

DATED 19th SEPTEMBER 2001

NEW ARTICLES OF ASSOCIATION

of

PSARA

INCORPORATED 17th NOVEMBER 1986

COMPANY NUMBER 2074546

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THE COMPANIES ACTS 1985 AND 1989

Company Limited by a Guarantee with a Share Capital

NEW ARTICLES OF ASSOCIATION

of

PSARA

(adopted by Special Resolution passed on 19th September 2001)

INTERPRETATION

1. In these Articles, unless the context otherwise requires:

- | | |
|-------------------|--|
| (a) “the Act” | means the Companies Act 1985 including any statutory modifications or re-enactment thereof for the time being in force; |
| “these Articles” | means the Articles of Association of the Association for the time being in force; |
| “the Association” | means PSARA; |
| “the Auditors” | means the auditors of the Association from time to time; |
| “Chairman” | means the Chairman of the Council from time to time; |
| “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; |
| “the Council” | means the Council of Management for the time being of the Association; |
| “Electronic | means an electronic communication as defined in the |

- “Communications” Communication Act 2000 (including for the avoidance of doubt communication by telex, facsimile transmission, cable or e-mail);
- “Executed” includes any mode of execution;
- “in writing” means written, printed or lithographed or partly one and partly the other, or any other mode of representing or reproducing words in a visible form;
- “Member(s)” means member(s) other than associate members;
- “Month” means calendar month;
- “Office” means the registered office of the Association;
- “the Regulations” means the Package Travel, Package Holidays and Package Tours Regulations 1992 or any statutory modification, re-enactment or replacement thereof;
- “the Scheme” means the scheme or schemes from time to time operated by the Association for travel agents as a means of promoting the objects of the Association;
- “the Seal” means the Common Seal of the Association;
- “Secretary” means the Secretary of the Association or any other person appointed to perform duties of the Secretary of the Association, including a joint, assistant or deputy secretary;
- “the United Kingdom” means Great Britain and Northern Ireland;
- (a) words importing the singular include the plural and vice versa, words importing gender include every gender and references to persons include bodies corporate;
- (b) words or expressions contained in these Articles bear the same meanings as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Association.

MEMBERS

2. The members of the Association shall be:
 - (a) those persons who as at the date of the adoption of these Articles are members, being either the original subscribers to the Memorandum of Association or persons admitted to membership thereafter;
 - (b) Any person, being either a corporation or, in the case of an unincorporated body, a representative nominated in writing by such unincorporated body, with appropriate standing and experience (i) whose business in the opinion of the Council involved the provision or the promotion of holidays at sea and travel by passenger ships including without limitation any cruise ship owners, operators or charterers (ii) who in the opinion of the Council should be admitted to membership and (iii) who is an existing member of the Passenger Shipping Association Limited (registered in England and Wales under Company number 620964) or any association which succeeds or replaces the same (the “Passenger Shipping Association Limited”);
 - (c) The Council may at its discretion create a category of “associate” membership, upon such terms of membership and rights as the Council may decide and publish and, subject thereto, may admit any person to associate membership of the Association PROVIDED HOWEVER that no associate member shall have any entitlement to vote at general meetings of the Association or at all
3. Any person wishing to become a member of the Association shall deliver to the Council an application for membership in such form as the Council may prescribe PROVIDED THAT in any case where such person is an “organiser” as defined by the Regulations the application shall include such evidence as the Council may require that the person complies with the requirements therein contained relating to security in the event of insolvency.
4. Every such application shall be considered by the Council and if elected by a simple majority of the Council voting, the applicant shall thereupon become a member or, as the case may be, an associate member.
5. The Council shall have full power, at its sole and absolute discretion and with assigning any reason therefore, to decline to admit any applicant to membership of the Association. The provision of Section 352 and 353 of the Act shall be observed by the Association and every member shall sign a written consent to become a member
6. The rights and privileges of a member shall be personal and shall not be transferable or transmissible.

