

The Companies Acts 1985 and 1989

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

MEMORANDUM OF ASSOCIATION

of

THE JISC CONTENT PROCUREMENT COMPANY LIMITED

1. The name of the Company ("the Company") is "THE JISC CONTENT PROCUREMENT COMPANY LIMITED".
2. The Company's registered office is to be situated in England.
3. The Company's objects are:
 - (a) to carry on all or any of the businesses of establishing, managing and providing access to electronic resources for the community of bodies and institutions engaged in the provision or support of education learning and research (or any of them or in any combination of them) in the United Kingdom of Great Britain and Northern Ireland and elsewhere in the world (together the "Learning Community");
 - (b) to acquire and grant licences and other rights to develop, copy, use, publish and disseminate whether by electronic or other means, data, published works and articles and other material of all descriptions in any form and on any media ("Educational Material") for the advancement and benefit of the Learning Community;
 - (c) to collaborate with third parties in the furtherance of the aforementioned objects and generally to support and advance the interests of the Learning Community.
4. In furtherance of the objects set out in Clause 3, but not further or otherwise, the Company shall have the following powers:
 - (a) to pay the expenses of incorporating the Company;
 - (b) to apply for, purchase or otherwise acquire any intellectual property rights, licences or know-how which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company; and to use, exercise, develop, license or otherwise turn to account the property, rights or information so acquired;
 - (c) to receive any gift or grant of property or money for the objects of the Company;

- (d) to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal estate which may be deemed necessary or convenient for any of the purposes of the Company;
- (e) to construct, maintain and alter any buildings or works necessary or convenient for any of the purposes of the Company;
- (f) to sell, manage, lease, mortgage, dispose of or otherwise deal with all or any part of the property of the Company;
- (g) to print and publish any newspapers, journals, periodicals, books or leaflets that the Company may think desirable for the promotion of its objects;
- (h) to draw, accept and make, and to endorse, discount and negotiate, bills of exchange and promissory notes and other negotiable instruments;
- (i) to borrow and raise money in such manner as the Company may think fit;
- (j) to invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or properties as may be thought fit;
- (k) to carry into effect any arrangement for joint working with any other organisation;
- (l) to amalgamate with or support any organisation whose objects may (in the opinion of the Board) advantageously be combined with the objects of the Company;
- (m) to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any one or more of the organisations with which the Company is authorised to amalgamate;
- (n) to transfer all or any part of the property, assets, liabilities and engagements of the Company to any one or more of the organisations with which the Company is authorised to amalgamate;
- (o) to provide for the welfare of persons employed by the Company and for their dependants and, in particular but without prejudice to the generality of the foregoing, for the spouses, widows, widowers, civil partners and families of such persons by grants of money, pensions or other aid or otherwise as the Company shall think fit;
- (p) to indemnify directors and officers of the Company against and save them harmless from any liability and loss they may suffer and costs charges and expenses they may incur in connection with any claim brought or threatened against them as a result of or in relation to alleged negligence, default, breach of duty or breach of trust but only to the extent that such indemnification shall be permitted by law from time to time;
- (q) to pay out of the funds of the Company the cost of any premium in respect of insurance to cover any liability and loss suffered by directors and officers of the Company of the nature described in clause 4(p) but only to the extent that such payment shall be permitted by law from time to time; and

- (r) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

PROVIDED THAT:

- (i) in case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest that property in the manner allowed by law, having regard to such trusts; and
- (ii) the objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

5. The income and property of the Company shall be applied solely towards the promotion of the objects of the Company as set out in this Memorandum and no portion 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 prior to its winding up

PROVIDED THAT nothing in this Memorandum shall prevent the payment or supply in good faith:

- (i) of reasonable and proper remuneration to any director and other officer or employee of the Company, or to any member of the Company, in return for any services actually rendered to the Company;
- (ii) of goods or provision of services by the Company to any member of the Company on reasonable terms;
- (iii) of reasonable and proper payments in respect of indemnities given under the powers granted by clause 4(p) and premiums in respect of indemnity insurance effected pursuant to the powers granted by clause 4(q);
- (iv) of interest on money lent at a rate not exceeding four per cent above the average Clearing Banks' base rate in force at the date of borrowing;
- (v) of any sums properly due and payable to a member by way of repayment of any grant or other refundable payment made by that member to the Company in accordance with the terms applicable to payment of such grant or funding;
- (vi) of reasonable and proper rent or fee for premises demised or let or licensed for occupation from any member of the Company; or
- (vii) of reasonable out-of-pocket expenses to any member of the Board of Management of the Company or to any other person or persons who may have incurred such expenses on behalf of the Company.

