

THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

NEW ARTICLES OF ASSOCIATION
(adopted by special resolution passed on July 2020)

of

THE VETERINARY DEFENCE SOCIETY LIMITED

Incorporated on 31 August 1987

Registered in England and Wales

Signed by the Chairman of the Board, Nicky J. Paull BVSc MRCVS

[July 2020]

CONTENTS

ARTICLE	PAGE
1. INTERPRETATION	1
2. STATEMENT OF OBJECTS AND RESTRICTIONS	3
3. LIABILITY OF MEMBERS	6
4. MEMBERSHIP	7
5. CORPORATE GROUPS, MEMBERS IN PARTNERSHIP OR OTHER ASSOCIATION	8
6. PREMIUMS	9
7. CESSATION OF MEMBERSHIP	9
8. CHANGES IN CORPORATE GROUPS, MEMBERS' PARTNERSHIPS OR OTHER ASSOCIATIONS	10
9. GENERAL MEETINGS	11
10. CONVENING GENERAL MEETINGS	11
11. NOTICES OF GENERAL MEETINGS	12
12. SIMULTANEOUS ATTENDANCE AND PARTICIPATION BY ELECTRONIC FACILITIES	13
13. PROCEEDINGS OF GENERAL MEETINGS	13
14. VOTES OF MEMBERS	15
15. MATTERS REQUIRING SPECIAL RESOLUTION	17
16. BOARD OF DIRECTORS	17
17. POWERS OF THE BOARD	18
18. APPOINTMENT AND RETIREMENT OF THE MEMBERS OF THE BOARD	18
19. DISQUALIFICATION OF MEMBERS OF THE BOARD	19
20. REMUNERATION AND PAYMENT OF EXPENSES OF BOARD MEMBERS	20
21. APPOINTMENT OF EXECUTIVES AND INTERESTS OF BOARD MEMBERS AND EXECUTIVES	20
22. PENSIONS FOR EXECUTIVES	20
23. PROCEEDINGS OF THE BOARD	21
24. SECRETARY	23
25. MINUTES	23
26. SEAL	23
27. ACCOUNTS AND AUDIT	23
28. NOTICES	23
29. RULES OR BYE-LAWS	25
30. INDEMNITY	25
31. SURPLUS	26

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THE VETERINARY DEFENCE SOCIETY LIMITED

1. INTERPRETATION

1.1 In these Articles the following words and expressions shall, if not inconsistent with subject or context, have the following meanings:-

Acts mean the Companies Acts and FSMA;

address means includes any number or address used for the purposes of sending or receiving documents or information by electronic means;

Articles means these Articles of Association of the Company;

Associated Company shall have the meaning set out in section 416 of the Income and Corporation Taxes Act 1988;

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

Clear days in relation to any period of 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;

Companies Acts means those provisions of the Companies Act 2006 for the time being force, including any statutory modification or re-enactment thereof for the time being in force and any regulations made thereunder;

Corporate Group means in relation to any company, that company, any holding company of that company from time to time, any subsidiary from time to time if that company or any such holding company or any Associated Company and references to **Group Company** and **Group Companies** shall mean a member or members, as the case may be, of a Corporate Group;

Corporate Member means a company formed and registered under the Companies Acts or a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000 which carries on, or which has carried on or which is part of a Corporate Group that includes a body corporate which carries on or has carried on normal veterinary work;

Court includes arbitration and mediation proceedings and disciplinary proceedings instigated by the Royal College of Veterinary Surgeons or the Veterinary Council or Ireland;

electronic communication and **communication** have the same meaning as in the Electronic Communications Act 2000;

electronic facility means includes, without limitation, website addresses and conference call systems, and any device, system, procedure, method or other facility whatsoever providing an electronic means of attendance at or participation in (or both attendance at and participation in) a general meeting determined by the Board pursuant to Article 14.4;

electronic form has the meaning given to it in section 1168 of the Companies Acts;

electronic has the meaning given to it in section 1168 of the Companies Acts;

executed includes any mode of execution;

FSMA means the Financial Services and Markets Act 2000 including any statutory modification or re-enactment thereof for the time being in force and any regulations made thereunder;

in writing includes typing, printing, lithography, photography and other modes of reproducing words in a permanent visible form;

month means calendar month;

Office means Registered Office of the Company;

Relevant Date means 25 July 2018;

Seal means the common seal of the Company;

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

United Kingdom means Great Britain and Northern Ireland including the Isle of Man and the Channel Islands;

Veterinary medicine includes veterinary nursing;

VN Member means a person who is eligible for, and is admitted to, membership of the Company by virtue of Article 4.2.3 or Article 4.2.4; and

website includes the website for the Company as at the date hereof (being <https://www.thevds.co.uk>) and any additional, replacement or substitute website of the Company.

- 1.2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meanings as in the Companies Acts excluding any statutory modification thereof not in force when these Articles become binding on the Company.
- 1.3 In these Articles, the singular includes the plural and *vice versa* and references to the masculine, feminine or neuter gender include references to either of the other two genders.
- 1.4 In these Articles, a reference to a person includes an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists).

