

THE COMPANIES ACT 1985

---

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

---

ARTICLES OF ASSOCIATION

OF

THE OMBUDSMAN SERVICE LIMITED

(as adopted by special resolution dated 15 July 2008)

DEFINITIONS

1 In these Articles, unless the subject matter or context otherwise requires:

**Act** means the Companies Act 1985;

**Annual Budget** means each annual financial budget for the Company for the period commencing either from (and including) the Commencement Date or, if later, from (but excluding) the end of the period covered by the last annual financial budget (in each case, the **Budget Commencement Date**) and ending on (and including) the next following Company Year End;

**Annual Business Plan** means each annual business plan for the Company for the period commencing either from (and including) the Commencement Date or, if later, from (but excluding) the end of the period covered by the last annual business plan (in each case, the **Business Plan Commencement Date**), and ending on (and including) the next following Company Year End;

**annual general meeting** means an annual general meeting of the Company Members;

**Articles** means the Articles of Association from time to time of the Company;

**Auditors** means the auditors from time to time of the Company;

**Award** has the meaning given in the Terms of Reference;

**Board of Directors** means the board of directors of the Company from time to time;

**case fee** means such fee as the Company shall impose upon each Service Member, in accordance with the applicable scale of such fees approved by the relevant Member Board(s), representing each Service Member as a result of a complaint against or dispute with such Service Member being accepted by the Ombudsman as falling within the jurisdiction of the Service, and **case fees** shall be construed accordingly;

**Chairman** means the chairman of the Council;

**clear days**, in relation to the period of a notice, means 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;

**Clerk to a Member Board or Clerk** means the clerk from time to time of a Member Board, including any assistant or deputy clerk;

**Commencement Date** means the date the Company commenced the provision and operation of the Service;

**Company** means The Ombudsman Service Limited;

**Company Member** means a member of the Company admitted to membership of the Company in accordance with these Articles and **Company Membership** shall be construed accordingly;

**Company Year End** means 31 March in each year, or such other financial year end date as the Company may adopt from time to time;

**complainant** has the meaning given in the Terms of Reference, and **complainants** shall be construed accordingly;

**Council** means the Board of Directors of the Company, or the members of such Board of Directors present at a duly convened meeting of the Council at which a quorum is present;

**Council Member** means an individual member of the Council;

**Deed Poll** has the meaning given in the Terms of Reference;

**executed** includes any mode of execution;

**extraordinary general meeting** means an extraordinary general meeting of the Company Members;

**Finance Board** means a finance board constituted in accordance with the Articles where there are two or more Member Boards from different Service Sectors;

**general meeting** means a general meeting of the Company Members;

**Independent Council Member** means each Council Member appointed to the Council, and nominated or invited to act, in each case, as an independent Council Member, being a Council Member who is not and has not been a director or senior employee of any Service Member or Potential Service Member or employed in any senior advisory capacity by any Service Member or Potential Service Member during the term of their appointment to the Council or at any time within the five years prior to such appointment;

**Industry Council Member** means a Council Member who is a Member Board Industry Member that has been appointed to the Council by a relevant Member Board;

**Initial Independent Council Members** means those Independent Council Members who were appointed at the Commencement Date;

**Member Board** means a Member Board constituted by representatives from the Service Members of the same Service Sector in accordance with the Terms of Reference applicable to such Service Sector and the Articles, or the members of such board present at a duly convened meeting of a Member Board at which a quorum is present;

**Member Board Member** means an individual member of a Member Board;

**Member Board Industry Member** means an individual who is appointed to a Member Board from a Service Sector which that Member Board represents and who is:

- (a) an employee of a Service Member or contractually engaged by a Service Member; and
- (b) not an Independent Council Member; and
- (c) appointed to a Member Board in accordance with the relevant Terms of Reference of the relevant Service Sector;

**Memorandum** means the Memorandum of Association from time to time of the Company;

**month** means calendar month;

**notice** includes all written communication;

**Ombudsman** means the Ombudsman referred to in the Terms of Reference and appointed in accordance with Articles 84 to 88;

**Ombudsman Services** means the ombudsman services which the Company administers in accordance with the Articles and the Terms of Reference;

**Ombudsman's Report** means each annual report (which shall be distinct from the annual report of the Company) relating to the discharge of the Ombudsman's functions during the period commencing either from (and including) the Commencement Date or, if later, from (but excluding) the end of the period covered by the last annual Ombudsman's report, and ending on (and including) the next following Company Year End (each, the **Ombudsman's Reporting Period**), which report is to be provided within such period following the end of such Ombudsman's Reporting Period (as the Council shall determine) by the Ombudsman to both the Council and the Member Boards for publication;

**person** includes any body, body corporate, government, state or agency of any government or state, or any joint venture, association or partnership, and references (express or implied) to **person, he, she or it**, shall be construed so as to include references to such persons, to any natural or legal person and to a person's legal personal representatives and successors;

**Potential Service Member** means a person who is not a Service Member but who, if they subscribed to be a member of the Service would be eligible to do so under the Terms of Reference;

**Registered Office** means the registered office from time to time of the Company;

**Remedy and Remedies** have the meanings given in the Terms of Reference;

**Seal** means the common seal of the Company;

**Secretary** means the secretary from time to time of the Company, including any assistant or deputy secretary;

**Service** means the Ombudsman Services administered by the Company to Service Members and their complainants in respect of all Service Sectors as constituted and defined by the Memorandum, these Articles, the Deed Poll and the Terms of Reference;

**Service Member** means a person who has subscribed to be a member of the Service in respect of a Service Sector and admitted to membership by the Council in accordance with the relevant Terms of Reference (and (as the context so requires) each and/or any of its subsidiary undertakings from time to time) and which has put relevant services and/or products under the jurisdiction of the Ombudsman and the Service and **Service Membership** shall be construed accordingly;

**Service Sector** means a particular industry sector to which the Service is provided;

**subscriptions** means such annual subscription charges payable by, or on behalf of, Service Members to the Company as approved by their relevant Member Board;

**subsidiary undertaking** has the meaning given in section 258 of the Act;

**Terms of Reference** means the terms of reference of the Service for each Service Sector from time to time;

**United Kingdom** means Great Britain and Northern Ireland; and

**in writing** and **written** include printing, lithography, photography, email and typewriting and all other modes of representing or reproducing words in enduring visible form.

2 Words importing the singular include the plural and vice versa.

3 Words importing the masculine include the feminine and vice versa.

4 References to any statute or statutory provision include a reference to that statute or statutory provision as from time to time modified, amended, re-enacted or supplemented.