6. The liability of the members is limited.

7. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the 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.

8. If upon the winding up or dissolution of the Company any property remains after the satisfaction of all its debts and liabilities, that property shall be paid to or distributed among the members of the Company in accordance with the Company's articles of association applicable from time to time.

We, the person whose name is written below, wish to be formed into a Company under this Memorandum of Association.

NAME AND ADDRESS OF SUBSCRIBER

Signature

Higher Education Funding Council for England

Northavon House
Coldharbour Lane
Bristol BS16 1QD

Dated 2006

Witness to the above signature: -

Name:

Address:

Occupation:

The Companies Acts 1985 and 1989

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

ARTICLES OF ASSOCIATION

of

THE JISC CONTENT PROCUREMENT COMPANY LIMITED

INTERPRETATION

1. In these Articles the following expressions shall have the meanings respectively ascribed to them below:

Expression	Meaning
"the Act"	the Companies Acts 1985 and 1989 including any statutory modification or re-enactment of that Act for the time being in force
"the Board" or "Board of Management"	the board of directors established under Article 33
"address"	in relation to electronic communications, includes any number or address used for the purpose of such communications
"communication"	has the meaning given to that expression by the Electronic Communications Act 2000
"Core Members"	DEL, ELWa, HEFCE, HEFCW, SFC and such other institutions as may be admitted to membership of the Company as Core Members pursuant to Articles 3 and 4 in each case for long as it remains a member
"Core Member Director"	has the meaning given to that expression by Article 33
"DEL"	Department for Employment and Learning for Northern Ireland
"Education Community"	The community comprising institutions providing learning research and education for persons post-16 including but not limited to

	higher and further education
"electronic communication"	has the meaning given to that expression by the Electronic Communications Act 2000
"Eligible Institutions"	Any university, college or other institution or body forming part of the Education Community from time to time approved by the Board for the purpose of defining Eligible Institutions
"ELWa"	National Council for Education and Training for Wales
"executed"	includes any mode of execution
"HEFCE"	Higher Education Funding Council for England
"HEFCW"	Higher Education Funding Council for Wales
"Institutional Member"	Any member of the Company for the time being other than a Core Member
"Institutional Member Directors"	has the meaning given to that expression by Article 33
"Seal"	the common seal of the Company
"Secretary"	any person appointed to perform the duties of the Company Secretary of the Company
"SFC"	Scottish Further and Higher Education Funding Council

References in these Articles to 'he', 'him' or 'his' include male and female individuals and other legal persons.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the meanings given to them in the Act, but excluding any statutory modification of the Act not in force at the date of adoption of these Articles.

GENERAL

2. The Company is established for the purposes expressed in the Memorandum of Association.

ADMISSION OF MEMBERS

3. The members of the Company shall be the subscribers to the Memorandum of Association and such other persons as shall apply for admission and be admitted as members by the Board. Every application for membership shall be in such form as the Board shall prescribe from time to time.
4. There shall be the following classes of membership:

Core Members (the first of whom shall be DEL, ELWa, HEFCE, HEFCW and SFC). Core membership shall be open to other bodies established or sponsored by HM Government in the United Kingdom of Great Britain and Northern Ireland under statutory powers as may from time to time be approved by the Board; and

Institutional Members (open to all Eligible Institutions)

The Board may establish Rules under Article 71 setting out further eligibility criteria for any class of member and for annual or other periodic subscription or membership fees to be paid. A member is eligible to join only one class. If there is any dispute about which class a particular applicant for membership is eligible to join, the Board's decision shall be final and the Board shall not be obliged to give reasons for its decision.

