

**THE COMPANIES ACT 1985 - 2006**

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

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**ARTICLES OF ASSOCIATION**

**Of**

**FINANCIAL SERVICES COMPENSATION SCHEME LIMITED**

**(“the Company”)**

**adopted by a special resolution of the Company on 21 January 2014**

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**DEFINITIONS**

1 In these Articles unless there be something in the subject matter or context inconsistent therewith:

“the Act” means the Companies Act 2006 and every other Act for the time being in force concerning companies and affecting the Company;

“appointed representative”, “authorised person” and “regulated activity” have the meanings given in the Financial Services and Markets Act 2000;

“these Articles” means the Articles of Association for the time being of the Company;

“the Auditors” means the auditors for the time being of the Company;

“the Board” means the Board of Directors of the Company present at a duly convened meeting of the Board;

“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;

“Director” means a director of the Company;

“electronic form” and “electronic means” shall have the meanings given to them in section 1168 of the Act;

“executed” includes any mode of execution;

“FSMA” means the Financial Services and Markets Act 2000 as amended or superceded from time to time;

“Interested Directors” has the meaning ascribed by Article 8(d)(ii);

“Member” has the meaning ascribed by Article 4;

“month” means calendar month;

“the Memorandum” means the Memorandum of Association for the time being of the Company;

"Model Articles" means the model articles for private companies limited by guarantee contained in schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 2008 No 3229), as amended;

“Notice” includes all written communications to Members;

“the Registered Office” means the registered office for the time being of the Company;

“Regulators” means the Prudential Regulation Authority and the Financial Conduct Authority or such other body or bodies which may from time to time fulfil in whole or in part the statutory functions discharged by either of them at the date of adoption of these Articles;

“Secretary” means the Secretary for the time being of the Company, including an assistant or deputy secretary;

“Scheme” means the Financial Services Compensation Scheme;

“the United Kingdom” means Great Britain and Northern Ireland;

“in writing” and “written” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Words importing the singular number include the plural, and the converse applies;

Words importing males include females;

Words importing persons include corporations;

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

## **OBJECTS**

- 2 The Company's objects are:
- (a) to carry out any functions conferred on the Company by or under any provision of any legislation, regulation or statutory delegated authority as amended or modified from time to time, and to carry out such other functions or exercise such powers as, from time to time, may be carried out or exercisable by the Company; and
  - (b) to carry out any other function or exercise any other power as may, in the Company's view, assist or enable it to carry out the functions and powers referred to above or which the Company considers incidental, desirable or expedient.

## **MODEL ARTICLES**

- 3 The Model Articles are hereby excluded and shall not apply to the Company.

## **MEMBERS**

- 4 Any person who from time to time becomes a Director and who agrees to be a Member shall be Members of the Company. No other person may become a Member of the Company.
- 5 Membership shall not be transferable.
- 6 A Member shall cease to be a Member of the Company upon ceasing to be a Director of the Company.

## **THE BOARD**

- 7
- (a) The Board shall be not less than six nor more than fifteen in number.
  - (b) One of the Directors shall be appointed as Chairman by the Regulators, with the approval of HM Treasury.
  - (c) The Directors shall be persons appointed, and liable to removal from office, by the Regulators (with the approval of HM Treasury in the case of the Chairman), but the terms of their appointment must be such as to secure their independence from the Regulators in the operation of the Scheme. In particular, the power to remove a Director shall not be exercisable on any ground which relates directly or indirectly to the determining of a claim for compensation.
  - (d) Appointments of Directors (including that of the Chairman) are to be for a period not exceeding four years, and shall be effected by the Regulators serving a notice to that effect on the Company at its Registered Office.