- 1.5 A reference to a document **being signed** or to **signature** includes references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to its being authenticated as specified by the Companies Acts.
- 1.6 A reference to **writing** or **written** includes references to any method of representing or reproducing words in a legible and non-transitory form whether sent or supplied in electronic form or otherwise.
- 1.7 A reference to documents or information **being sent or supplied by or to** a company (including the Company) shall be construed in accordance with section 1148(3) of the Companies Acts.
- 1.8 A reference to a **meeting** shall mean a meeting convened and held in any manner permitted by these Articles, including a general meeting at which those entitled to be present attend and participate by means of electronic facility or facilities, and such persons shall be deemed to be present at that meeting for all purposes of the Companies Acts and these Articles, and **attend, participate, attending, participating, attendance and participation** shall be construed accordingly.
- 1.9 Nothing in these Articles precludes the holding and conducting of a general meeting in such a way that persons who are not present together at the same place or places may by electronic means attend and participate in it.

2. STATEMENT OF OBJECTS AND RESTRICTIONS

- 2.1 The objects for which the Company is established are:-
- 2.1.1 to take over the whole or any part of the real and personal property and undertaking or business of, and to undertake all or any of the liabilities or, an unincorporated association known as The Veterinary Defence Society.
- 2.1.2 to undertake and carry on the business of the mutual insurance and indemnification of members of the Company (which for the purposes of this Article includes former members of the Company) in respect of all or any of the following:-
- 2.1.2.1 claims against members arising from breach of professional duty or accidental trespass arising from normal veterinary work whether such liability is incurred by reason of:-
- 2.1.2.1.1 the existence of any contract, or
- 2.1.2.1.2 any liabilities in tort, or
- 2.1.2.1.3 the breach of any provision of any statute in force or regulations made thereunder affecting the practice of veterinary medicine, or
- 2.1.2.1.4 otherwise howsoever.
- 2.1.2.2 legal and other expenses incurred by members in connection with or in relation to any claim mentioned in Article 2.1.2.1 above or in relation to any charge howsoever brought against a member under any statute or regulation referred to in Article 2.1.2.1.3 or under any disciplinary rules or code applicable to a member.
- 2.1.2.3 any expense incurred by a member in obtaining or arranging further professional advice or treatment of a veterinary nature in respect of or arising out of the treatment or examination of, or attendance on, any animal or animal or arising out of veterinary work wheresoever taking place whether or not at the request of the member's client.

PROVIDED ALWAYS THAT any above-mentioned claim or charge is brought or made, or is threatened to be brought or made, in the Courts of The United Kingdom, The Republic of Ireland, the Channel Islands, the Isle of Man, Switzerland, the European Union or the European Economic Area whether or not such claim or charge is based upon an event or occurrence taking place or which took place outside territorial jurisdiction of such Courts and for avoidance of doubt reference herein to a claim or charge brought or made in such Courts does not include any reference to the enforcement or purported enforcement of any judgment, order or award of any Court other than a judgement, order or award of such Courts.

2.1.3 to provide advice to members of the Company in relation to any matter concerning their involvement in or the operation of the veterinary practice with which they are concerned.

2.2 In furtherance of the above objects the Company may exercise all or any of the following powers:-

2.2.1 to enter into any contracts of insurance, or indemnity, to effect all or any of the insurance referred to in Article 2.1 above at such premium rates and for such periods and on such terms and conditions as the Company may think fit;

2.2.2 to enter into, or effect contracts or treaties of insurance or re-insurance in respect of any liabilities of the Company on such terms and conditions as the Company may think fit;

2.2.3 to instruct and remunerate any person to advise and/or report on anything done or omitted to be done by any member, or any person mentioned in Article 2.1, arising out of the matters specified in Article 2.1.2.1 on such terms as the Company may think fit;

2.2.4 to give advice and/or guidance to any member in respect of any matter, including but not limited to the conduct of any member's veterinary work, matters of professional conduct or etiquette and employment matters;

2.2.5 to raise funds and to invite and receive subscription and contributions from members and to receive contributions and donations from any other person or company whatsoever;

2.2.6 to purchase, take on lease, or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business;

2.2.7 to build, construct, alter, maintain, enlarge, pull down, replace, develop and to work manage or control any building or erection which may seem expedient in the interests of the Company and to join with any person or company in doing these things;

2.2.8 to acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on business which the Company is authorized to carry on, or possessed of property suitable for the purposes of the Company;

2.2.9 to improve, manage, develop or turn to account all or any of the assets of the Company;

2.2.10 to sell, lease mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit;

2.2.11 to subscribe for, either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other securities or obligations of any other company;

2.2.12 to invest the moneys of the Company not immediately required for the purpose of its business in or upon such investments, securities or property as may be thought fit subject always to such conditions (if any) and such consents (if any) required or imposed by law;