5 These Articles are to be read and construed subject to Clause 3 of the Memorandum and, in the event and to the extent of any conflict or inconsistency between the provisions of these Articles and the provisions of such Clause, the provisions of such Clause shall prevail and apply.

6 Unless the context otherwise requires and to the extent not inconsistent with the terms and/or provisions of these Articles, the definitions and interpretations included in the Terms of Reference shall apply equally to these Articles.

## **COMPANY AND SERVICE MEMBERS**

7 The Company Members shall be admitted in accordance with these Articles.

8 All persons who are admitted to membership of the Council shall, immediately upon such admission, become Company Members.

9 Each Council Member's Company Membership shall, cease and terminate immediately on:

- (a) written notice being given by such Council Member to the Secretary to terminate their position as a Council Member; or
- (b) written notice being given by the Company to such Council Member to terminate their position as a Council Member with the Company; or
- (c) the expiry of such Council Member's term of appointment to the Council

and any such Council Member who ceases to be a Council Member shall be deemed an **Outgoing Council Member**.

For the avoidance of doubt no termination referred to in Articles 9(a) to 9(c) (inclusive) above shall be effective if such termination would result in the Company ceasing to have any Council Members following such termination. In such event the Outgoing Council Member(s) shall remain Council Members and shall take such steps as are necessary to appoint additional Council Members to the Council. Upon such new Council Members being appointed to the Council the Outgoing Council Member(s) shall immediately cease to be a Council Member and a Company Member.

- 10 Service Membership shall be available to all persons who the Council determines are eligible for Service Membership, in accordance with the Terms of Reference.
- 11 Subject to Article 15, a Service Member may only terminate its Service Membership in accordance with the relevant Terms of Reference.
- 12 The Council shall have the right and discretion, following such consultation with a Member Board as is reasonably practicable in the circumstances, to terminate the Service Membership of a Service Member and to remove such Service Member from the Service with immediate effect on written notice to such Service Member, in the event of such Service Member ceasing trading, being wound up or dissolved by voluntary or involuntary proceedings, entering into a voluntary arrangement with its creditors or on the appointment of an administrator, administrative receiver, receiver or liquidator in respect of such Service Member.
- 13 Any Service Member may be removed from the Service by the Council in meeting following consultation with the relevant Member Board representing the Service Sector of which the Service Member is a member. Not less than 21 days' prior written notice of such meeting shall be sent to the Service Member whose removal is in question specifying the intention to propose such removal from the Service and the general nature of the grounds on which such removal is proposed. Such Service Member shall (within reason) be entitled to be heard by the Council at such meeting. A Service Member heard at such meeting by its representative shall be deemed to be heard in person.
- 14 Cessation of Service Membership as provided for in Articles, 12 and 13 above:
  - (a) shall not entitle the Service Member to repayment of the whole or any part of any charge or case fee previously paid by it;
  - (b) shall be without prejudice to the Service Member's liability to pay any charge or case fee which has become or becomes due and payable by it;
  - (c) shall be without prejudice to any other accrued rights, entitlements, obligations and/or liabilities of the Service Member; and
  - (d) shall be without prejudice to the Service Member's obligation to:

- (i) comply with any Final Decision which, in accordance with the Terms of Reference, is made by the Ombudsman against it and is accepted by the complainant and which is, therefore, binding on it in accordance with the Terms of Reference; and
    - (ii) provide to the complainant (within the period prescribed by the Terms of Reference and/or such Final Decision) any Remedy (including any Award) made under any such Final Decision, provided, in each case, that the complaint or dispute to which such Final Decision relates was made to the Ombudsman prior to such cessation;
  - (e) shall be without prejudice to the Service Member's obligation to remain liable in respect of complaints or disputes against it, or with it, which originated whilst it was a Service Member as if it remained a Service Member.
- 15 If all Service Members from a particular Service Sector resign en-bloc or if a Member board of a Service Sector proposes on behalf of that Service Sector to determine the administration of the Service by the Company to all the Service Members and their complainants in respect of that Service Sector then:
- (a) each Service Member or the Member Board (as applicable) shall give not less than six months' notice in writing to the Secretary;
  - (b) where notice is served by a Member Board in accordance with Article 15(a) above the obligations of each Service Member in that Service Sector shall be the same as if each Service Member had given an individual notice to terminate its membership and accordingly Article 14 shall apply to such a notice and to each Service Member;
  - (c) each Service Member shall in addition be liable pro rata for all the Company's consequential expenditures arising from that termination including but not limited to the costs of redundancy, rental liabilities for property and equipment, and associated liabilities whenever arising from the Service for that Service Sector;
  - (d) neither the Member Board of a Service Sector which determines the administration of the service by the Company or the Service Members of that Service Sector having resigned shall be entitled to be reimbursed any funds of the Company held in reserve until all obligations incurred by virtue of Article 14 or this Article 15 have been satisfied and then only at the discretion of the Company pro rata in respect of any reserve to which the relevant Service Member may be deemed to have contributed during their period of membership and the decision of the Company in the apportionment and identification of such reserves shall be final.
- 16 The services and or products which fall within the jurisdiction of the Ombudsman and the Service shall be defined within the Terms of Reference of the relevant Service Sector in agreement between the Council and the Member Board of that Service Sector.
- 17 Each Service Member or, in accordance with the relevant Terms of Reference, the relevant third party on such Service Member's behalf, shall (within the relevant period from time to time prescribed for such) pay to the Company such subscriptions and case fees as shall be demanded or imposed (from time to time) by or on behalf of the Company, in accordance with such scales of subscriptions and case fees as shall (from time to time) be determined by the relevant Member Board of each Service Sector.

- 18 Each Company Member and Service Member shall comply with these Articles and (to the extent not inconsistent with these Articles) the Terms of Reference.
- 19 Each Service Member shall, unless prescribed otherwise in the relevant Terms of Reference, contemporaneous with becoming a Service Member or, in the case of existing Service Members, on the date of adoption of these Articles and contemporaneous with adoption of these Articles, execute and deliver a Deed Poll.
- 20 For the avoidance of doubt any such Deed Poll executed prior to any amendment of these Articles unless otherwise therein provided shall continue to have full force and effect as if effected under these Articles as amended.