5. At the next meeting of the Board after the receipt of any application for membership, the Board will consider whether to accept or to reject the applicant. In no case shall the Board give any reason for the rejection of an applicant. If the applicant is accepted its name will be entered in the Company's register of members promptly following the meeting and will be a member from the date of that entry.

RETIREMENT OF MEMBERS

6. Membership shall be transferable only under the conditions in Article 7, and shall cease in the case of any member:
 - (a) if by notice given to the Secretary a member resigns his membership;
 - (b) if any subscription or membership fee due from such member to the Company remains outstanding and overdue for more than three months;
 - (c) if it ceases to exist or is wound up; or
 - (d) its membership is transferred to a successor body pursuant to Article 7.

Any former member is entitled to reapply for membership in accordance with these Articles.

7. Any Core Member shall be entitled to transfer its membership rights and privileges to its successor body by giving notice to the Secretary identifying the transferee. At the next meeting of the Board, the Board will consider the request and shall accept the transfer unless there is any dispute as to whether a body is (or should be regarded for this purpose as) a successor to a body named by the Core Member, in which event the decision of the Secretary of State with responsibility for Education in England will be final as regards bodies established in England and of the Secretary of State for Scotland, the Secretary of State for Northern Ireland or the Secretary of State for Wales shall be final as regards bodies established respectively in Scotland, Northern Ireland or Wales. If the Board accepts the transfer, the transferring member shall upon entry of the transferee in the register of members automatically cease to be a member but it may re-apply for admission as a member.

GENERAL MEETINGS

8. In each year the Company shall 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 notice calling it. Not more than fifteen months shall elapse

between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall appoint.

9. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may convene an Extraordinary General Meeting whenever it thinks fit. If at any time there are not within the United Kingdom sufficient members of the Board to form a quorum at a Board meeting, any director or any two Core Members may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.
10. An Extraordinary General Meeting may also be convened by the Board if it is requisitioned by members as provided by the Act. For the purpose of determining the necessary number of requisitionists, the Institutional Members shall be treated as if they had the right to vote at general meetings of the Company PROVIDED THAT the object of the meeting as stated in the requisition may only extend to matters on which Institutional Members shall be entitled to vote in accordance with Article 25. Any requisition made by members shall state the object of the meeting proposed to be called, and shall be left at the registered office of the Company.
11. Upon receipt of such requisition the Board shall proceed immediately to convene a general meeting; if it does not proceed to convene the meeting within twenty-one days from the date of the requisition, the requisitionists may convene a meeting themselves.
12. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one days' notice in writing, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting, the general nature of the business to be transacted, and the text of any special or extraordinary resolutions.

A general meeting may be called by shorter notice than that specified in this Article if it is so agreed:

- (a) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote at the meeting; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent of the total voting rights that may be cast on a poll at that meeting.
13. A notice calling any general meeting of the Company shall be given in the manner described in Articles 66 to 69 or in such other manner, if any, as may be prescribed by the Company in general meeting, to all the members of the Company having the right to vote in respect of any of the business to be transacted at the meeting, to all the directors, and to the Auditors. All members of the Company shall be entitled to receive notice of, and attend at, any Extraordinary General Meeting called pursuant to Articles 9, 10 and 11.

14. 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 it shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

15. No business shall be transacted at any general meeting or any meeting of a class meeting of members unless a quorum of members is present at the time when the meeting proceeds to business; except as provided below, two Core Members present in person or by proxy shall be a quorum except that if a meeting shall be requisitioned by Institutional Members pursuant to Article 10, the quorum shall be six Institutional Members present in person.
16. If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon 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 day and at such other time and place as the Board may determine. If at the adjourned meeting a quorum is not present within half-an-hour from the time appointed for the meeting, the members present shall be a quorum.
17. The directors may attend and speak at general meetings of the Company and at class meetings of members but (except in the case of the chairman's casting vote pursuant to Article 22) they shall not be entitled to vote at such meetings. The Chairman of the Board or failing him the Core Member Director shall preside as chairman at every general meeting of the Company and at class meetings of members, or if there is no such chairman, or if neither of them is present within fifteen minutes after the time appointed for the holding of the meeting or both are unwilling to act, the members of the Board present shall elect one of their number to be chairman of the meeting.
18. If at any meeting no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for the holding of the meeting, the members of the Company present (or in the case of a class meeting, members of the relevant class) shall choose one of their number to be chairman of the meeting.
19. With the consent of any meeting at which a quorum is present, the chairman may adjourn the meeting from time to time and from place to place, and the chairman shall do so if so directed by the meeting. However, no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
20. At any general meeting or class meeting of members, a resolution put to the vote of the 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 demanded:
 - (a) by the chairman; or
 - (b) by at least two members of the Company having the right to vote at that meeting and present in person or by proxy; or