7. A member shall cease forthwith to be a member of the Association (or, as the case may be, shall have its membership suspended for such time and on such terms as the Council may in its absolutely discretion direct):-
- (a) upon the expiration of six months' notice in writing given by the member to the Association stating his intention to retire;
 - (b) if the member fails to pay the annual subscription fees or other fees set by the Council (or any other amounts owed by the member of the Association) within two months of being required to do so and the Council resolves that the membership of such member be terminated;
 - (c) if, in the case of the member being a representative of an unincorporated body, such body serves a written notice on the Association withdrawing its nomination of such representative.
 - (d) if, in the case of the member being a corporation, a receiver or administrative receiver or manager is appointed of all or any of its undertaking, assets or property, or an administration order is made in relation to it, or a resolution is passed or an order is made for its winding up or it enters into any composition, scheme, compromise or arrangement with or for the benefit of its creditors generally or any class of them; or if such member shall be incorporated outside the United Kingdom it shall suffer or allow to happen any event analogous to any of the foregoing whether in the jurisdiction in which it is incorporated or in any other jurisdiction;
 - (e) if, in the case of the member being a representative of an unincorporated body, such representative becomes, or is adjudicated or found to be, bankrupt or insolvent, or suspends payments of his debit, or admits inability to pay his debts as they fall due, or makes or enters into by assignment or compromise or composition or other arrangement for the benefit of his creditors generally;
 - (f) if, in the case of the member being a representative of an unincorporated body, such unincorporated body is dissolved;
 - (g) if the member ceases to be a member of the Passenger Shipping Association Limited or if the business of the member ceases, in the opinion of the Council, involve the provision or the promotion of holidays at sea and travel by passenger ships (whether as a cruise ship owner or operator or charterer or otherwise);
 - (h) upon expiration of one month's notice in writing given at any time by the Council to the member requiring the member to resign from the Association, provided always that no resolution of a meeting of the Council to give such notice shall be effective unless the member

concerned shall have been a reasonable opportunity to attend the meeting and speak at it;

- (i) it the member being an “organiser” as defined in and for the purposes of the Regulations shall fail to comply with the requirements therein contained relating to security in the event of insolvency.

- 8. The Association is established for the purposes expressed in the Memorandum of the Association.

CONTRIBUTIONS

- 9. Every member and associate member shall pay annual subscription and other fees and contribute to the running costs of the Association to the extent determined from time to time by the Council.

Every member and associate member shall be liable to pay to the Association the contributions so determined.

Neither a member nor an associate member shall be entitled to exercise any of the rights or privileges of membership until he shall have paid all monies payable by him to the Association which are overdue for payment.

In the event of a member or associate member resigning or his membership of the Association otherwise terminating, or being suspended, his contribution shall be payable in full for the year during which such resignation or termination or suspension (as the case may be) of membership occurs, and if he has already paid such contribution he shall not be entitled to recover such payment or any part thereof from the Association.

- 10. Any member or associate member who shall fail to pay his contributions or any other amounts as determined pursuant to Article 9 within one month of written demand thereof may be excluded from the Association by resolution of a majority of at least two-thirds of the Council present and voting at a meeting of the Council at which not less than [four] members or the Council shall be present. Such member or associate member shall have seven Clear Days notice sent to him of such special Council meeting, and he may attend the meeting but shall not be present at the voting or take part in the proceedings otherwise then as the Council allows. A member or associate member excluded from the Association by such meeting may, within seven days after notice of his exclusion, appeal from the decision of the Council to a special general meeting of the Association which shall thereupon be convened by the Council.
- 11. Not less than three-fourths (75%) of the members present in person or by proxy and voting at a special general meeting of the Association convened pursuant to Article 10 shall have power to annul the exclusion of such member or associate member, or

to annul it subject to the performance of any conditions which such meeting may think fit to impose.