### **THE COUNCIL**

- 21 The Council shall consist of not less than seven members or such other greater number as may from time to time be determined by the Council so that:
- (a) there shall be at all times at least two Independent Council Members for every one Industry Council Member; and
  - (b) the Independent Council Members shall be appointed by (and in addition to, substitution for and succession to) the then existing Council Members;
  - (c) the Chairman and any deputy chairman of the Council shall be appointed, by the Council Members from one of the Independent Council Members for such a term as the Council shall determine.
- 22 Subject to Article 24 below, each Member Board may appoint (in their absolute and unfettered discretion) such number of Industry Council Members as shall be permitted in accordance with the Terms of Reference applicable to them.
- 23
- (a) After consultation and in agreement with the Member Boards of every Service Sector the Council may determine to limit the overall size of the Council and thus change the number of Industry Council Members who may be appointed to the Council in order to maintain that proportion referred to in Article 21(a).
  - (b) In the event that a determination is made pursuant to Article 23(a) above the Terms of Reference of each Service Sector shall be deemed to be amended accordingly.
- 24 The Industry Council Members appointed by and from the Member Board(s) shall be appointed to serve for a period of up to two years with an option for the relevant Member Board to renew such appointments for one further period of up to two years or, in each case, such lesser periods as conform to the periods for which such persons are appointed to serve as Member Board Industry Members but nothing herein shall prevent the same individual being appointed thereafter if eligible for a further like term or terms if the relevant Member Board so determines.
- 25 In relation to the duration of the terms of office of the Initial Independent Council Members (including the Chairman):
- (a) one of the Initial Independent Council Members shall be appointed to serve for a period of up to two years from the Commencement Date with an option for the Council to renew such appointment for one further period of up to three years;

- (b) one of the Initial Independent Council Members shall be appointed to serve for a period of up to three years from the Commencement Date with an option for the Independent Council Members to renew such appointment for one further period of up to three years; and
- (c) three of the Initial Independent Council Members (including the Chairman) shall be appointed to serve for a period of up to four years from the Commencement Date with an option for the Council to renew such appointments for one further period of up to three years,

thereafter, the Council shall appoint any subsequent Independent Council Members for a period of up to three years, with an option for the Council to renew such appointments for one further period of up to three years but so as to ensure that the length of term of each such Independent Council Member shall overlap to ensure continuity of membership.

- 26 The Council with the agreement of the Member Board(s) may extend the term of office of any Independent Council Member once only for a further period not exceeding 12 months if in its discretion there are good reasons to do so and the Council shall expressly minute such reasons.

#### **POWERS AND DUTIES OF THE COUNCIL**

- 27 Subject to the provisions of the Act, the Memorandum, the Articles and the Terms of Reference and to any relevant special resolutions of the Company, the business of the Company shall be managed by the Council in accordance with and subject to the terms of the current Annual Budget and/or Annual Business Plan from time to time. No amendment of the Act and no alteration of the Memorandum, Articles or Terms of Reference and no such special resolution shall invalidate or validate any prior act of the Council which would have been valid or, as the case may be, invalid if that amendment or alteration had not been made or that special resolution had not been passed. The powers given by this Article shall not be limited by any specific power given to the Council by the Articles and a meeting of the Council at which a quorum is present may exercise all powers exercisable by the Council.

- 28 Subject and without prejudice to the generality of Article 27, the Council shall:

- (a) appoint the Ombudsman and determine his/her terms and conditions of appointment (including the level of his/her remuneration), subject to the Terms of Reference and the then current Annual Budget and Annual Business Plan approved by the Finance Board or a Member Board (as appropriate);
- (b) ensure that the independence of the Ombudsman is safeguarded and maintained;
- (c) ensure that the Ombudsman satisfactorily administers the affairs and conduct of the business of the Service;
- (d) set and monitor quality-of-service and performance standards of the Service (including, without limitation, timeliness and quality-of-service) and review and monitor the performance of the Ombudsman against agreed performance goals and criteria;
- (e) give such assistance and advice to the Ombudsman concerning the performance of his/her duties as the Council shall consider appropriate, but not to take part in the consideration of any individual complaint or dispute;

- (f) investigate and resolve disputes and complaints raised by relevant complainants and/or Service Members in relation to the operation of the Service and/or the performance of the Ombudsman, and establish appropriate processes to facilitate such investigation and resolution;
- (g) receive the Ombudsman's Report required by Article 94 and publish such report, incorporating any additional comments presented by the Chairman as the Council decides are appropriate in the Council's sole and absolute discretion only as a forward to the report and without changing the content of the report provided by the Ombudsman.
- (h) have the same duties and obligations and the same rights and powers in relation to any deputising Ombudsman or other delegate of the Ombudsman so empowered by the Ombudsman in accordance with the Terms of Reference as the Council has in relation to the Ombudsman;
- (i) review the Terms of Reference;
- (j) subject to and in accordance with the Terms of Reference (including, without limitation, any applicable requirement to obtain the prior approval of a Member Board), amend the Terms of Reference in accordance with the agreed recommendations of the Council, provided that no such amendments shall be made or entitled to be made to the extent that such amendments or their effect on the Terms of Reference do not or would not fall within the objects of the Company as set out in the Memorandum;
- (k) each year, consider, amend and approve the draft Annual Business Plan prepared by the Ombudsman for the period commencing on and from the next Business Plan Commencement Date and, by not later than 28 February prior to the relevant Business Plan Commencement Date, submit and recommend the draft Annual Business Plan to the Member Board (where there is only one Member Board) or to the Finance Board (where there is more than one Member Board) (as the case may be) for approval and adoption (subject to such amendments thereto as the Member Board or the Finance Board (as applicable) shall think fit) and the Council shall endeavour to consult the Member Board or the Finance Board (as applicable) during the approval process;
- (l) each year, consider, amend and approve the draft Annual Budget prepared by the Ombudsman for the period commencing on and from the next Budget Commencement Date and, by not later than 28 February prior to the relevant Budget Commencement Date, submit and recommend the draft Annual Budget to the Member Board (where there is only one Member Board) or the Finance Board (where there is more than one Member Board) (as the case may be) for approval and adoption (subject to such amendments thereto as the Member Board or the Finance Board (as applicable) shall think fit) and the Council shall endeavour to consult the Member Board or the Finance Board (as applicable) during the approval process;
- (m) ensure that the affairs and business of the Company are conducted in accordance with the then current Annual Business Plan and Annual Budget approved by the Member Board or the Finance Board as the case may be;
- (n) comply and act in accordance with these Articles and (to the extent not inconsistent with these Articles) the Terms of Reference;

- (o) ensure that the Service and the Ombudsman are appropriately advertised and promoted so as to enhance their reputation and credibility and that such public profile is achieved and maintained;
- (p) ensure that the Service is easily and widely accessible to complainants;
- (q) arrange publication from time to time of such information as it shall deem appropriate about the nature of the Service and the work of the Ombudsman (but not concerning any individual complaint or dispute other than on an anonymised basis);
- (r) admit eligible Service Members to and/or remove Service Members from the Service, in each case, in accordance with and subject to the relevant Terms of Reference and the Articles;
- (s) consider and determine applications by Service Members for certain of their services and/or products to be included, in accordance with the Terms of Reference, as services and/or products falling within the jurisdiction of the Service;
- (t) procure the preparation of accounts in respect of the Company as required by the Act; and
- (u) appoint a Secretary of the Company whose duties shall also include those of Clerk to the Member Board(s).