- (c) by any member or members of the Company present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting.

Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried or lost, whether unanimously or by a particular majority, on a show of hands, and an entry to that effect in the book containing 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.

The demand for a poll may be withdrawn.

- 21. Except as provided in Article 23, if a poll is demanded properly it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 22. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote.
- 23. A poll demanded on the election of a chairman, 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, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 24. Subject to the provisions of the Act, a resolution in writing executed by all the persons for the time being who would have been entitled to vote upon it at a general meeting (or at a meeting of the relevant class of members) if it had been proposed thereat shall be as valid and effective as if it had been passed at a general meeting of the Company (or class meeting as the case may be) properly convened and held. Any such resolution may consist of two or more documents in similar form, each executed by one or more of such persons.

VOTES OF MEMBERS

- 25. Except as otherwise provided in these Articles, every Core Member shall have one vote at general meetings and at class meetings of Core Members. Every Institutional Member shall have one vote at class meetings of Institutional Members but shall not have a vote at general meetings except on a resolution concerning the appointment/re-election or removal of any Institutional Member Directors and the Core Members shall have no right to vote on such a resolution.
- 26. A vote at any general meeting or class meeting may be exercised by a member present in person or by proxy. The appointment of a proxy shall be executed by or on behalf of the appointor. A proxy need not be a member of the Company.
- 27. The appointment of a proxy and any authority under which it is executed or a copy of that authority, certified by a solicitor or authenticated in such other way as the Board may require, must be received:
 - (a) at the registered office of the Company or at such other place within the United Kingdom or address for electronic communication as is specified for that purpose in the notice convening the meeting, or in any form of appointment of proxy sent out by the Company in relation to the meeting,

or in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting; and

- (b) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll;

and if the appointment does not comply with this Article the appointment of the proxy shall not be treated as valid.

- 28. The appointment of a proxy shall be in the following form or as near a form as circumstances admit or in any other form which the Board may approve:

"THE JISC CONTENT PROCUREMENT COMPANY LIMITED

I, [on behalf of *[name of organisation]*]
of
being a person entitled to vote at general meetings of the above Company,
appoint the Chairman of the meeting or **
of
as my proxy to vote for me on my behalf at the Annual (Extraordinary)
General Meeting of the Company meeting of the *[name of class]* Members
to be held on 20 and at any adjournment of
that meeting.

Date: 20..

Signature:

** If you do not insert a name, the Chairman will act as your proxy."

- 29. Where the intention is to give the member an opportunity of voting for or against a resolution, the appointment of a proxy shall be in the following form or as near a form as circumstances admit or in any other form which the Board may approve:

"THE JISC CONTENT PROCUREMENT COMPANY LIMITED

I, [on behalf of *[name of organisation]*]
of
being a person entitled to vote at general meetings of the above Company,
appoint the Chairman of the meeting, or**
of
as my proxy to vote for me on my behalf at the Annual (Extraordinary)
General Meeting of the Company meeting of the *[name of class]* Members
to be held on 20 and at any
adjournment of that meeting.

Date: 20..

Signature:

My vote is to be used * in favour of / against the resolution.

* Strike out whichever you do not want.