GENERAL MEETINGS

12. The Association shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of the Association and that of the next. Provided that so long as the Association holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting in each year shall be held at such time and place as the Council shall appoint.
13. All general meetings other than the annual general meeting shall be called extraordinary general meetings.
14. The Council may, whenever it thinks fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitions as is provided by the Act. If at any time there are not within the United Kingdom sufficient Council members capable of acting to form a quorum, any Council member, or any two members of the Association, may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Council.

NOTICE OF GENERAL MEETINGS

15. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 Clear Days' notice. All other extraordinary general meetings shall be called by a shorter notice if it is so agreed:
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

The notice shall be given to all the members and associate members and to the members of the Council and the Auditors. In every notice convening a general meeting of the Association there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll or, as referred to in Article 38, on a show of hands, to vote in their stead and that such proxy need also be a member of the Association.

16. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

17. All business shall be deemed special that is transacted at an extraordinary meeting and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheet and reports of the members of the Council and the Auditors, the election of members or the Council in the place of those retiring (if any), and the appointment of, and the fixing of the remuneration of, the Auditors.
18. Associate members shall be entitled to attend and speak but not to vote at general meetings.
19. No business shall be transacted at any meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, seven members present in person or by proxy shall be a quorum. For this purposes a corporation present by a representative appointed pursuant to the provisions of Article 42 shall be deemed to be a member present in person. Associate members shall not be taken into account for the purposes of constituting a quorum.
20. If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting, if convened on the requisition of members shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Council may determine. If at such adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the members present shall be a quorum.
21. The Chairman, if any, of the Council shall preside as chairman of each general meeting, but if there is no such Chairman, or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting or is unwilling to act, the members present shall elect one of the other members of the Council to be chairman of the meeting.
22. If no member of the Council is willing to act as chairman, or if no member of the Council is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman.

23. The Chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
24. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
 - (a) by the chairman; or
 - (b) by at least three members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

And a demand by a person as proxy for a member shall be the same as a demand by the member.

25. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
26. The demand for a poll may, before the poll is taken, be withdrawn and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
27. Except as otherwise provided by Article 29, a poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
28. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
29. No poll shall be demanded on the election of a chairman or on a question of adjournment. A poll demanded on any other question shall be taken either forthwith or at such other time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a

show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

30. No notice needs be given of a poll not taken forthwith if the time and place at which is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
31. A resolution in writing executed or approved by letter or Electronic Communication by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

32. Every member shall have one vote.
33. No member shall be entitled to vote at any meeting unless all moneys presently payable by him to the Association have been paid.
34. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Council of the authority of the person claiming to exercise the right to vote pursuant to this Article shall be deposited or received at the Office, or at such other place as is specified in accordance with the Articles for the deposit or receipt of instruments or proxy, before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
35. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
36. On a poll votes may be given either personally or by proxy. Any proxy appointed by a member of the Company in accordance with these Articles shall be entitled to vote on a show of hands as well as a poll provided that no person present shall be entitled to more than one vote on a show of hands save as provided for in Article 28.
37. The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any form which is usual or which the Council may approve):

“PSARA

I/We _____ of
being a member/members of the above-named Association
hereby appoint _____ of

or, failing him,
_____ of
as my/our proxy to vote in my/our name[s] and on my/our
behalf at the annual/extraordinary general meeting of the
association to be held on _____ 20 and at any
adjournment thereof.

Signed on _____ 20 .”

38. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Council may approve):

“PSARA

I/We _____ of
being a member/members of the above-named Association
hereby appoint _____ of
or, failing him,

_____ of
as my/our proxy to vote in my/our name[s] and on my/our
behalf at the annual/extraordinary general meeting of the
association to be held on _____ 20 and at any
adjournment thereof. This form is to be used in respect of
the resolutions mentioned below as follows:

Resolution No 1	*for	*against
Resolution No 3	*for	*against

**strike out whichever is not desired.*

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this _____ day of _____ 20 .”