- (e) Unless the office of a Director is vacated in accordance with Article 7(g), the period of office shall terminate at the end of the Director's appointment; but a Director may be reappointed by the Regulators for a further period or periods (Article 7(d) applying to any such reappointment), provided that, in the case of the Chairman, the reappointment is approved by HM Treasury.
- (f) A Director intending to resign his office before his period of office would otherwise be due to terminate shall give at least three months' notice in writing to the Company and to the Regulators of that intention.
- (g) The office of a Director shall be vacated if:
  - (i) the Boards of the Regulators resolve, in accordance with Article 7(c), that he be removed from office and serves a notice to this effect on the Company at the Registered Office; or
  - (ii) he ceases to be a Director by virtue of any provisions of the Act or of the FSMA, or becomes prohibited by law from being a Director; or
  - (iii) he becomes bankrupt, a receiving order is made against him or he makes any arrangement or composition with his creditors generally; or
  - (iv) in the opinion of the Board he becomes of unsound mind; or
  - (v) he resigns his office by notice in writing to the Company and to the Regulators in accordance with Article 7(f); or
  - (vi) he does any act which, in the opinion of the Board, is likely to bring him or the Company into disrepute; or
  - (vii) he shall for more than four consecutive months have been absent without permission of the Board from meetings of Directors held during that period and the Board resolves that his office be vacated.

In the case of the Chairman, the office of Director shall be vacated under (i), (iii), (iv), (vi) or (vii) only with the approval of HM Treasury.

- (h) The following provisions shall apply in respect of remuneration of and payment of expenses to Directors.
  - (i) Directors may undertake any services for the Company that the Directors decide.
  - (ii) Directors shall be entitled to such remuneration as may from time to time be determined by the Board (provided that the remuneration of non-executive Directors shall be subject to the approval of the Regulators):
    - (a) for their services to the Company as Directors; and/or

- (b) for any other service which may they undertake for the Company.
  - (iii) Subject to the Articles, a Director's remuneration may:
    - (a) take any form; and
    - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
  - (iv) Directors' remuneration shall be deemed to accrue from day to day, unless determined otherwise by the Directors.
  - (v) Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries (if any) or of any other body corporate in which the Company is interested.
  - (vi) The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at meetings of the Directors, meetings of committees of the Directors, General Meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.
- (j) No amendment to any provision of these Articles which could affect the meaning or operation of this Article 7 shall have effect unless the amendment is made by way of a special resolution passed at a general meeting of the Company and proposed with the prior written consent of the Regulators.
- 8
- (a) The following provisions shall apply in respect of authorisation of Directors' conflicts of interest.
  - (b) The Directors may authorise any matter or situation which would, if not authorised, be an infringement by that Director of his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company.
  - (c) Any authorisation under this Article 8 may extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised.
  - (d) Any authorisation under this Article 8 is effective only if:
    - (i) the matter or situation in question has been proposed by a Director for consideration at a meeting of Directors in accordance with the Board's normal procedures or in such other manner as the Directors may approve;

- (ii) any requirement as to the quorum at the meeting of the Directors at which the matter or situation is considered is met without counting the Director in question or any other interested Director (together the “Interested Directors”); and
  - (iii) the matter or situation was agreed to without the Interested Directors voting or would have been agreed to if their votes had not been counted.
- (e) Any authorisation of a conflict under this Article may:
  - (i) be subject to such terms and for such duration or impose such limits or conditions as the Directors may determine, whether at the time the authorisation is given or subsequently; and
  - (ii) be terminated or varied by the Directors at any time.
- (f) Where the Directors authorise a conflict, they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:
  - (i) is excluded from discussions (whether at meetings of Directors or otherwise) related to the conflict;
  - (ii) is not given any documents of other information relating to the conflict; and
  - (iii) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the conflict or otherwise participate in any decision relating to the conflict.
- (g) Where the Directors authorise a conflict:
  - (i) the Director must conduct himself in accordance with any terms imposed by the director in relation to the conflict; and
  - (ii) the Director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of the authorisation.
- (h) A Director is not required, by reason of his office, to account to the Company for any remuneration, profit or other benefit which he (or a person connected with him as defined in section 252 of the Act) derives from a matter or situation authorised under this Article, subject in each case to any terms, limits or conditions attaching to that authorisation. No transaction or arrangement is liable to be avoided on such grounds.

(i) If a matter or situation is authorised pursuant to this Article the Director is not required to:

(i) disclose to the Company any confidential information received by him (other than by virtue of his position as Director of the Company) relating to that matter or situation; or

(ii) use that information in relation to the Company's affairs;

if to do so would result in a breach of a duty of confidence owed by him to another person in relation to that matter or situation.

(j) A Director does not require authorisation by the Directors under this Article in respect of any actual or potential conflict which may reasonably be expected to arise by reason only of that Director also being a director of another group undertaking (as defined in section 1161(5) of the Act). A Director is not to be regarded as infringing his duty under section 175 of the Act as a result of the lack of such authorisation.