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

** If you do not insert a name the Chairman will act as your proxy."

30. The appointment of a proxy for a member of the Company shall be deemed to confer authority to demand or join in demanding a poll.
31. A vote given in accordance with the terms of an appointment of proxy shall remain valid even if the appointor ceases to have legal capacity or authority, provided that the Company has not received notice of that fact at its registered office before the start of the meeting or adjourned meeting at which the vote is given.
32. A Core Member must and an Institutional Member may nominate an individual as its representative for the receipt of notices and attendance at meetings of the Company and at class meetings and particulars of the name and address of such person (and any changes to those particulars) shall be notified to the Secretary in writing. Such address must include an address of premises in the United Kingdom and may include an address for electronic communication. The representative must be an officer or employee of the member at the time of acting as representative. A member whose representative is present at a meeting of the Company is, for the purpose of these Articles, present in person at the meeting.

BOARD OF MANAGEMENT

33. The Board of Management of the Company shall consist of directors designated by the Board as executive directors ("the Executive Directors"), the Chairman and any number of other persons ("the Non-Executive Directors") appointed in accordance with these Articles. The Chairman and in addition one Non-Executive Director ("the Core Member Director") shall be appointed by the Core Members and two Non-Executive Directors shall be appointed by the Institutional Members (together the "Institutional Member Directors"). For the avoidance of doubt, any costs incurred by any of the Core Members in recruiting the Chairman shall be reimbursed by the Company. The Board shall, subject to the prior approval of the Chairman but otherwise at its discretion, have the right to appoint additional Executive or Non-Executive Directors at any time, and may determine the periods for which they are to hold office.
34. The Executive Directors shall be appointed by the Board to hold office for such periods as the Board shall select. The Board may enter into an agreement or arrangement with an Executive Director for his employment by the Company, or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such agreement or arrangement may be made upon such terms as the Board determines including but not limited to salary, commission and other emoluments. Any appointment of a director to the office of Executive Director shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.
35. The appointment of the Chairman and the Core Member Director by the Core Members (and the terms on which they shall be engaged) shall be evidenced in such manner as the Board shall from time to time recognise as sufficient. The Core Member Director shall hold office for such period as the Core Members shall determine up to a maximum of [three] years ending at an Annual General Meeting of the Company (being for this purpose the interval between [four] consecutive Annual General Meetings) provided that the [three] years period commencing on the date of incorporation of the Company shall be deemed to end on the date of the third consecutive Annual General Meeting thereafter. The Core Member Director so retiring shall be eligible to be re-appointed by the Core Members for

further periods (each of which shall be no longer than the maximum period prescribed in the preceding sentence). If at any Annual General Meeting at which the Core Member Director is to retire pursuant to this Article is not filled up, the retiring director (if willing to serve) shall be deemed to have been re-appointed and to hold the same office (if any) that he held immediately before.

The Chairman shall hold office for such period as the Core Members shall determine up to a maximum of four years. A person holding office as Chairman shall be eligible to be reappointed by the Core Members as Chairman for a further term of up to four years on each occasion that his term of office expires.

36. The Board will invite nominations for the office of Institutional Member Directors from the Institutional Members as soon as reasonably practicable after the adoption of these Articles and thereafter not less than 60 days before each Annual General Meeting at which Institutional Member Directors are to be appointed in accordance with this Article. All nominations must be accompanied by an indication from the nominee of his willingness to act as a director of the Company. If the number of nominations received from any class of members exceeds the number of Institutional Member Directors, which the Institutional Members are entitled to appoint, the Board may (at its sole discretion) either:
- (a) call a meeting of the Institutional Members as a class by giving not less than seven days' notice in accordance with the provisions of these Articles to every Institutional Member; or
 - (b) conduct a ballot of the Institutional Members, in which voting may be by post or by electronic communications, sent to an independent scrutineer (who may be an Auditor of the Company for the time being).
 - (c) If the number of nominations does not exceed the number of places, the nominee(s) of the Institutional Members will be deemed to have been appointed at the Annual General Meeting. The Board will announce the names of the Institutional Member Directors at the Annual General Meeting.
 - (d) The Institutional Member Directors shall hold office until and shall retire at the third Annual General Meeting of the Company after their appointment. A retiring Institutional Member Director shall be eligible for re-appointment. If at any Annual General Meeting at which an Institutional Member Director is to retire under this Article his place is not filled up, the retiring director (if willing to serve) shall be deemed to have been re-appointed.
- 37.
- (a) Any casual vacancy occurring in the office of the Chairman or the Core Member Director shall be filled up by the Core Members. Any person so chosen to be appointed the Core Member Director shall (if not appointed at an Annual General Meeting) be subject to retirement at the same time as if he had become a director at the Annual General Meeting immediately preceding his appointment.
 - (b) Any casual vacancy occurring among the Institutional Members Directors shall be filled at the Annual General Meeting that follows the occurrence of the vacancy in accordance with this Article.
 - (c) The Board may make a temporary appointment to fill any casual vacancy among the directors (other than the Chairman and the Core Member