- 2.2.13 to lend money or give credit (with or without security) to such persons or companies and on such terms as may be expedient and to guarantee the performance of the contracts and obligations of any person or company;
- 2.2.14 to take security for any loan, credit or guarantee on such terms as the Company may think fit;
- 2.2.15 to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the assets, property or undertaking of the Company (both present and future) and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be;
- 2.2.16 to draw, make, accept, indorse, discount, execute and issue any promissory notes, bills of exchange, bills of lading and other negotiable, transferable instruments;
- 2.2.17 to apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorization of any government, state or authority, provisional order or licence of the Department of Trade and Industry or other authority for enabling the Company or for effecting any modification of the constitution of the Company or for any purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company;
- 2.2.18 to enter into any arrangement with any governments or authorities, supreme, municipal, local or otherwise or any person or company that may seem conducive to the objects of the Company or any of them and to obtain from such bodies or persons any rights, privileges, charters, contracts, licences and concessions which the Company may think it desirable to obtain and carry out, exercise and comply with;
- 2.2.19 to pay for any rights or property acquired by the Company and to remunerate any person for services provided to the Company and to pay any employee of the Company;
- 2.2.20 to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any person who are or were at any time in the employment or service of the Company and its subsidiaries (if any) or who are or were at any time officers of the Company or any such other company as aforesaid and the wives, widows, families and dependants of such persons and make payments in or towards insurance of such persons and to do any of the matters aforesaid, either alone or in conjunction with any such other company;
- 2.2.21 to subscribe to any charitable organization, institution or society or body not formed or established for the purposes of profit;
- 2.2.22 to pay all or any expenses incurred or in connection with the promotion, formation and incorporation of the Company;
- 2.2.23 to purchase and maintain insurance for the benefit of any person who is an officer or employee, or former officer or employee, of the Company or of any other company which is subsidiary of the Company or in which the Company has an interest (whether direct or indirect) or who is or was at any time trustee of any retirement benefits scheme or any other trust in which any such officer or employee or former officer or employee is or has been interested, indemnifying such person against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may lawfully be insured against;

2.2.24 to do all or any of the things hereinbefore authorised either alone or in conjunction with any other insurance institution, society or body;

2.2.25 to do all such lawful things as are necessary for the attainment of the above objects or powers or any of them.

2.3 The income and property of the Company (wheresoever derived) shall be applied solely towards the promotion of its objects as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members or the Company.

Provided that nothing herein shall prevent any payment in good faith by the Company:-

2.3.1 of reasonable and proper remuneration to any member, officer or servant of the Company (including any member of the Board) for any services actually rendered to the Company; nor

2.3.2 of interest on money lent by any member of the Company or of the Board at a reasonable and proper rate; nor

2.3.3 of reasonable and proper rent for premises demised or let by any member of the Company or of the Board; nor

2.3.4 to any member of the Board of reasonable out-of-pocket expenses; nor

2.3.5 of any payment to any company or limited liability partnership of which a member is a member; nor

2.3.6 of any payment made pursuant to Article 2.2.20; nor

2.3.7 of any payment made pursuant to Article 2.2.23.

3. LIABILITY OF MEMBERS

3.1 The liability of the members is limited.

3.2 Every member of the Company undertakes to contribute such amount as may be required not exceeding £5 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.

4. MEMBERSHIP

4.1 The members of the Company shall be:

4.1.1 every individual who at the date of adoption of these Articles is a member of the Company;

4.1.2 any other person who is eligible for membership in accordance with Article 4.2, and who has applied for and been admitted to, and has not been rejected from, membership in accordance with Articles 4.5 to 4.11 (inclusive);

4.2 The following persons are eligible for membership of the Company:

- 4.2.1 Veterinary Surgeons whose names appear as members of The Royal College of Veterinary Surgeons on the general or non-practising lists maintained by such Royal College save those registered under Section 5A or 5B of The Veterinary Surgeons Act 1966;
- 4.2.2 Veterinary practitioners whose names appear on the Supplementary Veterinary Register maintained by the said Royal College of Veterinary Surgeons;
- 4.2.3 Veterinary Surgeons registered under Section 5A or 5B of the Veterinary Surgeons Act 1966 or on the Foreign or Commonwealth of Temporary or Visiting European Lists maintained by the said Royal College;
- 4.2.4 Veterinary practitioners whose names are entered in the Register of Veterinary Practitioners maintained by The Veterinary Council of Ireland under the provisions of the Veterinary Practice Act 2005;
- 4.2.5 Veterinary Nurses whose names appear on the Register of Veterinary Nurses maintained by the Royal College of Veterinary Surgeons;
- 4.2.6 Veterinary Nurses whose names appear as being fully registered or provisionally registered on the Register of Veterinary Nurses maintained by the Veterinary Council of Ireland;
- 4.2.7 the personal representative or representatives of a deceased member; and
- 4.2.8 Corporate Members,

provided always that a person who is otherwise eligible by reason of Articles 4.2.1 to 4.2.8 (both inclusive) is not eligible for membership if such person is undischarged bankrupt or of the same or similar status under the laws of the jurisdiction in which such person resides.