29 In exercising its functions, the Council shall have regard to the effective, economic and efficient operation of, and to the best interests of, the Service.

30 Provided that such is in accordance with the then approved current Annual Budget and/or Annual Business Plan (as the case may be), the Council may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, service or arrangement of life assurance for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Service, together with their families and/or dependants, and to make payments for or towards the insurance of any such person.

#### **DELEGATION OF COUNCIL POWERS**

31 The Council may delegate any of its powers to any committee consisting of a minimum of three members, two of whom shall be Independent Council Members and one of whom shall be an appropriate Industry Council Member from the relevant Service Sector or such other person as may be nominated by the relevant Member Board irrespective of whether that person is a Council Member. Any such delegation may be made subject to any conditions the Council may impose, either collaterally with or to the exclusion of their own powers, and may be revoked or altered by the Council. Subject to any such conditions, the proceedings of such a committee shall be governed by the Articles regulating the proceedings of the Council so far as they are capable of applying.

#### **DISQUALIFICATION AND REMOVAL OF COUNCIL MEMBERS**

32 The office of a Council Member shall be automatically vacated if he/she:

- (a) becomes bankrupt, a receiving order is made against him/her or he/she makes any arrangement or composition with his/her creditors generally; or

- (b) in the reasonable opinion of the Council, becomes of unsound mind; or
- (c) resigns his/her office by notice in writing to the Company; or
- (d) does any act or finds himself/herself in any position which, in the reasonable opinion of the Council, is likely to lead him/her, the Council, the Service or the Company into disrepute; or
- (e) does any act or finds himself/herself in any position which, in the reasonable opinion of the Council, conflicts or is likely to conflict with his/her position and/or the exercise of his/her powers and/or duties as a Council Member, or the effective operation of the Service, the Ombudsman or the Terms of Reference; or
- (f) shall have been absent, without the permission of the Council, from more than four consecutive meetings (whether of the Council or any relevant committee of the Council) and the Council resolves that his/her office be vacated; or
- (g) in the case of an Independent Council Member, ceases to satisfy the criteria set out in the definition of Independent Council Member; or
- (h) in the case of an Industry Council Member, ceases to satisfy the criteria set out in the definition of an Industry Council Member; or
- (i) does not have their appointment as Council Member renewed after the expiry of their term of appointment.

#### **COUNCIL MEMBERS' EXPENSES**

- 33 In addition to the remuneration to be determined in accordance with Article 102(d)(iii), the Council Members shall be entitled to be paid all travelling, hotel and other expenses reasonably and properly incurred by them in connection with the Service and/or the business of the Company.
- 34 A Council Member may hold no other office under the Company or the Service, nor may he/she personally or his/her firm or company act in a professional capacity for or otherwise benefit from the Company or the Service other than as permitted under these Articles and the Terms of Reference.

#### **COUNCIL MEMBERS' INTERESTS**

- 35 At all times, each Council Member must:
- (a) maintain a current written statement which must be submitted to the Council detailing the nature and extent of any material interest of his/hers which may conflict with his/her interests as a Council Member; and
  - (b) amend such statement whenever any significant change in or addition to such material interests occurs or, if time does not permit such an amendment, declare the change or addition to the Council in the next duly convened meeting.
- 36 A Council Member may not take part in the consideration of or voting on any matter, transaction or arrangement with the Company or in which the Company is otherwise interested and in which he/she has a material interest unless specific approval is given by a majority of the Council Members (excluding such Council Member) voting on any such matter, transaction or arrangement. For the avoidance of doubt, (i) any Industry Council Member's

interest in any Service Member shall not be treated as a material interest for this purpose to the extent that the matter, transaction or arrangement in question relates to Service Members or any category of Service Members generally (rather than to a particular Service Member) and (ii) any Council Member's interest in any Service Member shall not be treated as a material interest for this purpose to the extent that the relevant interest is an interest in 5% or less of the listed securities of a Service Member.

37 Article 36 shall not apply when the matter to be considered is the approval of the draft Annual Business Plan or Annual Budget for recommendation to the Member Board or the Finance Board (as appropriate) under Article 28(k) or 28(l) or the review, determination and/or amendment of the Terms of Reference under Article 28(i) or 28(j).

38 For the purposes of Articles 35, 36 and 37 an interest of which a Council Member has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.

### **PROCEEDINGS OF THE COUNCIL**

39 The Council may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Council Member may at any time request a meeting of the Council by notice duly served upon the Secretary and the Secretary shall convene such meeting within thirty days of the due service of such notice. Every Council Member shall be given not less than seven days' notice of a proposed meeting, provided that it shall not be necessary to give notice of a meeting of the Council to any Council Member for the time being absent from the United Kingdom, unless such Council Member has, prior to the dispatch of such notice, provided the Council with a United Kingdom address for service of such notice.

40 A meeting of the Council to be held in the two weeks prior to the date fixed for the holding of an annual general meeting of the Company shall be designated by the Council as its annual meeting of that calendar year.

41 The quorum necessary during the course of a meeting of the Council for the transaction of the business of the Council shall be three, or such lesser number of Council Members as are appointed from time to time provided always that the majority of Council Members present are Independent Council Members.

42 Subject to Article 41, the Council may act notwithstanding any vacancy in its body.

43 The Chairman of the Council or, in his/her absence, a deputy chairman of the Council (if any) shall take the chair at meetings of the Council but if they are unwilling to preside or are not present within fifteen minutes after the time fixed for the commencement of any such meeting, the Council Members present shall choose one of their number to chair the meeting.

44 Unresolved questions arising at any meeting of the Council shall be decided by a majority of votes. In the case of an equality of votes the person chairing the meeting shall have a second or casting vote.