Director) between the occurrence of the vacancy and the following Annual General Meeting.

DIRECTORS' REMUNERATION AND EXPENSES

38. The directors may be paid all reasonable travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of members of the Company or otherwise in connection with the discharge of their duties. The Chairman shall be entitled to such remuneration payable by the Company as the Core Members may from time to time determine. No other directors shall be entitled to any remuneration except as the Company may by ordinary resolution determine.

CESSATION OF DIRECTOR'S APPOINTMENT

39. A director shall cease to be such:
- (a) if by notice given to the Secretary he resigns his directorship;
 - (b) upon death, or is incapable, whether legally, mentally or physically, of managing his or her own affairs;
 - (c) if he is prohibited by law from being a director of a company;
 - (d) if he is removed from office in accordance with the provisions of section 303 of the Act;
 - (e) in the case of an Executive Director, if he ceases to be an employee of the Company or of the body that employed him and whose services were contracted to the Company by that body;
 - (f) in the case of a director appointed by the Board, if he is removed by a resolution of the Board;
 - (g) in the case of the Chairman or the Core Member Director, if he is removed by an Extraordinary Resolution of the Core Members acting as a class;
 - (h) in the case of an Institutional Member Director, if he is removed by an Extraordinary Resolution of the Institutional Members acting as a class.

PROCEEDINGS OF DIRECTORS

40. The Board shall have absolute control over all the affairs and property of the Company and shall exercise all such powers of the Company as they shall think fit, except as otherwise provided by the Memorandum of Association and these Articles; and provided that in the exercise of its powers the Board shall have regard to any regulations prescribed by the Company in general meetings and the Rules established under Article 71 (such regulations and Rules not to invalidate any prior acts of the Board which would have been valid if the regulations or, as the case may be, the Rules had not been made). The Board may entrust to and confer upon one or more of the Executive Directors any of the powers exercisable by them (with power to sub-delegate to other Executive Directors) upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

41. A director may summon a meeting of the Board at any time, and the Secretary shall do so on the requisition of a director. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The Board shall cause minutes to be made in books provided for the purpose of all resolutions and proceedings at all meetings of the Board.
42. The person appointed by the Core Members as Chairman under Articles 33 and 35 shall be Chairman of the Board. Subject to Article 45, the Chairman of the Board shall preside at every meeting, and in the case of an equality of votes he shall have a second or casting vote.
43. The quorum necessary for the transaction of the business of the Board shall be three, of whom at least one must be the Chairman or the Core Member Director.
44. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below three, the continuing directors or director may act for the purpose of increasing the number of directors to three, or of summoning a general meeting of the Company, but for no other purpose.
45. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Core Member Director shall chair the meeting. In the case of equality of votes on any question the chairman shall have a second or casting vote.
46. A resolution in writing executed by all the directors for the time being entitled to receive notice of and to attend and vote at meetings of the Board shall be as valid and effective as if it had been passed at a meeting of the Board properly convened and held. Any such resolution may consist of two or more documents in similar form, each executed by one or more of such directors. The Board may also conduct meetings by means of electronic communications provided that every participant in the meeting can communicate with each of the others.
47. The Board may delegate any of its powers to committees consisting of such directors as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
48. Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office
 - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

49. For the purposes of Article 48
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

ALTERNATE DIRECTORS

50. Any director (other than alternate director) may with the prior approval of the Chairman (who may refuse to give such approval without giving any reason) appoint any other director, or any other person approved by the Chairman and willing to act, to be an alternate director for any particular meeting but not generally at all meetings and may remove from office an alternate director so appointed by him.
51. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
52. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
53. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
54. An alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