- 4.3 The above references to Sections 5A and 5B of the Veterinary Surgeons Act 1966 or the provisions of the Veterinary Practice Act 2005 shall include any statutory modification or re-enactment thereof for the time being in force and the above references to Registers or lists shall include any Register or list replacing the same.
- 4.4 No person may be admitted to membership unless he is or proposes to be insured by the Company pursuant to these Articles.
- 4.5 Subject to Article 4.11 every application for membership shall be accompanied by a proposal for insurance.
- 4.6 Such application and proposal may be in writing. The committee of the Board or the person in either case responsible pursuant to Article 17.3 for such applications may accept or reject the same without giving any reasons therefor. If such application and proposal is accepted the applicant and all persons listed in such application for membership and who are entitled to be members in accordance with these Articles shall become members and entitled to the benefits of any insurance cover given with effect from the date on which the insurance cover begins for that year or part thereof. This membership shall continue until the insurance cover is terminated or renewed. If the insurance cover is renewed, the applicant shall become a member of the Company upon such renewal becoming effective.
- 4.7 Such application and proposal may also be made orally in which event the committee or person mentioned in Article 4.6 may accept or reject the same without giving reasons for their decision. Such committee or person may also refuse any oral application and proposal without prejudice to their determination upon any written application and proposal which they may invite and to which Article 4.6 will apply.
- 4.8 If such oral application and proposal is accepted the applicant and all persons listed in such application for membership shall immediately become members and entitled to the benefits of any insurance cover given

provided always that such applicant shall make and the Company shall have received written confirmation of such application and proposal accompanied by the appropriate premium within 14 days, or such longer period as the Board may in its absolute discretion allow.

- 4.9 If no such written confirmation is received, or if on receipt of such confirmation the person or committee mentioned in Article 4.6 determine in their absolute discretion that membership should cease, the membership shall automatically cease and the Company shall not be bound to satisfy any claim made under any insurance cover given.
- 4.10 In the event of a rejection of any application and proposal, whether oral or in writing, or a determination in accordance with Article 4.9, an application in writing for membership accompanied by a written form may be made to the Board for consideration by the Board at the next meeting thereof. The Board may determine in its absolute discretion upon the admission or rejection of an applicant. In no case shall the Board be required to give any reasons for its determination.
- 4.11 In the case of application for membership by a person in the circumstances set out in Articles 8.5 to 8.7 (inclusive) the provisions of this Article apply *mutatis mutandis* without reference to any proposal for insurance or any premium.

5. CORPORATE GROUPS, MEMBERS IN PARTNERSHIP OR OTHER ASSOCIATION

- 5.1 For the purpose of effecting policies of insurance and/or payment of premiums the Company shall be entitled to effect policies in the names of two or more members (or persons making application for membership) carrying on veterinary work as part of a Corporate Group, in partnership or any other form of association provided that such Corporate Group, partnership or association is engaged in veterinary work and all persons engaged in veterinary work of such Corporate Group, partnership or association who are eligible for membership under Article 4.2 (other than under Article 4.2.5 or Article 4.2.6) are in fact members of the Company or have made or are listed on an application for membership of the Company which application has not been refused.
- 5.2 The Company shall be entitled to apply Article 5.1 to any Corporate Group, partnership or association in respect of certain categories of insurance and not others.
- 5.3 For the avoidance of doubt it is expressly declared that, for the purposes of these Articles, “**association**” shall include a Corporate Member.
- 5.4 The Company, if it determines to treat any two or more members in accordance with Article 5.1, shall enter the names of all persons engaged in the veterinary work of any such Corporate Group, partnership or association who are eligible for membership under Article 4.2 (other than under Article 4.2.5 or Article 4.2.6) beneath the name by which such Corporate Group, partnership or association is to be known in a register to be kept for that purpose.
- 5.5 The Company may if it thinks fit effect policies of insurance in the name of the Corporate Group, partnership or association given under Article 5.4 for the benefit or members of the Company whose names appear within or beneath the name of such Corporate Group, partnership or association and payment of any premium may be made in the name of the Corporate Group, such partnership or association (as applicable) or by the first named member beneath the name of such Corporate Group, partnership or association in the list maintained in accordance with Article 5.4 and the premium shall be attributed to and treated as paid by each person named in such list at the date of payment in equal shares.
- 5.6 Any payments made by the Company under any such policies may be made to any company within such Corporate Group, partnership or association or to the first named member beneath the name of such Corporate Group, partnership or association in the list maintained in accordance with Article 5.4.
- 5.7 Articles 5.1 to 5.6 (inclusive) do not apply to VN members.

6. PREMIUMS

- 6.1 Every member of the Company (or in the context of a Corporate Group, partnership or association, any person within such Corporate Group, partnership or association) shall pay an annual premium to the funds of the Company of such amount as the Board shall in its absolute discretion determine and without prejudice to the generality of the foregoing may determine such amount according to:
- 6.1.1 the claims and/or expenses insured against; and/or
 - 6.1.2 the claims history of any member; and/or
 - 6.1.3 the category of eligibility in which a member falls; and/or
 - 6.1.4 in the case a premium payable to effect a policy of insurance under Articles 6.1.1, 6.1.2 and 6.1.3, the numbers of persons whose names appear in the list maintained under Article 5.4 beneath the name of the Corporate Group, partnership or association in whose name such policy is to be effected.
- 6.2 The premiums shall be paid yearly in advance and become due on 1 January in any year. Subject to Article 8.6, any member admitted to membership after 1 January in any year shall pay such premium in respect of that year to the next following 1 January as the Board shall determine and such premium shall become due on admission to membership.
- 6.3 The Company shall be entitled to charge an additional premium of such amount as the Board shall in its absolute discretion determine as a condition of agreeing to any change in the terms or amount of a policy of insurance or to the issue of an additional policy of insurance during a year.

