution the number of Trustees (disregarding alternate Trustees) shall not be less than three nor more than 15

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- (1) There may be paid to the Trustees (other than alternate Trustees) such fees for their services in the office of Trustee as the Trustees may reasonably determine. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Trustee pursuant to any other provision of these articles
- (2) The Trustees may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Trustees or of committees of the Trustees or general meetings of the Company or separate meetings of the Signatories or otherwise in connection with the discharge of their duties as Trustees
- (3) Any Trustee who performs, or undertakes to perform, services which the Trustees consider go beyond the ordinary duties of a Trustee may be paid such special remuneration (whether by way of fixed sum, bonus or otherwise) as the Trustees may determine

## **ALTERNATE TRUSTEES**

- 38 Any Trustee (other than an alternate Trustee) may appoint any other Trustee, or any other person approved by resolution of the Trustees and willing to act, to be an alternate Trustee and may remove from office an alternate Trustee appointed by him
- 39 An alternate Trustee shall (unless he is absent from the United Kingdom) be entitled to receive notices of meetings of the Trustees and of committees of the Trustees of which his appointor is a member, to attend and vote at any such meeting at which the Trustee appointing him is not present, and generally to perform all the functions of his appointor as a Trustee in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate Trustee
- 40 An alternate Trustee shall cease to be an alternate Trustee if his appointor ceases to be a Trustee, but, if a Trustee retires by rotation or otherwise but is reappointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Trustee made by him which was in force immediately prior to his retirement shall continue after his reappointment
- 41 An appointment or removal of an alternate Trustee shall be by notice to the Company executed by the Trustee making or revoking the appointment or in any other manner approved by the Trustees

- 42 Save as otherwise provided in these articles, an alternate Trustee shall be deemed for all purposes to be a Trustee and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the Trustee appointing him

## **POWERS OF TRUSTEES**

- 43 The business of the Company shall be managed by the Trustees who, subject to the provisions of the Acts, the memorandum and these articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the memorandum or these articles and no such direction shall invalidate any prior act of the Trustees which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the Trustees by these articles and a meeting of the Trustees at which a quorum is present may exercise all powers exercisable by the Trustees

## **MANDATE**

- 44 The Trustees shall exercise their powers in such a way as is consistent with the mandate of the Company set out in article 45
- 45 The mandate of the Company shall be
- (1) To be an independent body to be the guardian or custodian of best practice standards for the hedge fund industry,
  - (2) Not to act as a regulator and not to interpose itself in any way between hedge fund managers and their regulators,
  - (3) To produce an annual report on conformity with the best practice standards by the hedge fund industry,
  - (4) Not to act as a trade association,
  - (5) To maintain a register of Signatories which will be available for inspection on the Company's website,
  - (6) To maintain best practice standards for the hedge fund industry which, in the judgement of the Trustees
    - (a) are up to date,
    - (b) are set at a level that reflects high standards of conduct,
    - (c) meet the aspirations and needs of hedge fund managers,
    - (d) reflect the expectations of other stakeholders,
    - (e) meet the requirements of public policy,
    - (f) respond to changes in practice and expectation, and
    - (g) are iterated and revised in the case of existing standards and so that new standards are developed where gaps are identified,

- (7) To maintain links with stakeholders, including managers, industry users and suppliers, trade associations and regulatory and supervisory bodies, both within and outside the United Kingdom,
  - (8) To consider other best practice standards for the hedge fund industry which may be published or promulgated in jurisdictions outside the United Kingdom,
  - (9) To recognise that the hedge fund industry operates on a global basis and evaluate opportunities for, and impediments to, convergence with best practice standards in jurisdictions outside the United Kingdom,
  - (10) To retain a board of Trustees whose members
    - (a) have skills and experience in a wide variety of sectors,
    - (b) are of independent mind,
    - (c) have skills and experience in governance matters,
    - (d) are of high standing and capable of commanding respect,
    - (e) have experience and understanding of the international dimension,
    - (f) have a personal commitment to the success of and reputation of the hedge fund industry,
    - (g) are capable collectively of fulfilling the mandate set out in this article 45
- 46 The Trustees shall consult publicly with relevant stakeholders in the hedge fund industry on any material changes which they propose to make to the mandate set out in article 45 in such manner and to such extent as the Trustees consider appropriate