45 A resolution in writing, signed by all Council Members for the time being entitled to receive notice of a meeting of the Council, or a committee of the Council, shall be as valid and effective as if it had been passed at a meeting of the Council or (as the case may be) a committee of the Council duly convened and held and may consist of several documents in the like counterpart form each signed by one or more Council Members.

- 46 Any Council Member or member of a committee of the Council may participate in a meeting of the Council or such committee by means of conference telephone or other communications equipment whereby all persons participating in the meeting can hear and speak to one another and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 47 All acts done by any meeting of the Council or of any committee of the Council, or by any person acting as a Council Member or member of any such committee, shall, notwithstanding that there may have been some defect in the appointment of any of the persons comprising the Council, the committee or of any person acting as aforesaid, or that they or any of them were, at the relevant time, disqualified from holding office or had vacated office or were not entitled to vote or that, (solely as a result of the above), the correct quorum was not present, be as valid as if every such person had been duly appointed, was duly qualified to hold office, had not vacated office and was entitled to vote and that, as a result, the correct quorum was present, provided, in each case, that no Council Member was aware of such relevant defects or matters until after such acts had been undertaken or occurred.
- 48 In addition to the powers given pursuant to Articles 27 and 28, the Council may, subject to the terms of the then current approved Annual Budget and Annual Business Plan and the Terms of Reference, appoint one or more advisory committees to provide advice to the Council on matters relating to the Service and/or its operation. Such committees shall not be governed by any other provisions of these Articles and need not be comprised of Council Members, but shall be comprised of such persons and shall be governed by such rules and procedures as the Council may from time to time determine are appropriate in the context of the advice being sought.
- 49 A Council Member shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 50 If a question is raised at a meeting of the Council or any committee of the Council as to the right, under or pursuant to these Articles, of a Council Member or committee member to vote, the question may, before the conclusion of the meeting, be referred to the Chairman or a deputy chairman (if any) of such meeting and his/her ruling in relation to any such Council Member or committee member (other than himself/herself) shall be final and conclusive.

### **COUNCIL MINUTES**

- 51 The Council shall cause minutes to be made in books kept for the purpose:
- (a) of noting the names of the Council Members present at each meeting of the Council, and the members present at each meeting of any committee of the Council; and
  - (b) of noting all resolutions proposed and material matters discussed at meetings of the Council and committees of the Council.

Any such minutes of any meetings of the Council or of any committee, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

### **SEAL**

- 52 The Council shall provide for the safe custody of the Seal, and the Seal shall be used only with the authority of the Council or a committee thereof duly authorised by the Council. The Council may determine who shall sign any instrument to which the Seal is affixed and unless

determined otherwise it shall be signed by a Council Member and by the Secretary or by a second Council Member.

### **GENERAL MEETINGS**

- 53 An annual general meeting shall be held once in every calendar year, at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting) and place as may be determined by the Council. All other general meetings shall be called extraordinary general meetings.
- 54 The Council may whenever it thinks fit, and shall on requisition in accordance with the Act, proceed with appropriate expedition to convene an extraordinary general meeting.
- 55 The business of an annual general meeting shall include:
- (a) receiving and considering the Company's accounts, the balance sheet and the report of the Auditors;
  - (b) appointing Auditors and fixing their remuneration; and
  - (c) transacting any other business which under these Articles ought to be transacted at an annual general meeting.

All other business transacted at an annual general meeting and all business transacted at an extraordinary general meeting shall be deemed special business.

### **NOTICE OF GENERAL MEETINGS**

- 56 Any annual general meeting and any extraordinary general meeting at which it is proposed to pass a special or extraordinary resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' notice in writing and any other extraordinary general meeting shall be called by at least 14 clear days' notice in writing. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given, in the manner set out hereinafter, to all Company Members and provided also that a general meeting called by a shorter notice than that specified above shall, notwithstanding this, be deemed to have been duly called if it is so agreed:
- (a) in the case of an annual general meeting, by all of the Company Members entitled to attend and vote thereat; and
  - (b) in the case of an extraordinary general meeting, by a majority in number of the Company Members having the right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights.
- 57 Every notice calling a general meeting shall specify the place and the date and time of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Company Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him/her and that a proxy need not be a Company Member.
- 58 The notice shall specify the general nature of the business to be transacted at the meeting; and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

- 59 In the case of an annual general meeting, the notice shall also specify the meeting as such.
- 60 The accidental omission to give notice of a general meeting to, or the resultant non-receipt of notice of a general meeting by, any person entitled to receive such notice shall not invalidate the proceedings at that general meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 61 The Chairman of the Council or, in his/her absence, the deputy chairman of the Council (if any) shall take the chair at every general meeting but, if no such person is present and willing to act within fifteen minutes after the time appointed for the meeting, the Council Members present shall elect one of their number to chair the meeting.
- 62 Subject to Article 63, no business shall be transacted at any general meeting unless there is a quorum of three Company Members present at the time when the meeting proceeds to business.
- 63 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place (or such other time and/or place as the chairman of the meeting may determine), and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting those Company Members who are present shall constitute a quorum and may transact the business for which the meeting was called.
- 64 The chairman of a general meeting at which a quorum is present may, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original general meeting in accordance with Article 56 but it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 65 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (a) by the chairman of the meeting; or
  - (b) by at least two Company Members.
- 66 Unless a poll is duly demanded, a declaration by the chairman of the meeting 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 such resolution.
- 67 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 68 Except as provided in Article 70, if a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs (having regard to the interests of expediency and

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

69 In the case of an equality of votes, the chairman of the meeting shall both on a show of hands and on a poll have a casting vote in addition to any other vote he/she may have.

70 A poll demanded on the election of the chairman of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, not being more than thirty days after the poll is demanded, and any business other than that upon which a poll has been validly demanded may be proceeded with pending the taking of the poll.

71 A resolution in writing executed by all the Company Members for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

### **VOTES OF MEMBERS**

72 On a show of hands and on a poll every Company Member shall have one vote.

73 An instrument appointing a proxy (and where it is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof) must either (i) be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the Registered Office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or (ii) be delivered to the Secretary (the Chairman of the Council or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument may be in the form of a facsimile or other machine made copy and shall, unless the contrary is stated thereon, be valid for the meeting to which it relates and for any adjournment thereof. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

### **SECRETARY**

74 The Secretary shall be appointed by the Council (following consultation with the Member Board(s)) for such term, at such remuneration and upon such conditions as it may think fit and may be removed by it.