9 The following provisions shall apply in respect of transactions or other arrangements with the Company.

(a) A Director must declare the nature and extent of his interests in a proposed or existing transaction or arrangement with the Company in accordance with section 177 or section 182 of the Act.

(b) Provided he has complied with Article 9(a), a Director:

(i) is to be counted as participating in the decision-making process (including for quorum and voting purposes) notwithstanding that it in any way concerns or relates to an actual or proposed transaction or arrangement in which he has, directly or indirectly, any kind of interest;

(ii) may be party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Company or in which the Company is otherwise directly or indirectly interested; and

(iii) is not, except as he may otherwise agree, required to account to the Company for remuneration, profit or other benefit which he (or a person connected with him as defined in section 252 of the Act) derives from any such transaction or arrangement, and no transaction or arrangement is to be liable to be avoided on such grounds.

(c) For the purposes of this Article 9, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

(d) Subject to Article 9(e), if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of

the meeting, be referred to the chairman, whose ruling in relation to any Director other than the chairman is to be final and conclusive.

- (e) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **POWERS AND RESPONSIBILITIES OF THE BOARD**

- 10 Subject to the provisions of the Act, these Articles and any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
- 11 Without prejudice to Article 10, and to the powers and responsibilities set out elsewhere in these Articles, the Board shall have the following powers and responsibilities:
  - (a) to assess and pay compensation, in accordance with the Scheme, to claimants in respect of claims made in connection with regulated activities carried on (whether or not with permission) by persons who at the relevant time were authorised persons or appointed representatives;
  - (b) to impose levies on authorised persons, or on any class of authorised person, for the purpose of meeting the Company's expenses (including in particular for the payment of compensation to claimants, for expenses incurred or expected to be incurred in paying compensation, borrowing or insuring risks, and establishing the Scheme);
  - (c) to determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and other documents; and
  - (d) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or employees or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
- 12 In exercising its functions, the Board shall have regard to the effective, economic and efficient operation of the Scheme.



- 13 The Board shall enter into appropriate arrangements to secure co-operation between the Company and the Regulators (including arrangements for the sharing of information relevant to the functions of each other) in order to enable the Company and the Regulators to attain their proper objectives.
- 14 The Board may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme 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 (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company (or of any other body concerned with the provision of compensation whose functions have been taken over by the Company) and their spouses, civil partners, widows, widowers, families and/or dependants and to make payments for or towards the insurance of any such person.
- 15 Except so far as otherwise provided by statute, the Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as it determines, including authority for the agent to delegate all or any of his powers.

#### **PROCEEDINGS OF THE BOARD**

- 16 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Any Director may at any time request a meeting of the Board by notice duly served upon the Company and the Directors shall convene such meeting within thirty days of the due service of such notice. Every Director shall be given reasonable notice of a proposed meeting, provided that it shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom.
- 17 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless otherwise so fixed shall be:
- (a) one-half of the Directors or, if their number is not a multiple of two, then the number nearest to but not exceeding one-half of the Directors; and
  - (b) such that the number of non-executive Directors present at the relevant meeting is equal to or higher than the number of executive Directors appointed for the time being.
- 18 The Board may act notwithstanding any vacancy in their number.
- 19 The Chairman of the Board or, in his absence, the Deputy Chairman of the Board (if any) shall take the chair at every meeting of the Board but if they are not present within fifteen minutes after the time fixed for the commencement of any such meeting, or are unwilling to preside, the Directors present shall elect one of their number to be Chairman of the meeting.
- 20 Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes the Chairman of the meeting (unless he is otherwise

not to be counted as participating in the decision-making process for quorum or voting purposes) shall have a second or casting vote.