## **DELEGATION OF TRUSTEES' POWERS**

47

- (1) The Trustees may delegate any of their powers -
  - (a) to any Trustee holding any executive office or any other Trustee,
  - (b) to any committee consisting of one or more Trustees and (if thought fit) one or more other persons, and
  - (c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere
- (2) Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions the Trustees impose and either collaterally with or to the exclusion of their own powers and may be revoked or varied. The power to delegate under this article, being without limitation, includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any Trustee, and the scope of the power to delegate under sub-paragraph (a), (b) or (c) of paragraph (1) of this article shall not be restricted by reference to or inference from any other of those sub-paragraphs. Subject as aforesaid, the proceedings of any committee, local board or agency with

two or more members shall be governed by such of these articles as regulate the proceedings of Trustees so far as they are capable of applying

- 48 The Trustees may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Trustees, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent. The Trustees may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him

## **APPOINTMENT AND RETIREMENT OF TRUSTEES**

- 49 At every annual general meeting commencing with the annual general meeting in 2010 one-third of the Trustees who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office, but if there is only one Trustee who is subject to retirement by rotation, he shall retire. In addition, any Trustee who has served as a Trustee for 10 years or more since their appointment shall retire at every annual general meeting
- 50 Subject to the provisions of the Acts and to the following provisions of these articles, the Trustees to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Trustees on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Notwithstanding the foregoing, each Trustee shall retire from office no later than the third annual general meeting following the annual general meeting of appointment or reappointment. A retiring Trustee shall be eligible for reappointment
- 51 If the Company, at the meeting at which a Trustee retires under any provision of these articles, does not fill the vacancy the retiring Trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Trustee is put to the meeting and lost
- 52 No person other than a Trustee retiring at the meeting shall be appointed or reappointed a Trustee at any general meeting unless he is recommended by the Trustees
- 53 At a general meeting a motion for the appointment of two or more persons as Trustees by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment
- 54 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Trustee, either to fill a vacancy or as an additional Trustee
- 55 The Trustees may appoint a person who is willing to act to be a Trustee, either to fill a vacancy or as an additional Trustee, provided that the appointment does not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees
- 56 Subject as aforesaid, a Trustee who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting elects someone in his place or, if it does not do so, until the end of the meeting

## **DISQUALIFICATION AND REMOVAL OF TRUSTEES**

- 57 Without prejudice to the provisions of the Acts, the Company may, by special resolution, remove a Trustee before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the Trustee and the Company) and, subject to these articles, may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a Trustee on the day on which the Trustee in whose place he is appointed was last appointed or reappointed a Trustee.
- 58 The office of a Trustee shall be vacated if -
- (a) he ceases to be a Trustee by virtue of any provision of the Acts or he becomes prohibited by law from being a Trustee, or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
  - (c) 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 1984, 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 any person to exercise powers with respect to his property or affairs, or
  - (d) he resigns his office by notice in writing to the Company, or
  - (e) in the case of a Trustee who holds any executive office, his appointment as such is terminated or expires and the Trustees resolve that his office be vacated, or
  - (f) he is absent for more than six consecutive months without permission of the Trustees from meetings of the Trustees held during that period and the Trustees resolve that his office be vacated, or
  - (g) a notice in writing is served upon him personally or at the address registered with the Company in accordance with sections 288 to 290 of the 1985 Act or at his residential address provided to the Company, signed by all other Trustees for the time being to the effect that his office as Trustee shall on receipt of such notice be vacated (and such notice may consist of several documents in the like form each executed by one or more Trustees)

## **TRUSTEES' APPOINTMENTS AND INTERESTS**

59

- (1) Subject to the provisions of the Acts, and provided that he has disclosed to the Trustees the nature and extent of any material interest of his, a Trustee notwithstanding his office -

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, and
- (b) may be a Trustee or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested,

and (i) he shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate, (ii) he shall not infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate, and (iii) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

(2) For the purposes of this article -

- (a) a general notice given to the Trustees that a Trustee is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Trustee has an interest in any such transaction of the nature and extent so specified, and
- (b) an interest of which a Trustee has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