75 The Council may from time to time (following consultation with the Member Board(s)) appoint an assistant or deputy Secretary, and any person so appointed may act in place of the Secretary if there is no Secretary or no Secretary capable of acting from time to time.

76 In addition to the Secretary's other powers and duties, the Secretary shall insofar as the he/she receives commercial information relating to a Service Member under the Terms of Reference for the purpose of the charging mechanism of the Service, keep such information confidential save to the extent otherwise required:

- (a) by any court of competent jurisdiction or any competent judicial, governmental or regulatory body; or

- (b) the rules of any stock exchange (including the City Code on Takeovers and Mergers) or listing authority or in order for the Secretary to discharge his/her duties and/or obligations.

### **ACCOUNTS**

- 77 The Council shall cause accounting records to be kept in accordance with the Act.
- 78 The books of account shall be kept at the Registered Office or, subject to the Act, at such other place or places as the Council thinks fit, and shall always be open to the inspection of the Council Members, the Company Members and the Member Board(s).
- 79 The Council shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in an annual general meeting such reports and accounts as are required by the Act to be so prepared and laid.
- 80 A copy of every such report and account (including every document required by law to be annexed or attached thereto) which is to be laid before the Company in an annual general meeting shall, not less than 21 days before the date of the meeting, be sent to every Company Member.

### **AUDIT**

- 81 Auditors shall be appointed, their remuneration fixed and their duties regulated in accordance with the provisions of the Act and these Articles.

### **WINDING UP**

- 82 Clauses 7 and 8 of the Memorandum relating to the winding up and dissolution of the Company shall have effect as if their provisions were repeated in these Articles.

### **INDEMNITY**

- 83 Subject to the provisions of the Act but without prejudice to any indemnity to which he/she may otherwise be entitled, the Ombudsman, the deputy Ombudsman, every Council Member, every member of each Member Board, the Secretary, the Clerk, Auditor and/or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities suffered or incurred by him/her in or in relation to the execution and/or discharge of his/her/its duties.

### **OMBUDSMAN**

- 84 The Council shall appoint an individual as Ombudsman who appears to it to have the appropriate qualifications and experience to fulfil that function and who satisfies the criteria set out in Article 87.
- 85 The terms and conditions of such Ombudsman's appointment (including the level of his/her remuneration) shall be determined by the Council (subject to and in accordance with the Terms of Reference) and shall be consistent with and appropriate to the appointment of an independent ombudsman.
- 86 The Ombudsman shall vacate his/her office upon the occurrence, in relation to him/her, of any of the following events:

- (a) he/she becomes bankrupt, a receiving order is made against him/her or he/she makes any arrangement or composition with his/her creditors generally; or
- (b) in the reasonable opinion of the Council, he/she becomes of unsound mind; or
- (c) he/she resigns his/her office by notice in writing to the Company; or
- (d) he/she does any act or finds himself/herself in any position which, in the reasonable opinion of the Council, is likely to bring him/her, the position of Ombudsman, the Service or the Company into disrepute; or
- (e) he/she does any act or finds himself/herself in any position which, in the reasonable opinion of the Council, conflicts or is likely to conflict with his/her independent status, his/her position as Ombudsman, the effective discharge of his/her powers or duties, or the effective operation of the Service; or
- (f) he/she ceases to satisfy the criteria set out in Article 87.

87 The Council shall ensure that the Ombudsman shall not be or have been a director or senior employee of any Service Member or Potential Service Member or be or have been employed in any senior advisory capacity by any Service Member or Potential Service Member during his/her appointment as Ombudsman or at any time within the five years prior to his/her appointment to the position of Ombudsman.

88 In addition to the remuneration to be paid to the Ombudsman in accordance with Article 85, the Ombudsman shall be entitled to be paid such travelling, hotel and other expenses as are reasonably and properly incurred by him/her in connection with the Service and/or the business of the Company.

#### **OMBUDSMAN'S INTERESTS**

89 At all times, the Ombudsman must:

- (a) maintain a current written statement which must be submitted to the Council detailing the nature and extent of any material interest of his/hers which may conflict with his/her interests as Ombudsman; and
- (b) amend such statement whenever any significant change in or addition to such material interests occurs or, if time does not permit such an amendment, declare the change or addition to the Council as soon as is reasonably practicable.

90 For the avoidance of doubt, the Ombudsman's interest in any Service Member shall not be treated as a material interest for the purposes of Article 89 where the relevant interest is an interest in the listed securities of a Service Member over which the Ombudsman has no voting rights or other right of control.

91 The written statement of the Ombudsman referred to in Article 89 above shall, on reasonable notice, be available for inspection at the Registered Office on normal working days and during normal business hours by the Council, a Member Board, the Company, the Company Members, the Service Members and any complainants.

#### **POWERS AND RESPONSIBILITIES OF THE OMBUDSMAN**

92 It shall be within the power and responsibility of the Ombudsman to receive and consider complaints and notices of disputes and, where appropriate, to investigate such complaints

and disputes in order to facilitate and encourage the terms of their resolution, settlement and/or withdrawal, in each case, in accordance with the Terms of Reference.

- 93 The Ombudsman shall have the power to make Final Decisions and impose Awards and other Remedies against Service Members, in each case, in accordance with the Terms of Reference.
- 94 Each year the Ombudsman shall prepare and, within such period following the end of the relevant Ombudsman's Reporting Period as the Council shall determine, furnish the Council and the Member Boards with the Ombudsman's Report in respect of such period.
- 95 Each year, the Ombudsman shall prepare a draft Annual Business Plan for the period commencing on and from the next Business Plan Commencement Date and shall present it to the Council by not later than the 31 December falling immediately prior to the relevant Business Plan Commencement Date.
- 96 Each year, the Ombudsman shall prepare a draft Annual Budget for the period commencing on and from the next Budget Commencement Date and shall present it to the Council by not later than the 31 December falling immediately prior to the relevant Budget Commencement Date.
- 97 The Ombudsman and/or the Company shall have the power to invoice and claim against Service Members for any case fees and subscriptions, or to invoice and claim against any third party which is responsible, in accordance with the relevant Terms of Reference, for the payment of such case fees and subscriptions on behalf of Service Members, in each case, as determined in accordance with relevant scales thereof approved by the relevant Member Board(s).
- 98 The Ombudsman shall have such other powers and duties as are provided under, and shall act in accordance with, these Articles and (to the extent not inconsistent with these Articles) the Terms of Reference.