7. CESSATION OF MEMBERSHIP

- 7.1 If any member shall fail to pay his premium, or no premium is paid in respect of a policy to be effected under the provisions of Article 5.5, within one month of the same becoming due such member or such members whose names appear within or beneath the name of the Corporate Group, partnership or association in the list maintained under Article 5.4 which shall not have paid such premium shall *ipso facto* cease to be a member or members of the Company retrospectively with effect from the date on which insurance cover would otherwise have begun in that year.
- 7.2 If any member shall cease for any reason to be insured by the Company (including where insurance terminates annually and is not renewed for any reason) he shall *ipso facto* cease to be a member of the Company (in the circumstances set out in Article 7.1 retrospectively with effect from the date on which insurance cover would otherwise have begun in that year) but shall be eligible for re-admission on such terms as the Board may determine.
- 7.3 The Board may in its absolute discretion and without giving any reason for their decision cancel the membership of any member by giving to such member not less than 30 clear days' notice in writing and such membership shall cease on the expiry of such notice.
- 7.4 Unless the Board or General Meeting shall make other provisions pursuant to Article 28.7, the Board may in its absolute discretion permit any member to retire provided that after such retirement the number of members entitled to vote at general meetings of the Company is not less than ten.
- 7.5 The member desiring to retire shall deliver a written request to the Board to that effect, together with any premium due but unpaid, and should the Board permit such retirement the member shall cease to be a member from 31 December in that year but shall not be entitled to the return of any premium or part thereof.
- 7.6 The Board may in its absolute discretion waive the requirements in Article 7.4.2 and permit a member to retire at any time and on such terms as the Board may in its absolute discretion decide.

7.7 Membership of the Company shall not be transferable and in the case of a member who is an individual shall cease on death or bankruptcy and in the case of any other member shall cease on dissolution or winding-up as the case may be.

8. CHANGES IN CORPORATE GROUPS, MEMBERS' PARTNERSHIPS OR OTHER ASSOCIATIONS

8.1 In the event of a member whose name appears in the register maintained pursuant to Article 5.4 leaving the Corporate Group, partnership or association beneath whose name appears in the said register:

8.1.1 to join any other such Corporate Group, partnership or association; or

8.1.2 to engage in any veterinary work as a sole practitioner; or

8.1.3 by reason of his ceasing to be engaged in veterinary work;

He shall forthwith notify the Company in writing of that event and the Company shall delete his name from the list beneath the name of the relevant Corporate Group, partnership or association and, in the case of the event set out in Article 8.1.1, add his name to the list beneath the Corporate Group, partnership or association that he has joined.

8.2 In the event set out in Article 8.1.1 the member shall from the date of the amendment to the lists maintained in accordance with Article 5.4 be treated as thenceforth entitled to the benefits of any insurance policy then effected in the name of the Corporate Group, partnership or association joined by him and shall not be treated as having ceased to be insured, but the Board may require payment of such additional premium as it in its absolute discretion shall think fit.

8.3 In the events set out in Article 8.1.2 and 8.1.3 the member shall on the deletion of his name from the lists maintained in accordance with Article 5.4 thenceforth not be entitled to the benefits of any insurance then effected in the name of the Corporate Group, partnership or association left by him for any act or omission occurring after such deletion and in the case of the event set out in Article 8.1.2 shall, unless he shall have made application for insurance (within 28 days of the notification pursuant to Article 8.1 or such longer period as the Board may in its absolute discretion in any particular case allow) in respect of his veterinary work as a sole practitioner, cease to be a member of the Company.

8.4 In the event of a member whose name does not appear in the lists maintained pursuant to Article 5.4 joining any Corporate Group, partnership association whose name appears in the register maintained pursuant to Article 5.4 he shall forthwith notify the Company in writing of that event and the Company shall add his name to the list beneath the relevant Corporate Group, partnership or association and shall on the following renewal be entitled to the benefits of any insurance policy then renewed in the name of such Corporate Group, partnership or association.

8.5 In the event of a person joining any Corporate Group, partnership or association whose name appears in the register maintained pursuant to Article 5.4 to be engaged in the veterinary work of such Corporate Group, partnership or association who is eligible to be but is not a member of the Company, such person shall forthwith make application to the Company for admission to membership pursuant to Articles 4.5 to 4.11 (inclusive).

8.6 The application shall be determined in accordance with Articles 4.5 to 4.11 (inclusive)⁹ and if the applicant is admitted to membership his name shall be entered in the register of members and in the list maintained pursuant to Article 5.4 beneath the name of the relevant Corporate Group, partnership or association and he shall thenceforth be entitled to the benefit of any insurance policy effected in the name of such Corporate Group, partnership or association in respect of acts or omissions occurring after the date of his admission to membership, but the Board may require the payment of such additional premium as it shall in its absolute discretion think fit.