- 21 A resolution in writing, signed by a simple majority of the Directors for the time being entitled to receive notice of a meeting of the Board or a committee of the Board, being in each case at least equal to the number of Directors required to constitute a quorum for a meeting of the Board, shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Directors. To be valid a proposed resolution must be given to all persons entitled to receive notice of a meeting of the Directors or the relevant committee. All validly-passed resolutions in writing shall be ratified at the next meeting of the Directors where the decision and any comments will be formally recorded in the minutes.
- 22 A resolution of the Directors may be passed by electronic means. Any such resolution shall be deemed to have been passed when a response in electronic form by means of an authenticated document identifying the resolution to which it relates, signifying the unambiguous agreement to the terms of the resolution, has been received by the Company from Directors comprising a simple majority and being at least equal to the number of Directors required to constitute a quorum of a meeting of the Directors. To be valid, a proposed resolution must be given to all persons entitled to receive notice of a meeting of the Directors or the relevant committee, either by means of oral communication (such as telephone) or by electronic means to an address notified to the Company for that purpose. All resolutions validly passed in electronic form shall be ratified at the next meeting of the Directors, where the decision and any comments shall be formally recorded in the minutes for that meeting.
- 23 Any Director or member of a committee of the Board may participate in a meeting of the 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.
- 24 The Board may delegate all or any of its powers or functions which are not required by law to be performed by the Board either generally or for a specific purpose to a member or members of the Board, to any committee established by the Board (whether consisting of members of the Board or of other persons or of both), or to any officer or employee of the Company. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of the Board so far as they are capable of applying.
- 25 All acts done by any meeting of the Board or of any committee of the Board, or by any person acting as a Director or member of any such committee, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any of the persons comprising the Board, the committee or of any person acting as aforesaid, or that they or 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 to be a member thereof and had not vacated office and was entitled to vote.

- 26 The Board may appoint one or more advisory committees whose members need not be Directors but shall be such persons as the Board may from time to time determine.
- 27 (a) Except where otherwise provided by these Articles or authorised in accordance with section 175 of the Act, a Director shall not vote at a meeting of the Board or of any committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material and which conflicts or may conflict with the interests of the Company.
- (b) For the purposes of this Article:
- (i) a Director shall not be treated as interested in any matter solely by reason of his being an officer or employee of a participant which is or may be interested in that matter; and
- (ii) an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected with a Director shall be treated as an interest of the Director.
- (c) A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- (d) The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Board or of any committee of the Board.
- (e) If a question arises at a meeting of the Board or any committee of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

### **MINUTES**

- 28 (a) The Board shall cause minutes to be made in writing and kept for at least ten years:
- (i) of all appointments of officers made by the Directors;
- (ii) of the names of the Directors present at each meeting of the Board, and of the members present at each meeting of any committee of the Board;
- (iii) of all resolutions and proceedings of General Meetings and of meetings of the Board and committees of the Board.
- (b) Any such minutes of any meetings of the Board or of any committee, or of the Company, 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**

- 29 The Board shall provide for the safe custody of the Seal (if any exists), and the Seal shall be used only with the authority of the Board or a committee thereof authorised by the Board. The Board may determine who may sign any instrument to which the Seal is affixed and unless determined otherwise it shall be signed by a Director and by the Secretary or by a second Director.

### **GENERAL MEETINGS**

- 30 The Board may, and on the requisition of Members pursuant to the Act shall, convene a General Meeting, in the latter case for a date not later than eight weeks after receipt of the requisition.
- 31 A General Meeting shall be called by at least fourteen clear days' notice in writing. The notice shall specify the place, the day and the hour of meeting and the general nature of that business and shall be given to the Members, the Regulators and such other persons (including the Auditors) as are, under these Articles or the Act, entitled to receive such notices from the Company.
- 32 If a General Meeting is to be called by shorter notice than that specified by Article 31, it shall be deemed to have been duly called if it is so agreed by a majority in number of the Members having a right to attend and vote at the General Meeting, being a majority, together representing not less than 90 per cent of the total voting rights at that General Meeting of all the Members.
- 33 The accidental omission to give notice of a General Meeting to, or the non-receipt of a notice of a General Meeting by, any person entitled to receive notice shall not invalidate the proceedings at that General Meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 34 The Chairman of the Board or, in his absence, the Deputy Chairman of the Board (if any) shall take the chair at every General Meeting but, if they are not present within fifteen minutes after the time fixed for the commencement of the meeting, or are unwilling to preside, the Directors present shall elect one of their number to be Chairman of the meeting.
- 35 Subject to Article 36, no business shall be transacted at any General Meeting unless there is a quorum of three Members present at the time when the meeting proceeds to business. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend a general meeting if their

circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

- 36 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 time and place as the Directors 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 Members who are present shall be a quorum and may transact the business for which the meeting was called.
- 37 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 meeting 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.
- 38 At any General Meeting a resolution put to the vote of a 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 Members.
- 39 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 proceedings of the Company 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.
- 40 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.
- 41 Except as provided in Article 43, if a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 42 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 second or casting vote.
- 43 A poll demanded on the election of a chairman of a meeting or 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 demanded may be proceeded with, pending the taking of the poll.