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- (1) The Trustees may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law -
  - (a) any matter which would otherwise result in a Trustee infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties), and
  - (b) a Trustee to accept or continue in any office, employment or position in addition to his office as a Trustee of the Company and without prejudice to the generality of paragraph (1)(a) of this article may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that the authorisation is only effective if

- (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Trustee in question or any other interested Trustee, and
  - (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted
- (2) If a matter, or office, employment or position, has been authorised by the Trustees in accordance with this article then (subject to such terms and conditions, if any, as the Trustees may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below) -
  - (a) the Trustee shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position,
  - (b) the Trustee may absent himself from discussions, whether in meetings of the Trustees or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position, and
  - (c) a Trustee shall not, by reason of his office as a Trustee of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position

- 61 The Trustees may appoint one or more of their number to any executive office under the Company and, subject to the provisions of the Acts, any such appointment may be made for such term, at such remuneration and on such other conditions as the Trustees think fit. Any appointment of a Trustee to an executive office shall terminate if he ceases to be a Trustee but without prejudice to any claim to damages for breach of the contract of service between the Trustee and the Company

## **GRATUITIES AND PENSIONS**

- 62 The Trustees may (by the establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions, or by insurance or death or disability benefits or otherwise, for any Trustee or any former Trustee who holds or has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse or civil partner and a former spouse and former civil partner) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

## **PROCEEDINGS OF TRUSTEES**

63

- (1) Subject to the provisions of these articles, the Trustees may regulate their proceedings as they think fit



- (2) A Trustee may, and the secretary at the request of a Trustee shall, call a meeting of the Trustees. Subject to paragraph (3) of this article, it shall not be necessary to give notice of a meeting to a Trustee who is absent from the United Kingdom.
- (3) If a Trustee gives notice to the Company of an address in the United Kingdom at which notice of meetings of the Trustees is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address, but the Company shall not be obliged by virtue of this paragraph to give any Trustee a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address.
- (4) Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A Trustee who is also an alternate Trustee shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote, and an alternate Trustee who is appointed by two or more Trustees shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.
- (5) A meeting of the Trustees may consist of a conference between Trustees some or all of whom are in different places provided that each Trustee who participates in the meeting is able
  - (a) to hear each of the other participating Trustees addressing the meeting, and
  - (b) if he so wishes, to address each of the other participating Trustees simultaneously,

whether directly, by conference telephone or by any other form of communication equipment (whether in use when this article is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of Trustees required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Trustees is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

- 64 No business shall be transacted at any meeting of the Trustees unless a quorum is present. The quorum may be fixed by the Trustees. If the quorum is not fixed by the Trustees, the quorum shall be three. A Trustee shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Trustee who is not himself a Trustee shall, if his appointor is not present, be counted in the quorum.
- 65 The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number, but, if the number of Trustees is less than the number fixed as the quorum, the continuing Trustees or Trustee may act only for the purpose of filling vacancies or of calling a general meeting.
- 66 The Trustees may elect from their number, and remove, a chairman and a vice or deputy-chairman of the board of Trustees. The chairman, or in his absence the vice or deputy-chairman, shall preside at all meetings of the Trustees, but if there is no chairman or vice or deputy-chairman, or if at the meeting neither the chairman nor the vice or deputy-chairman

is present within five minutes after the time appointed for the meeting, or if neither of them is willing to act as chairman, the Trustees present may choose one of their number to be chairman of the meeting

- 67 All acts done by a meeting of the Trustees, or of a committee of the Trustees, or by a person acting as a Trustee, shall notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any Trustee 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 a Trustee and had been entitled to vote
- 68 A resolution in writing executed by all the Trustees entitled to receive notice of a meeting of the Trustees or of a committee of the Trustees shall be as valid and effectual as if it had been passed at a meeting of the Trustees or (as the case may be) of that committee, duly convened and held, and may consist of several documents in the like form each executed by one or more Trustees, but a resolution executed by an alternate Trustee need not also be executed by his appointor and, if it is executed by a Trustee who has appointed an alternate Trustee, it need not also be executed by the alternate Trustee in that capacity
- 69
- (1) A Trustee shall disclose to the Trustees the nature and extent of any material interest of his, in accordance with the Acts. Having made such disclosure, subject to the provisions of the Acts and these articles a Trustee may vote in respect of any transaction or arrangement in which he is interested, and may be counted in the quorum present at the meeting at which such transaction or arrangement is to be approved
  - (2) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Trustees to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Trustee separately and (provided he is not for any reason precluded from voting) each of the Trustees concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment
- 70 If a question arises at a meeting of the Trustees as to the right of a Trustee to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or, if the Trustee concerned is the chairman, to the other Trustees at the meeting), and his ruling in relation to any Trustee other than himself (or, as the case may be, the ruling of the majority of the other Trustees in relation to the chairman) shall be final and conclusive