SECRETARY

55. The Company shall have a Secretary who shall be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit; and may be removed from that office by a resolution of the Board.
56. An Executive Director may also be the Secretary, but a provision of the Act or these Articles requiring or authorising a thing to be done by or to the Secretary and some other person shall not be satisfied by its being done by or to the same person acting both as, or in the place of, the Secretary and as that other person.
57. Anything required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be

done by or to any assistant or deputy secretary, or, if there is none such, by or to any officer of the Company authorised generally or specially in that respect by the Board.

SEAL

58. If the Company may have a Seal, and if it does, the Board shall provide for the safe custody of the Seal, which shall be used only by the authority of the Board, and every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the Secretary or by a second director or by some other person appointed by the Board for the purpose.

ACCOUNTS

59. The Board shall cause accountancy records to be kept in accordance with the Act.
60. The accountancy records shall be kept at the registered office of the Company or (subject to the provisions of the Act) at such other place as the Board shall direct, and shall always be open to inspection by directors.
61. The Board may from time to time impose reasonable restrictions as to the times and manner at or in which the accountancy records and books of the Company or any of them shall be open to inspection by members of the Company not being directors. Subject to such restrictions, the accounts and books shall be open to inspection by such members at all reasonable times during business hours.
62. The Board shall from time to time cause to be prepared and to be laid before the Company in general meeting such income and expenditure accounts, balance-sheets and reports as are required by statute.
63. At the Annual General Meeting in every year the Board shall lay before the Company a proper income and expenditure account for the period since the last preceding account (or in the case of the first account, since the incorporation of the Company) made up to date not more than six months before such meeting, together with a proper balance-sheet made up as at the same date.

Every such balance-sheet shall be accompanied by proper reports of the Board and the Auditors, and copies of such account, balance-sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached to them or to accompany them shall be sent not less than twenty-one clear days before the date of the meeting (subject to the provisions of the Act) to the Auditors and to all other persons entitled to receive notices of general meetings, in the manner in which Articles 67-69 directs notices to be served. The Auditors' report shall be open to inspection, and will be read before the meeting as required by the provisions of the Act.

AUDIT

64. Auditors shall be appointed and their duties regulated in the manner provided in the Act.

WINDING UP

65. The following provisions shall apply if the Company is wound up:

- (a) On a distribution of the assets of the Company in a winding up following the discharge of all the debts and liabilities of the Company and of the expenses of the winding up, the amount available for distribution amongst the members shall be applied in the following order of priority:
- (i) first, in the payment to each Core Member and Institutional Member of a sum equal to the aggregate amount paid by it to the Company by way of contribution to the capital of the Company or other payment or grant (otherwise than by way of loan or in consideration for membership subscription fees or for the provision or supply of services or goods by the Company to such member in the ordinary course of business) but only to the extent that such amounts shall not have been previously repaid or treated as repaid by the Company either prior to its winding up or in the course of the winding up PROVIDED THAT if the aggregate amount of all payments to all such members shall exceed the amount available for distribution to them then the amounts payable to them shall be scaled down so that they each receive a proportion of the total amount available for distribution equal to the proportion which the total amount which would be distributed to such member in full (assuming there was no deficiency) bears to the total amount which would be distributed to all such members in full (assuming there was no deficiency)
 - (ii) any balance remaining to be distributed shall be divided amongst all the members equally between them.
- (b) The liquidator may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

NOTICES

66. Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board) must be given in writing or using electronic communications to an address for the time being notified for that purpose to the person giving the notice.
67. A notice may be served by the Company upon any member of the Company either personally or by sending it through the 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 electronic communications to an address for the time being notified to the Company by the member.
68. A member present, either in person or by proxy, at any meeting of the Company or at any meeting of a class of members, is deemed to have received notice of the meeting and of the purposes for which it was called.
69. 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 guidance

given by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the end of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the end of 48 hours after the time it was sent.

INDEMNITY AND INSURANCE

70.