## VOTES OF MEMBERS

44 On a show of hands and on a poll every Member present in person or by proxy shall have one vote.

45 The instrument appointing a proxy shall be in writing executed by or on behalf of the appointor and shall be in the following form or in such other form as the Board may approve:

### **'FINANCIAL SERVICES COMPENSATION SCHEME LIMITED**

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

Signed on [date].

[Signature of member]

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1    for/against\*  
Resolution No 2    for/against\*  
[continue as necessary]

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy will vote as the proxy thinks fit.'

46 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

47 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board shall be valid only if it is deposited at the Registered Office (or at such other place within the United Kingdom as is specified for the purpose in the notice convening the meeting) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

48 A vote given or poll demanded by proxy shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the Company at the Registered Office (or such other place at which the instrument of proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded, or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

## **SECRETARY**

- 49 A Secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by it.
- 50 The Board may from time to time 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.

## **REPORTS**

- 51 The Board shall, at least once a year, report to the Regulators on the discharge of the Company's functions under the Scheme, and shall ensure that the report:
- (a) includes a statement setting out the value of each of the funds established by the Scheme:
  - (b) complies with any requirements specified in rules made by the Regulators; and
  - (c) is published in a manner which the Board considers appropriate.
- 52 The Board shall also provide the Regulators with reports on such matters as the Regulators may from time to time reasonably request.

## **ACCOUNTS**

- 53 The Board shall cause accounting records to be kept in accordance with the Act.
- 54 The books of account shall be kept at the registered office of the Company or, subject to the Act, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the Directors.
- 55 The Board shall from time to time in accordance with the Act cause to be prepared such accounts and reports as are required by the Act to be so prepared.
- 56 A copy of every annual balance sheet (including every document required by law to be annexed or attached to it) which is to be prepared shall be sent to the members and the Regulators not later than the date before which the Act prescribes that the accounts and reports to which the relevant balance sheet relates must be sent to those entitled to receive them.

## **AUDIT**

- 57 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

## **NOTICES**

- 58 (a) Subject to these Articles, anything sent or supplied by or to the Company

under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

- (b) Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- (c) A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

59 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and to have effect at the expiration of 48 hours after the envelope containing it was posted. Where notice is given by facsimile, it shall be deemed to have been given on the date of despatch of the facsimile, provided that it is confirmed by delivering or sending a written confirmation by letter to the party to whom the notice is given. Where notice is given by electronic means, proof that it was given in electronic form shall be conclusive evidence that the notice was given. A Director may agree with the Company that notices or documents sent to that Director in a particular way are deemed to have been received within a specified time of their being sent and for the specified time to be less than 48 hours.

60 A Member present 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.

### **WINDING UP AND LIMITATION OF LIABILITY**

61 On a winding up or dissolution of the Company, all assets which would otherwise be available to its Members generally shall be transferred either to another body with objects similar to those of the Company or (if there is no such body) to another body the objects of which are the promotion of charity and anything incidental or conducive thereto.

62 The liability of Members is limited.

63 Every Member of the Company undertakes to contribute to the assets of the Company if it should be wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the Company's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amounts as may be required, not exceeding one pound.

### **INDEMNITY**

64 Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director, Secretary, auditor 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 in or in relation to the execution and discharge of his duties.

### **APPLICATION OF INCOME AND PROPERTY**

- 65 The income and property of the Company from whatever source it may derive shall, subject to these Articles, be applied solely towards the promotion of the objects of the Company as set out in these Articles, and no part of it shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the Members of the Company.
- 66 Nothing in Article 65 shall, however, prevent the payment in good faith of reasonable and proper remuneration and out of pocket expenses to any officer or employee of the Company or to any Member of the Company, in return for any services actually rendered to the Company, or for any information or advice supplied, nor prevent the payment of interest on money lent or payment of a reasonable and proper rent for premises demised or let by any Member to the Company.