- 8.7 In the event of the Board rejecting the application for membership it shall forthwith notify the relevant Corporate Group, partnership or association and inform the said Corporate Group, partnership or association that it will not be treated in the manner set out in Article 5 after the expiry of any extant policy of insurance unless the person mentioned in Article 8.5 ceases to be engaged in the veterinary work of such Corporate Group, partnership or association.
- 8.8 In the event that the Board determines that an additional premium is payable under Articles 8.2 or 8.5 the same shall become due on notification of such fact and the provisions of Articles 5.5 to 7.1 shall apply *mutatis mutandis* to the payment of any such additional premium.
- 8.9 Any notification required by Articles 8.1 to 8.8 (inclusive) shall be given in the time specified therein or such longer period as the Board in its absolute discretion may in any particular case allow.
- 8.10 The provisions of Articles 8.1 to 8.7 (inclusive) are subject to the provisions of any applicable insurance policy, in particular as to the provision of insurance cover on an “events occurring” rather than a “claims made” basis.
- 8.11 Articles 8.1 to 8.10 (inclusive) do not apply to VN Members.

9. GENERAL MEETINGS

- 9.1 The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year, and shall specify the meetings as such in the notices calling it. The Annual General Meetings shall be held at such time and place as the Board shall appoint, including by means of electronic facility or facilities, as may be determined by the Board. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 9.2 The Board may, whenever they think 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 requisition, as provided by the Companies Acts. If at any time there are not within the United Kingdom sufficient members of the Board capable of acting to form a quorum, any member of the Board or any two members of the Company may convene a General Meeting.
- 9.3 VN Members shall not be entitled, as such, to receive notice of, attend or vote at General Meetings.

10. CONVENING GENERAL MEETINGS

- 10.1 The Board may make whatever arrangements it considers fit to allow those entitled to do so to attend and participate in any general meeting.
- 10.2 The Board shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the meeting shall be enabled to do so:
- 10.2.1 by means of electronic facility or facilities pursuant to Article 12 (and for the avoidance of doubt, the Board shall be under no obligation to offer or provide such facility or facilities, whatever the circumstances); and/or
- 10.2.2 by simultaneous attendance and participation at places pursuant to Article 12.
- 10.3 Unless otherwise specified in the notice of meeting or determined by the chair of the meeting, a general meeting is deemed to take place at the place where the chair of the meeting is at the time of the meeting.

- 10.4 If a person has (or were to have) the right (i) to speak and vote at and/or (ii) to participate in a general meeting and his circumstances enable him to exercise those rights, then he may (in respect of (i)) attend or (in respect of (ii)) participate in a general meeting.
- 10.5 In determining whether persons are attending or participating in a meeting, other than at a physical place or places, it is immaterial where any of them are or how they are able to communicate with each other.
- 10.6 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 10.7 A person is able to exercise the right to vote at a general meeting when:
- 10.7.1 that person is able to vote, during the meeting (or, in the case of a poll, within the time period specified by the chair of the meeting) on resolutions put to the vote at the meeting; and
- 10.7.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 10.8 If, at any general meeting at which members are entitled to participate by means of electronic facility or facilities determined by the Board pursuant to Article 12, any document is required to be on display or to be available for inspection at the meeting (whether prior to or for the duration of the meeting or both), the Company shall ensure that it is available in electronic form to persons entitled to inspect it for at least the required period of time, and this will be deemed to satisfy any such requirement.

11. NOTICES OF GENERAL MEETINGS

- 11.1 General Meetings shall be called by at least 14 clear days' written notice. Provided that a General Meeting of the Company may be called by shorter notice with the consent of 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 90% of the total voting rights at the meeting of all the members.
- 11.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.
- 11.3 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.
- 11.4 If pursuant to Article 10 the Board determines that a general meeting shall be held by means of electronic facility or facilities, the notice shall:
- 11.4.1 include a statement to that effect;
- 11.4.2 specify the means, or all different means, of attendance and participation thereat, and any access, identification and security arrangements; and
- 11.4.3 state how it is proposed that persons attending or participating in the meeting electronically should communicate with each other during the meeting.

12. SIMULTANEOUS ATTENDANCE AND PARTICIPATION BY ELECTRONIC FACILITIES

- 12.1 The Board may resolve to enable persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation by means of electronic facility or facilities, and may determine the means of attendance and participation used in relation to the general meeting. The members present in person or by proxy (as so determined by the Board) shall be counted in the quorum for, and be entitled to participate

in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to:

12.1.1 participate in the business for which the meeting has been convened;

12.1.2 hear all persons who speak at the meeting; and

12.1.3 be heard by all other persons attending and participating in the meeting.

12.2 All persons seeking to attend and participate in a general meeting by way of electronic facility or facilities shall be responsible for maintaining adequate facilities to enable them to do so. Subject only to the requirement for the chair to adjourn a general meeting in accordance with the provisions of these Articles, any inability of a person or persons to attend or participate in a general meeting by way of electronic facility or facilities shall not invalidate the proceedings of that meeting.

13. PROCEEDINGS OF GENERAL MEETINGS

13.1 No businesses shall be transacted at any General Meeting unless a quorum of members is present at the time the meeting proceeds to business. Eight members present in person or by proxy and entitled to vote upon the business to be transacted shall be a quorum.

13.2 If a quorum is not present within half an hour for the time appointed for a meeting the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place and/or including such means of attendance and participation (including by means of electronic facility or facilities) as the Board may determine; and if at the adjourned meeting a quorum is not present within half an hour from the time appointed therefore such adjourned meeting shall be dissolved.