#### **THE MEMBER BOARD**

- 99 Each Service Sector shall be represented by a Member Board.
- 100 Each Member Board of each Service Sector shall be constituted in accordance with the Terms of Reference applicable to that Service Sector.

#### **POWERS AND DUTIES OF A MEMBER BOARD**

- 101 Each Member Board shall:
- (a) review and monitor the overall performance of its Service Sector for which it is constituted against agreed performance goals and criteria;
  - (b) consult with and provide its views to the Council or approve as the case may be in relation to any proposed review of or amendments to the Terms of Reference of its Service Sector;
  - (c) determine the scales of case fees and subscriptions to be applied from time to time in determining the relevant amounts to be paid by Service Members in connection with the Service, the Ombudsman, the acceptance and/or consideration of disputes with and complaints against such Service Members, and/or, in each case, the operation thereof (other than Remedies and Awards which shall be the exclusive jurisdiction of

the Ombudsman, subject to the Terms of Reference) and the frequency and time of collection of such case fees and subscriptions;

- (d) where there is no Finance Board constituted in accordance with the Articles and there is only one Member Board, review and approve or reject the draft Annual Business Plan, the draft Annual Budget and the remuneration of the Council Members in accordance with Articles 102(d)(i) to 102(d)(iii) below as if the Member Board was the Finance Board; and
- (e) otherwise act and perform its obligations and exercise its rights as set out under, and in accordance with, these Articles and (to the extent not inconsistent with these Articles) the Terms of Reference.

#### **THE CONSTITUTION AND POWERS OF A FINANCE BOARD**

102 Where there are two or more Service Sectors administered by the Company in accordance with the Articles each with a Member Board constituted in accordance with the Terms of Reference of each such Service Sector there shall be a Finance Board whose constitution and powers shall be as follows:

- (a) the Finance Board shall have such membership drawn solely from the Member Board Industry Members of the Member Boards as they shall agree but so that there shall be no fewer than two members from each such Member Board and the Council shall appoint up to two Independent Council Members to be members neither of whom shall have a vote;
- (b) the chairman of the Finance Board shall be appointed by the members of the Finance Board from the Independent Council Members to serve for such period as the members of the Finance Board shall agree but the chairman shall have neither an original or a casting vote;
- (c) the proceedings of the Finance Board shall be conducted and minuted and its members' entitlement to expenses and their obligations in respect of their interests shall apply as if in all respects it were a Member Board and its members Member Board Members *mutatis mutandis* in accordance with the Articles 103 to 122;
- (d) the Finance Board shall receive the relevant draft Annual Business Plan and draft Annual Budget prepared by the Council in accordance with Articles 28(k) and 28(l) and shall consult each Member Board and thereafter approve or reject each such draft as follows:
  - (i) each year the Finance Board shall approve or reject the relevant draft Annual Business Plan by not later than the relevant Business Plan Commencement Date on which the period covered by such Annual Business Plan is to commence, in the form recommended by the Council or with such amendments thereto as the Finance Board may determine (in its absolute discretion);
  - (ii) each year the Finance Board shall approve or reject the relevant draft Annual Budget by not later than the relevant Budget Commencement Date on which the period covered by such Annual Budget is to commence, in the form recommended by the Council or with such amendments thereto as the Finance Board may determine (in its absolute discretion);

- (iii) determine, on not less than an annual basis and as part of the relevant Annual Budget and/or Annual Business Plan (where practicable), the ordinary remuneration of the Council Members;
- (e) If the Finance Board fails to agree the Annual Budget before the Annual Budget Commencement Date the Finance Board shall:
- (i) endeavour to find a means to resolve the disagreement and approve the Annual Budget within 2 weeks;
  - (ii) until the Annual Budget has been agreed in accordance with paragraph 102(e)(i) above or determined in accordance with paragraph 102(e)(iii) below be deemed to have adopted the Annual Budget presented by the Council as an interim annual budget which will be adhered to until the Annual Budget can be resolved;
  - (iii) if the Annual Budget cannot be agreed in accordance with paragraph 102(e)(i) above, then attempt to resolve the dispute in good faith through:
    - (A) an Alternative Dispute Resolution (ADR) procedure agreed by the Finance Board to determine the Annual Budget, or
    - (B) in the event of the failure by the Finance Board to reach an agreement on the relevant ADR procedure in accordance with paragraph 102(e)(iii)(A) above within 2 weeks, an ADR procedure recommended to the Finance Board by the President or the Vice President, from time to time, of the Chartered Institute of Arbitrators who will appoint an arbitrator to determine the Annual Budget,

and in the case of either the procedure in paragraph 102(e)(iii)(A) or 102(e)(iii)(B) above, the decision of the relevant arbitrator will be final and binding upon the Finance Board, the Council and the Ombudsman.
- (f) following the approval of the Annual Plan and Annual Budget the Finance Board shall meet if the members of the Finance Board or any Member Board so require to review the financial performance and may if necessary consult the Council thereon to determine what if any action may be taken;
- (g) the quorum for the Finance Board shall be the number of Service Sectors whose Member Boards are represented on the Finance Board but so that there must be at least one person from each such Service Sector present throughout the meeting;
- (h) where a decision of the Finance Board is put to the vote and there are then present unequal numbers from each of the Member Boards of the Service Sectors then no decision shall be taken if the Member Board Members from a particular Service Sector present in a minority indicate their formal opposition to it;
- (i) the Finance Board will have responsibility for considering longer term financial planning and will report any advice or proposals in this regard to the council as appropriate.

#### **DELEGATION OF MEMBER BOARD POWERS**

- 103 A Member Board may delegate any of its powers to any committee consisting of two or more Member Board Members, one of whom shall be appointed by and from the Independent

Council Members. Any such delegation may be made subject to any conditions the Member Board may impose, either collaterally with or to the exclusion of their own powers, and may be revoked or altered by the Member Board. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Member Board so far as they are capable of applying.

#### **MEMBER BOARD MEMBERS' EXPENSES**

- 104 Member Board Members shall be entitled to be paid all travelling, hotel and other expenses reasonably and properly incurred by them in connection with the Service and/or the business of the Company.