## MINUTES

- 71 The Trustees shall cause minutes to be made in books kept for the purpose -
- (a) of all appointments of officers made by the Trustees, and
  - (b) of all proceedings at meetings of the Company, of the Signatories, and of the Trustees, and of committees of the Trustees, including the names of the Trustees present at each such meeting

## **SECRETARY**

- 72 Subject to the provisions of the Acts, the secretary shall be appointed by the Trustees for such term, at such remuneration and on such other conditions as they think fit, and any secretary so appointed may be removed by them

## **THE SEAL**

- 73 The seal shall be used only by the authority of a resolution of the Trustees or of a committee of the Trustees. The Trustees may determine whether any instrument to which the seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise determined by the Trustees, every instrument to which the seal is affixed shall be signed by two authorised persons, or by a Trustee in the presence of a witness who attests the signature and for this purpose an authorised person is any Trustee or the secretary of the Company
- 74 Subject to the provisions of the Acts, the Company may have an official seal for use in any place abroad

## **NOTICES ETC**

- 75 Any notice to be given to or by any person pursuant to these articles shall be in writing other than a notice calling a meeting of the Trustees which need not be in writing
- 76 (1) Any notice, document or information may (without prejudice to articles 79 and 80) be sent or supplied by the Company to any Member either -
- (a) personally, or
  - (b) by sending it by post in a prepaid envelope addressed to the Member at his registered address or postal address given pursuant to article 76(4), or by leaving it at that address, or
  - (c) by sending it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement), or
  - (d) subject to the provisions of the Acts, by making it available on a website, provided that the requirements in article 76(2) are satisfied
- (2) The requirements referred to in article 76(1)(d) are that -
- (a) the Member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the Member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the Member is therefore taken to have so agreed (and has not revoked that agreement),

- (b) the Member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("notification of availability"),
    - (c) in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual general meeting, and
    - (d) the notice, document or information continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the Acts, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the Member, save that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid
  - (3) A Member whose registered address is not within the United Kingdom shall not be entitled to receive any notice, document or information from the Company unless he gives to the Company an address (not being an electronic address) within the United Kingdom at which notices, documents or information may be sent or supplied to him
  - (4) For the avoidance of doubt, the provisions of this article 76 are subject to article 11
  - (5) The Company may at any time and at its sole discretion choose to send or supply notices, documents and information only in hard copy form to some or all Members
- 77 A Member present either in person or by proxy, or in the case of a corporate Member by a duly authorised representative, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called
- 78 Any notice to be given to a Member may be given by reference to the register of Members as it stands at any time within the period of twenty-one days before the notice is given, and no change in the register after that time shall invalidate the giving of the notice
- 79 Subject to the Acts, where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to give notice of a general meeting, the general meeting may be convened by a notice advertised in two national daily newspapers published in the United Kingdom. The Company shall send or supply a copy of the notice to Members in the same manner as it sends or supplies notices under article 76 if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable

- 80 Subject to the Acts, any notice, document or information to be sent or supplied by the Company to the Members or any of them, not being a notice to which article 79 applies, shall be sufficiently sent or supplied if sent or supplied by advertisement in at least one national daily newspaper published in the United Kingdom
- 81 Any notice, document or information sent or supplied by the Company to the Members or any of them -
- (a) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice, document or information was posted unless it was sent by second class post or there is only one class of post, or it was sent by air mail to an address outside the United Kingdom, in which case it shall be deemed to have been received 48 hours after it was posted Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent,
  - (b) by advertisement, shall be deemed to have been received on the day on which the advertisement appears,
  - (c) by electronic means, shall be deemed to have been received 24 hours after it was sent Proof that a notice, document or information in electronic form was addressed to the electronic address provided by the Member for the purpose of receiving communications from the Company shall be conclusive evidence that the notice, document or information was sent,
  - (d) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website
- 82 If on three consecutive occasions notices, documents or information sent or supplied to a Member have been returned undelivered, the Member shall not be entitled to receive any subsequent notice, document or information until he has supplied to the Company (or its agent) a new registered address, or a postal address within the United Kingdom, or (without prejudice to article 76(4)) shall have informed the Company, in such manner as may be specified by the Company, of an electronic address
- 83 Where a document is required under these articles to be signed by a Member or any other person, if the document is in electronic form, then in order to be valid the document must either
- (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that Member or other person, in such form as the Trustees may approve, or
  - (b) be accompanied by such other evidence as the Trustees may require in order to be satisfied that the document is genuine

The Company may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation

requirements shall be specified in the relevant notice of meeting in accordance with articles 10 and 31

#### **WINDING UP**

- 84 Clause 7 of the memorandum of association of the Company relating to the winding up and dissolution of the Company shall have effect and be observed as if the provisions thereof were repeated in these articles

#### **INDEMNITY**

- 85 Subject to the provisions of the Acts, the Company may
- (a) indemnify any person who is or was a Trustee, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company, and/or
  - (b) purchase and maintain insurance for any person who is or was a Trustee, or a director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company

#### **BYELAWS AND REGULATIONS**

- 86 The Trustees shall have power from time to time to make, repeal or alter byelaws and regulations as to the conduct of business of the Trustees or any committee of the Trustees, as to the Signatories, general meetings of the Signatories and the subscriptions payable by Signatories and for such other purposes of the Company as may be thought fit, provided that such byelaws and regulations shall not be inconsistent with the Acts, the memorandum or these articles or any rule of law

#### **SIGNATORIES**

- 87 No person shall be admitted as a Signatory unless his admission as such is approved by the Trustees
- 88 The Trustees shall have absolute discretion in determining whether to accept or reject any application to become a Signatory and shall not be bound to give any reason for their decision
- 89 Every person who wishes to become a Signatory shall deliver to the Company an application to become a Signatory in such form as the Trustees may require, duly executed by him
- 90 The Trustees may, at their sole discretion, revoke their admission or acceptance of a person as a Signatory in the event that such Signatory fails to comply with any of the undertakings given by him in his form of application to become a Signatory
- 91 Each Signatory shall be liable to pay such annual or other periodic subscription to the Company as shall be determined by the Trustees and notified to the Signatories from time to time (the "Subscription")

- 92 Each Subscription shall be payable on such date or dates as may be determined by the Trustees and notified to the Signatories
- 93 The Trustees may fix the amount or rate of any Subscription by reference to such criteria as the Trustees may reasonably determine and the Trustees may fix different amounts or rates of Subscription in respect of different Signatories or different classes or categories of Signatories
- 94 The Company shall in each year hold a separate general meeting of the Signatories, at such time, date and place as the Trustees shall appoint. At each such separate general meeting of the Signatories commencing with the general meeting of the Signatories held in 2010 resolutions shall be put to the meeting to consider and, if thought fit, approve the appointment or reappointment of those Trustees who have been appointed or reappointed as Trustees at the annual general meeting of the Company held in that year. To every such separate general meeting of the Signatories the provisions of these articles relating to general meetings and to the giving of notices and other documents by the Company shall apply

#### **FOUNDERS**

- 95 A Founder shall be entitled to attend all meetings of the Trustees as an observer and shall be given (at the same time as the Trustees) notice of all meetings of the Trustees and all agendas, minutes and other papers relating to such meetings save to the extent that the Trustees determine (acting reasonably) that the participation of a Founder in all or part of the proposed meeting, or the receipt by a Founder of all or part of such papers, would not promote the success of the Company as a result of the confidential or sensitive nature of the matters to be discussed at such meeting or the information contained in such papers. A Founder shall be entitled to enjoy such other rights as the Trustees may determine, provided always that a Founder shall not be entitled to vote at meetings of the Trustees