13.3 The Chairman of the Board or in his absence some other member of the Board nominated in advance by the Board shall preside as chairman of the Meeting or, if neither the Chairman nor such other member of the Board be present within 15 minutes after the time appointed for the holding of the meeting and willing to act, the members of the Board present shall elect one of their number to be chairman of the meeting and if there is only one member of the Board present and willing to act, he shall be chairman of the meeting.

13.4 If at any meeting no member of the Board is willing to act as chairman or if no member of the Board is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.

13.5 A member of the Board shall, notwithstanding that he is not a member of the Company, be entitled to attend and speak at any general meeting of the Company.

13.6 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 or from electronic facility to electronic facility, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven days' clear notice shall be given specifying the time and place (including by means of electronic facility or facilities if applicable) of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

13.7 If a general meeting is held partly by means of an electronic facility or facilities pursuant to Article 10, the Board and the chair may make any arrangement and impose any requirement or restriction that is:

13.7.1 necessary to ensure the identification of those taking part by means of such electronic facility or facilities and the security of the electronic communication; and

13.7.2 in its or his or her view, proportionate to those objectives,

and, in this respect, the Board may authorise any voting application, system or facility for attendance and participation as it sees fit.

13.8 The Board shall be entitled in its absolute discretion to authorise one or more persons (including the Directors, the company secretary or the chair) to refuse physical or electronic entry to, or eject (physically or electronically) from, any meeting any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions as are required pursuant to this Article, or who causes the meeting to become disorderly.

13.9 A resolution put to the vote at a general meeting held by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Board, in its sole discretion, deems appropriate for the purposes of the meeting.

13.10 Subject to Article 13.9, 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 Companies Acts, a poll may be demanded by:

13.10.1 the chairman; or

13.10.2 at least two members having the right to vote at the meeting; or

13.10.3 a member or members representing not less than one-tenth of the total voting rights of all 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.

13.11 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 that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

13.12 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of the show of hands declared before the demand was made.

13.13 Except as provided in Article 13.15, if a poll is duly demanded it shall be taken in such manner (including the use of ballot, voting papers, tickets or electronic means or any combination thereof) and by such means of attendance and participation (including at such place or places and/or by means of such electronic facility or facilities) 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 and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

13.14 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 second or casting vote.

13.15 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time as the chairman of the meeting directs not being more than 30 days after the poll is demanded, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of a poll. 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.

- 13.16 No notice need be given of a poll not taken forthwith, if the time and place at which it is to be taken is announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 13.17 A resolution in writing executed 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.

14. VOTES OF MEMBERS

- 14.1 Subject to the provisions of these Articles and the payment of all monies presently payable to the Company by any member in his capacity as member, on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote.
- 14.2 A Corporate Member may be represented by a director thereof duly appointed for the purpose, provided that such director shall be a member of the Company in his own right and the vote of the Corporate Member shall be that of the director in his own right.
- 14.3 An individual 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 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 Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or such other place as is specified in accordance 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.
- 14.4 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.
- 14.5 Only a person who is a member of the Company or the chairman of the relevant meeting may be appointed a proxy. A person appointed as a proxy shall be deemed to have authority to demand or join in demanding a poll. If a member of the Company or if the chairman of the relevant meeting is appointed a proxy, the appointor must instruct how that proxy shall act, as set out in Article 14.5. If the appointor fails to instruct the member, the member must abstain from voting. If the appointor fails to instruct the chairman, the chairman may act by abstaining or voting at his or her discretion.
- 14.6 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 other form which is usual or which the Board may approve):

"I (*Full name*).....

(*Practice address*).....

RCVS/VCI Registration Number.....

being a member of The Veterinary Defence Society Limited, hereby appoint:

EITHER

The Chairman of the meeting, []

OR

....., a member of The Veterinary Defence Society Limited

(Delete and/or complete as appropriate)

As my proxy to attend and vote in my name and on my behalf at the [Annual or Extraordinary as the case may be] General Meeting of the Society to be held on [day], [day and month] 20 [] at [time] [am/pm] and at any adjournment thereof.

If you appoint the Chairman or fellow member as your proxy, you must instruct him or her to vote as indicated by the placing of an X in the box below.

If you fail to instruct the Chairman how to vote, he or she may abstain or vote at his or her discretion.

If you fail to instruct the fellow member how to vote, he or she must abstain from voting.

Resolution	For	Against	Abstain
Resolution [1] THAT []			

Signature.....

Date.....20 "

14.7 The form of proxy referred to in Article 14.6 may be submitted to the Company by a member as set out in Article 14.8.1 to 14.8.2.3 (inclusive) below and the form of proxy and the notice of the Annual or Extraordinary General Meeting (as the case may be) shall describe such methods of submission. Without limiting the foregoing, the Board may from time to time:

14.7.1 permit appointments of a proxy by means of a communication sent in electronic form; and

14.7.2 permit supplements to, or amendments or revocations of, any such appointment by the same means.

14.8 The appointment of a proxy and any authority under which it is signed or a copy of such authority notarially certified or in some other way approved by the Board may:

14.8.1 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 Company in relation to the meeting) not less than 48 hours before the time for holding the meeting or the adjourned meeting at which the person named in the instrument proposes to vote; or

14.8.2 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communication:

14.8.2.1 in the notice convening the meeting; or

14.8.2.2 in any instrument of proxy sent out by the Company in relation to the meeting; or

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

such appointment must be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person names in the appointment proposes to vote; or

14.8.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of a poll; or

14.8.4 where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman, Secretary or to any member of the Board;

and an instrument of proxy which is not deposited or delivered in a manner so permitted is invalid.