39. The appointment of a proxy and the power of attorney or other authority under which it is executed or a copy of such power or authority certified notarially or in some other way approved by the Council may

(a) in the case of an instrument in writing be deposited at the Office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Association in relation to the meeting before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of an appointment contained in an Electronic Communication where an address has been specified for the purpose of receiving Electronic Communications:-

(i) in the notice convening the meeting; or

(ii) in any instrument of proxy sent out by the Association in relation to the meeting; or

(iii) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Association in relation to the meeting

be received at such address before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

(c) in the case of a poll, be deposited or received as aforesaid (or delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any member of the Council) after the poll has been demanded before the time appointed for the taking of the poll; or

(d) be made by telephone to the Chairman or such other office of the Association as the Council may specify on the day of the meeting, adjourned meeting or poll at which the person named in the appointment proposed to vote (and not before) where the Council has approved a procedure for verifying proxy appointments made by telephone and such procedure has been complied with;

And an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this Article and in Article 41 “address” in relation to Electronic Communications, includes any number or address used for the purposes of such communications.

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

41. A vote given or poll demanded by proxy or by the duly authorised representative of a corporate 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 Association at the Office or at such other place at which the instrument of proxy was duly deposited or where the appointment of the proxy was contained in an Electronic Communication at the address at which such appointment was duly received 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.

CORPORATION ACTING BY REPRESENTATIVE

42. Any corporation which is a member of the Association may by resolution of its directors or other governing body authorise such person as it thinks fit being a director or executive officer of that corporation to act as its representative at or with reference to any meeting of the Association and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Association

NUMBER OF MEMBERS OF THE COUNCIL

43. Unless otherwise determined by ordinary resolution, the number of Council members (other than alternate Council members) shall not be less than five nor more than twelve.

ALTERNATE MEMBERS OF THE COUNCIL

44. Any member of the Council (other than an alternate member) may appoint any other member of the Council or any other person approved by resolution of the Council and willing to act, to be an alternate member of the Council and may remove from office an alternate member of the Council so appointed by him.
45. An alternate member of the Council shall be entitled to receive notice of all meetings of the Council and of all meetings of committees of the Council of which his appointor is a member, to attend and vote at any such meeting at which the member of the Council appointing him is not personally present and generally to perform all the functions of his appointor as a member of the Council in his absence but shall not be entitled to receive any remuneration from the Association for his services as an alternate member of the Council. It shall not be necessary to give notice of any meeting to an alternate member of the Council who is absent from the United Kingdom.
46. An alternate member of the Council shall cease to be an alternate member of the Council if his appointor ceases to be a member of the Council but, if a member of the Council retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate

member of the Council made by him which was in force immediately prior to his retirement shall continue after his re-appointment.

47. Any appointment or removal of an alternate member of the Council shall be by notice to the Association signed by the member of the Council making or revoking the appointment or in any other manner approved by the Council.
48. Save as otherwise provided in these Articles, an alternate member of the Council shall be deemed for all purposes to be a member of the Council and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the member of the Council appointing him.

POWERS OF THE COUNCIL

49. Subject to the provisions of the Act, the Memorandum of Association and these Articles and to any regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Association in general meeting, the business of the Association shall be managed by the Council which may exercise all the powers of the Association. No alteration of the Memorandum of Association or these Articles and no such regulation shall invalidate any prior act of the Council which would have been valid if that alteration or regulation had not been made.
50. The Council may, by power of attorney or otherwise, appoint any person to be the agent of the Association for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF COUNCIL'S POWERS

51. The Council may delegate any of its powers to any committee consisting of one or more members of the Council. Any such delegation may be made subject to any conditions the Council may impose, and either collaterally with or to the exclusion of its own powers 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 Council so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

52. No person who is not a member of the Association or the representative of a corporation which is a member of the Association shall in any circumstances be qualified to hold office as a member of the Council. A person shall be the representative of a corporation for this purpose if nominated as such by the corporation, but any such nomination may be revoked, and a fresh nomination made in place thereof, by such corporation PROVIDED THAT no such revocation or fresh nomination shall be capable of taking effect until such person being a member of the Council shall retire by rotation.