#### **MEMBER BOARD MEMBERS' INTERESTS**

- 105 At all times, each Member Board Member must:
- (a) maintain a current written statement which must be submitted to the Member Board detailing the nature and extent of any material interest of his/hers which may conflict with his/her interests as a member of a Member Board; and
  - (b) amend such statement whenever any significant change in or addition to such material interests occurs or, if time does not permit such an amendment, declare the change or addition to the relevant Member Board in the next Member Board meeting.
- 106 A Member Board Member may not take part in the consideration of or voting on any matter, transaction or arrangement with the Company or in which the Company is otherwise interested and in which he/she has a material interest unless specific approval is given by a majority of the relevant Member Board (excluding such relevant Member Board Member) voting on any such matter, transaction or arrangement. For the avoidance of doubt, (i) any Member Board Industry Member's interest in any Service Member shall not be treated as a material interest for this purpose to the extent that the matter, transaction or arrangement in question relates to Service Members or any category of Service Members generally (rather than to a particular Service Member) and (ii) any interest of a Member Board Member in any Service Member shall not be treated as a material interest for the purposes of Article 105 and 106 to the extent that the relevant interest is an interest in 5% or less of the listed securities of a Service Member.
- 107 Article 106 shall not apply when the matter to be considered is the approval of the Annual Business Plan or the Annual Budget, the review, determination and/or amendment of the Terms of Reference or the fixing of the level or relevant scale of any Service Member subscriptions or case fees.
- 108 For the purposes of Articles 105, 106 and 107 an interest of which a Member Board Member has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.

#### **PROCEEDINGS OF A MEMBER BOARD**

- 109 A Member Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Member Board Member may at any time request a meeting of that Member Board by notice duly served upon the Clerk to the Member Board and the Clerk to the Member Board shall convene such meeting within thirty days of the due service of such notice. Every Member Board Member shall be given not less than seven days' notice of a proposed meeting, provided that it shall not be necessary to give notice of a

meeting of the Member Board to any Member Board Member who is for the time being absent from the United Kingdom, unless such member has, prior to the dispatch of such notice, provided the Member Board with a United Kingdom address for service of such notice.

- 110 The quorum necessary for the transaction of the business of a Member Board shall be three, or such other number as the Member Board may from time to time determine.
- 111 Subject to Article 110, a Member Board may act notwithstanding any vacancy in its body.
- 112 The chairman of a Member Board or, in his/her absence, the deputy chairman of a Member Board (if any) shall take the chair at meetings of the Member Board but if they are unwilling to preside or are not present within fifteen minutes after the time fixed for the commencement of any such meeting, the Member Board Members present shall choose one of their number to chair the meeting.
- 113 Unresolved questions arising at any meeting of a Member Board shall be decided by a majority of votes. In the case of an equality of votes the person chairing the meeting shall have a second or casting vote.
- 114 A resolution in writing, signed by all the Member Board Members for the time being entitled to receive notice of a meeting of that Member Board, or a committee of that Member Board, shall be as valid and effective as if it had been passed at a meeting of that Member Board or a committee of that Member Board (as the case may be) duly convened and held and may consist of several documents in the like counterpart form each signed by one or more Member Board Members of the relevant Member Board.
- 115 Any Member Board Member or member of a committee of a Member Board may participate in a meeting of a Member Board or such committee by means of conference telephone or other communications equipment whereby all persons participating in the meeting can hear and speak to one another and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 116 All acts done by any meeting of a Member Board or of any committee of a Member Board, or by any person acting as a member of a Member Board or any such committee, shall, notwithstanding there may have been some defect in the appointment of any of the persons comprising a Member Board, the committee or of any person acting as aforesaid, or that they or any of them were, at the relevant time, disqualified from holding office or had vacated office or were not entitled to vote or that (solely as a result of the above) the correct quorum was not present, be as valid as if every such person had been duly appointed, was duly qualified to hold office, had not vacated office and was entitled to vote and that, as a result, the correct quorum was present, provided, in each case, that no member of a Member Board was aware of such relevant defects or matters until after such acts had been undertaken or occurred.
- 117 In addition to the powers given in Article 101, a Member Board may, subject to the terms of the then current Annual Business Plan and Annual Budget (as approved by the Finance Board or the Member Board as appropriate) and the Terms of Reference, appoint one or more advisory committees to provide advice to the Member Board on matters relating to the Service and/or its operations. Such committees shall not be governed by any other provisions of the Articles and need not be comprised of the members of the Member Board, but shall be comprised of such persons and shall be governed by such rules and procedures as the Member Board may from time to time determine are appropriate in the context of the advice being sought.

- 118 A Member Board Member shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 119 If a question arises at a meeting of a Member Board or any committee of a Member Board as to the right, under or pursuant to these Articles, of a member of a Member Board or committee to vote, the question may, before the conclusion of the meeting, be referred to the chairman or deputy chairman (if any) of such meeting and his/her ruling in relation to any such member (other than himself/herself) shall be final and conclusive.

### **VOTES OF MEMBER BOARD MEMBERS**

- 120 Unless the Terms of Reference of a Service Sector otherwise provide, on a show of hands every member of a Member Board shall have one vote.
- 121 In the case of an equality of votes the chairman of the relevant meeting of a Member Board shall on a show of hands have a casting vote in addition to any other vote he/she may have.

### **MINUTES**

- 122 A Member Board shall cause minutes to be made in books kept for the purpose:
- (a) of noting the names the Member Board Members present at each meeting of the Member Board, and the members present at each meeting of any committee of the Member Board; and
  - (b) of noting all resolutions proposed and material matters discussed at meetings of the Member Board and committees of the Member Board.

Any such minutes of any meetings of the Member Board or of any committee, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

### **NOTICES**

- 123 Any notice or document may be served on or delivered to any Company Member or Service Member, Council Member, the Ombudsman, the Secretary, the Clerk or a Member Board, as the case may be, either personally or by sending it by post in a pre-paid cover addressed to such Company Member or Service Member at his/her/its registered address, or (if he/she/it has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him/her to the Company as his/her address for the service of notices, or by delivering it to such address addressed as aforesaid.
- 124 Any notice or document may be served on or delivered to the Company, the Council, the Ombudsman, the Secretary, the Clerk or a Member Board, as the case may be, either personally or by sending it by post in a pre-paid cover addressed to the Company, the Council, the Ombudsman, the Secretary, the Clerk or the Member Board (as the case may be) at the Registered Office or by delivering it to such address addressed as aforesaid.
- 125 Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or, where second class mail is employed, 48 hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

- 126 The accidental failure to send, or the resultant non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

#### **GOVERNING LAW**

- 127 These Articles shall be governed by and construed in accordance with the laws of England and Wales.

Name and address of subscribers

Sevenside Nominees Limited

14-18 City Road

Cardiff

CF24 3DL

Sevenside Secretarial Limited

14-18 City Road

Cardiff

CF24 3DL