- (a) Without prejudice to any indemnity to which he may otherwise be entitled, every director of the Company or any other Relevant Officer shall be indemnified and kept indemnified out of the Company's assets against all liability incurred by him in the execution and discharge of his duties as a director or other Relevant Officer of the Company in connection with:
- (i) defending any proceedings, whether civil or criminal, in respect of alleged negligence, default, breach of duty, breach of trust or otherwise in relation to the Company or its or their affairs, in which judgement is given in his favour or in which he is acquitted or in defending or settling any such proceedings which are otherwise disposed of on terms previously agreed with the Board of the Company or on terms otherwise approved by the Board of the Company without any finding or admission of negligence, default, breach of duty or breach of trust on his part; or
 - (ii) any application under Section 144(3) or 144(4) or 727 of the Act in which relief is granted to him by the Court;
 - (iii) provided that this Regulation shall not grant, or entitle any such person to, indemnification to the extent that it would cause this Regulation, or any part of it, to be void under the Act.
- (b) Without prejudice to any indemnity to which he may otherwise be entitled (including, for the avoidance of doubt, any indemnity under or pursuant to these articles) and to the extent permitted by the Act, the Board shall, at its sole discretion, have power in the name and on behalf of the Company to:
- (i) grant on such terms as it sees fit to any person who is a director of the Company or any other Relevant Officer an indemnity or indemnities out of the assets of the Company in respect of any liability incurred by him as a director of the Company or as a Relevant Officer (subject always to such indemnity or indemnities being a Qualifying Third Party Indemnity Provision) and (subject as aforesaid) to amend, vary or extend the terms of any such indemnity so granted, again on such terms as the Board sees fit; and/or
 - (ii) enter into and amend, vary or extend such arrangements as it sees fit:
 - to provide any person who is a director of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings brought against him as such or in connection with any application for relief under Section 144(3) or 144(4) or 727 of the Act; or

- to enable any such person to avoid incurring any such expenditure.
- (c) Any loan or other arrangement entered into under Article 70(b)(ii) in respect of:
- (i) any criminal proceedings brought against; or
 - (ii) any application for relief under section 144(3) or 144(4) or 727 of the Act by; or
 - (iii) any civil proceedings brought by the Company (or, at the discretion of the Board, by any third party) against,

such director to whom such loan or arrangement is granted to, shall be conditional upon such director undertaking to the Company in such terms as the Board shall require immediately to repay the Company and otherwise immediately indemnify discharge and hold the Company harmless from and against all payments made and liabilities incurred by the Company in respect of such loan or other arrangement in the event that such proceedings should result in a conviction, judgement or refusal of relief which in any such case is final as determined in accordance with section 337A (5) and (6) of the Act.

- (d) For the purposes of this Article 70:
- (i) “Relevant Officer” is any officer of the Company other than any person (whether or not an officer of the Company) engaged by the Company as auditor;
 - (ii) “Qualifying Third Party Indemnity Provision” has the meaning given to that term in Section 309B of the Act; and
 - (iii) a director shall be entitled to vote and to be counted in the quorum at any meeting of the Board or a committee of the Board at which any indemnity, arrangement or proposal falling within any of the provisions of Articles 70(a) or 70(b) is to be considered and, for the purposes of Article 48, any interest which any director may have in such indemnity, arrangement or proposal shall not be a material interest unless the terms of such indemnity, arrangement or proposal confer upon such director a privilege or benefit not generally available to, or awarded to, any other director. The decision of the chairman of the meeting as to whether the indemnity, arrangement or proposal to be considered at the meeting falls within the provisions of Articles 70(a) or 70(b) or as to the materiality of any director’s interest therein for the purposes of this Article and Article 48 shall be final and conclusive.
- (e) Subject to the provisions of the Act, the Company may purchase and maintain for any Relevant Officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, including, to the extent permitted by the Act, but not limited to, liability for costs, charges and expenses incurred by him in relation to any such matters.

RULES

71. The Board may establish Rules for any purposes required from time to time for the effective operation of the Company or as contemplated by these Articles; provided that if there is a conflict between the terms of these Articles or the Memorandum of Association and any Rules established under this Article, the terms of the Memorandum and Articles will prevail.