53. At the first annual general meeting, and at every subsequent annual general meeting, three of the members of the Council or, if their number be nine or less, two members of the Council shall retire from office PROVIDED ALWAYS that no member of the Council shall be required to retire pursuant to these regulations until such member has been a member of the Council for more than 3 years. During his period of office the Chairman appointed pursuant to Article 68 hereof shall not be required to retire by rotation and the number of members of the council due to retire by rotation shall be calculated without reference to the Chairman.
54. Subject to the provision of the Act, the members of the Council to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment but as between persons who became or were last re-appointed members of the Council on the same day as those to retire shall (unless they otherwise agree among themselves) be determined by lot.
55. If the Association, at the meeting at which a member of the Council retires by rotation, does not fill the vacancy the retiring member of the Council shall, if willing to do so, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of such member is put to the meeting and lost.
56. No person other than a member of the Council retiring by rotation shall be appointed or re-appointed a member of the Council at any general meeting unless:
 - (a) he is recommended by the Council; or
 - (b) not less than [14] nor more than 28 Clear Days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Secretary of the intention to propose that person for appointment or re-appointment together with notice executed by that person of his willingness to be appointed or re-appointed.
57. Not less than 7 or more than 28 Clear Days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a member of the Council retiring by rotation at the meeting) who is recommended by the Council for appointment or re-appointment as a member of the Council at the meeting or in respect of whom notice has been duly given to the Association of the intention to propose such person at the meeting for appointment or re-appointment as a member of the Council.
58. Subject as aforesaid, the Association may by ordinary resolution appoint a qualified person who is willing to act to be a member of the Council either to fill a vacancy or as an additional member of the council and may also determine the rotation in which any additional members of the Council are to retire.
59. The Association may, in addition and without prejudice to the provisions of Sections 303 and 304 of the Act, by extraordinary resolution remove any member of the

Council before the expiration of his period of office and may by ordinary resolution appoint another qualified person in his stead. Any person so appointed shall retain his office so long only as the member in whose place he is appointed would have held the same if he had not been removed.

60. The Council may appoint a qualified person who is willing to act to be a member of the council, either to fill a vacancy or as an additional member of the Council, provided that the appointment does not cause the number of members of the Council to exceed any number fixed by or in accordance with these Articles as the maximum number of members of the Council. A member so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the members of the Council who are to retire by rotation at the meeting. If not re-appointed at such annual general meeting, he shall vacate his office at the conclusion thereof.
61. Subject as aforesaid, a member of the Council who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

DISQUALIFICATION AND REMOVAL OF MEMBERS OF THE COUNCIL

62. The office of a member of the Council shall be vacated if:
 - (a) he ceases to be a member of the Council or he becomes prohibited from being on the Council by virtue of any provision of the Act (including Section 293 of the Act) or the Company Directors Disqualification Act 1986 or any order made thereunder or any other applicable law; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (d) he resigns his office by notice to the Association or, if he shall be a representative of a corporation, his nomination as such is revoked (subject to

the provisions of Article 52 hereof) or the corporation ceases to be a member of the Association or he ceases to be an officer or employee of the corporation.

REMUNERATION AND EXPENSES OF MEMBERS OF THE COUNCIL

63. The provisions of Clause 4 of the Memorandum of Association as to the remuneration of members of the Council shall apply.
64. The members of the Council may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Association or otherwise in connection with the discharge of their duties.

PROCEEDINGS OF THE COUNCIL

65. Subject to the provisions of these Articles, the members of the Council may regulate their proceedings as they think fit. A member of the Council may, and the Secretary at the request of a member of the Council shall, call a meeting of the Council. Notice of a meeting of the members of the Council shall be deemed to be properly given to a Council member if given to them personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Association for this purpose or by any other means authorised in writing by any member of the Council upon whom notice is being served. It shall not be necessary to give notice of a meeting to a member of the Council who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. A member of the Council who is also an alternate member of the Council shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
66. The quorum for the transaction of the business of the Council may be fixed by the Council and unless so fixed at any other number shall be four. A person who holds office only as an alternate member of the Council shall, if his appointor is not present, be counted in the quorum. All or any members of the Council or any committee of the council may participate in a meeting of the Council or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in the quorum at the meeting and shall be entitled to vote or to be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.
67. The continuing members of the Council or a sole continuing member of the Council may act notwithstanding any vacancies in their number, but, if the number of members of the council is less than the number fixed by these Articles as the minimum number of members of the Council, the continuing member or members of

the Company may act only for the purpose of filling vacancies or of admitting persons to membership of the Association or of calling a general meeting.

68. The member or members of the Council shall appoint one of their number to be the Chairman of the Council for a period not exceeding two years and may at any time remove him from that office. Unless he is unwilling to do so, the member of the Council so appointed shall preside at every meeting of the Council at which he is present. If there is no member of the Council holding that office, or if the member of the Council holding it is unwilling to preside or is not present within 5 minutes of after the time appointed of the meeting, the members of the Council present may appoint one of their number to be chairman of the meeting.
69. All acts bona fide done by a meeting of the council, or of a committee of the Council or by a person acting as a member of the Council shall, notwithstanding that it be afterwards discovered that there was defect in the appointment or continuance in office of any member of the council or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of the Council and had been entitled to vote.
70. A resolution in writing signed or approved by letter or any Electronic Communication by all the members of the council entitled to receive notice of a meeting of the Council or of a committee of the Council shall be as valid and effectual 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 form each signed by one or more members of the Council; but a resolution signed by an alternate member of the Council need not also be signed by his appointor and, if it is signed by a member of the Council who has appointed an alternate member of the Council, it need not be signed by the alternate member of the Council in that capacity.
71. Save as otherwise provided by these Articles, a member of the Council shall not vote at a meeting of the Council or of a committee of the Council on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Association.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected with a member of the Council and, in relation to an alternate member of the council, an interest of his appointor shall be treated as an interest of the alternate member of the Council without prejudice to any interest which the alternate member of the Council has otherwise.

72. A member of the Company shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

73. The Association may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a member of the Council from voting at a meeting of the Council or of a committee of the Council.
74. If a question arises at a meeting of the Council or of a committee of the Council as to the right of a member of the Council 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 member of the Council other than himself shall be final and conclusive.

SECRETARY

75. Subject to the provisions of the Act, the Secretary shall be appointed by the Council for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by the Council. The Council may from time to time by resolution 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.

MINUTES

76. The Council shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the Council; and
 - (b) of all proceedings at meetings of the Association, and of the Council, and of committees of the Council, including the names of the member of the Council present at each such meeting.

and any such minutes of any such meeting, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts stated therein.

THE SEAL

77. The Seal shall only be used by the authority of the Council or of a committee of the Council authorised by the Council. The Council may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by two members of the Council and by the Secretary.

DIRECTORS

78. Each member of the Council shall have the capacity of a director of the Association and the terms of the Act shall apply to the “members” of the Council in the same way as they apply to “directors”. The Council shall have the capacity of the board of directors of the Association and the terms of the Act shall apply to the “Council” in the same way as they apply to the “board of directors”.

ACCOUNTS

79. The Council shall cause accounting records to be kept in accordance with the provisions of the Act.
80. The accounting records shall be kept at the Office or, subject to the provisions of the Act, at such other place or places as the Council thinks fit and shall always be open to the inspection of the members of the Council.
81. The Association in general meeting may from time to time impose reasonable restrictions as to the time and manner of the inspection by the members, other than members of the Council, of the accounts and books of the Association, or any of them, and subject to such restrictions the accounts and books of the Association shall be open to the inspection of such members at all reasonable times during business hours.
82. The Council shall, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Association in general meeting every year such income and expenditure accounts for the period since the last preceding accounts made up to date not more than four months before such meeting, together with a balance sheet made up as at the same date, as are referred to in the Act. Every such balance sheet shall be accompanied by reports of the Council and where required by the Act the Auditors, and copies of such accounts, balance sheet and reports, and of any other documents required by law to be annexed or attached thereto or to accompany the same, shall not less than 21 Clear Days before the date of the meeting be sent to the Auditors and to all other persons entitled to receive notices of general meetings of the Association. The Auditors' report shall be open to inspection and be read before the meeting is required by the Act.

AUDIT

83. Once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure accounts and balance sheet ascertained by one or more properly qualified Auditor or Auditors.
84. Auditors shall be appointed, and their duties regulated, in accordance with the provisions of the Act, the members of the Council being treated as the directors mentioned in the Act for that purpose.

NOTICES

85. The Association may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using an Electronic Communication to an address for the time being notified to the Association by the member. A member whose registered address is not within the United Kingdom and who gives to the Association an address within the United Kingdom at which notices may be given to

him or an address to which notices may be sent using Electronic Communications shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Association. In this Article and in Article 86 “address” is in relation to Electronic Communications, including any number or address used for the purposes of such communications.

86. A member present, either in person or by proxy, at any meeting of the Association shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.
87. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an Electronic Communication was sent in accordance with any procedure adopted by the Council or which is otherwise binding on them shall be conclusive evidence that the notice was given. A notice shall be deemed to be given on the day following that on which the envelope containing it was posted or in the case of a notice contained in an Electronic Communication, on the day following the day on which it was sent.
88. The official language of the Association (in which all notices and documents of the Association shall be issued) shall be English and the official currency (in which currency all amounts of the Association shall be drawn) shall be Pounds Sterling.

WINDING UP

89. On the winding-up and dissolution of the Association the provisions of Clause 7 of the Memorandum of Association shall have effect as if repeated in these Articles.

INDEMNITY

90. Subject to the provisions of the Act but without prejudice to any indemnity to which a member of the Council may otherwise be entitled, every member of the Council or other officer of the Association shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Association.
91. Subject to the prior resolution of the Council, the members of the Council may purchase and maintain insurance at the expense of the Association for the benefit of any member of the Council or other officer of the Association against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as a member of the Council or officer of the Association.

ASSOCIATION POLICY

92. If any member of the Council or the Association shall disagree with the policy of the Association (as determined by the Council or by the Association in General Assembly) such member shall be entitled to state in public or private their own views concerning the said policy of the Association provided that they state at all times that the views they express are their own and not those of the Association and are at variance with the policy approved by the Association. In giving their views, the dissenting member or members shall not do or say anything which may be prejudicial to the best interests of the Association or may bring the Association into disrepute and other than as set out herein shall support and respect the policy of the Association.

ACCEPTANCE OF DOCUMENTS/ELECTRONIC COMMUNICATIONS

93. Where any instrument or other document in writing is to be delivered to the Association pursuant to these Articles the Council may in their absolute discretion (without prejudice to any other part of these Articles) treat a facsimile transmission, electronically transmitted communication or other machine made copy of such instrument or other document as the original thereof for the purposes of the relevant Article. Where any instrument or other document in writing is to be delivered by the Association to the members pursuant to these Articles, the Act or otherwise the Council may in their absolute discretion (without prejudice to any other part of these Articles) invite the members to receive such instrument or other document by Electronic Communication in accordance with guidance issued from time to time by the Institute of Chartered Secretaries and Administrators.
94. Nothing in these Articles shall require the Association to accept any Electronic Communication (including any proxy):-
- (i) not lodged at the address supplied by the Association; or
 - (ii) found or suspected to contain a computer virus or to be otherwise contaminated.