14.9 In calculating the periods referred to in this Article, no account shall be taken of any part of a day that is not a working day.

14.10 Where an address is provided for the purpose of sending or receiving documents or information by electronic means that address may be used for the receipt by the members of any documents or information relating to proxies for the relevant Annual or Extraordinary General Meeting (such as the appointment or notice of termination of the authority of any proxy or any document necessary to show the validity of, or otherwise relating to the appointment of a proxy) but such address may not be used by the members to communicate with the Company for any purposes other than those expressly stated in the documents set out in Article 14.8.2. The Society is not to be deemed to have agreed to accept any document or information by electronic means for any purposes other than those provided

14.11 A vote given or poll demanded by proxy shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or such other place at which the instrument of proxy was duly deposited or such address at which such electronic communication was received before the commencement of the meeting or adjourned meeting at which the vote is given or 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.

15. MATTERS REQUIRING SPECIAL RESOLUTION

The following matters require sanction by way of a special resolution of the members:

15.1 the transfer of all or substantially all of the Company's business or assets to another person, company or other corporate entity or any steps, actions or votes preparatory or linked thereto; or

15.2 the demutualisation of the Company or any change to the corporate form, classification or status of the Company or any steps, actions or votes preparatory or linked thereto.

16. BOARD OF DIRECTORS

16.1 The maximum and minimum number of the members of the Board shall be 12 and seven respectively.

16.2 A member of the Board need not be a member of the Company but subject to Article 16.3 must be eligible for membership of the Company.

16.3 A person may be a member of the Board who is not eligible for membership of the Company provided that at least three persons on the Board shall be eligible to be members of the Company.

17. POWERS OF THE BOARD

- 17.1 Subject to the provisions of the Companies Acts, these Articles and any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Board which would have been valid if the alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all the powers exercisable by the members of the Board.
- 17.2 The Board may, by power of attorney or otherwise, appoint any person to be agent of the Company or such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 17.3 The Board may delegate any of their powers or discretions with the exception of their power and discretion under Article 7.3 to any committee consisting of two or more members of the Board and such other persons as they shall think fit. They may also delegate to any person holding executive office (whether or not such person is a member of the Board), such of their powers or discretions as they shall consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of their own powers or discretions and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of two or more persons shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying and unless a contrary intention appears therefrom, or specific provision is made in respect thereto.

18. APPOINTMENT AND RETIREMENT OF THE MEMBERS OF THE BOARD

- 18.1 Subject to Article 20.2, at every annual general meeting one-third of members of the Board who are subject to retirement by rotation (or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third) shall retire from office. Subject to the provisions of the Companies Acts, the members of the Board to retire by rotation shall be those who have been longest in office since their last election, but as between persons who became members of the Board on the same day those to retire (unless they otherwise agree among themselves) shall be decided by lot.
- 18.2 If the Company, at the meeting at which the member of the Board retires by rotation, does not fill the vacancy the retiring member of the Board shall, if willing to act, 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 the member of the Board is put to the meeting and lost.
- 18.3 Those members of the Board who are subject to retirement by rotation shall not be eligible for appointment or re-appointment as a member of the Board if he has served nine or more years as a member of the Board and no person shall be eligible for re-appointment or re-election having retired by rotation under the provisions of Article 18.1 if he has, since his first election by the members in general meetings, twice been elected or re-appointed under the provisions of Article 18.2. A chief executive or other executive officer who is a member of the Board appointed after the Relevant Date shall not be subject to the provisions of this Article 18.3 unless his agreement or arrangement with the Company otherwise provides.
- 18.4 No person other than a retiring member of the Board shall be appointed or re-appointed a member of the Board unless:
- 18.4.1 he is recommended by the Board; or
- 18.4.2 not less than 30 nor more than 60 clear days before the date appointed for the meeting notice executed by a member qualified to vote thereat has been given to the Company of the intention to propose that person for appointment or re-appointment as a member of the Board together with the particulars which would be required to be included in the Company's register of Board members unless such

person is already a member of the Board and in any event a notice by that person of his willingness to be appointed or re-appointed.

- 18.5 Not less than 21 nor more than 42 clear days before the day appointed for the meeting notice shall be given to all members entitled to receive notice of the meeting of any person (other than a Board member retiring by rotation) who is recommended by the Board for appointment as a Board member at the meeting or in respect of whom a notice under Article 18.2 shall have been given. The notice shall contain the particulars of that person which would if he were so appointed or re-appointed be required to be included in the Company's register of Board members.
- 18.6 The Board may not less than 42 clear days before the date appointed for the holding of a meeting give notice to the members of the Company of the provisions of Articles 18.2 and 18.3 and may also invite nominations for the office of Board member.
- 18.7 Subject to Articles 16 and 18.3 and the provisions of the Acts, the Company may by ordinary resolution appoint a person eligible to be a member of the Board who is willing to act to be a member of the Board either to fill a vacancy or as an additional member of the Board and may also determine the rotation in which such additional members of the Board are to retire.
- 18.8 Subject to Article 18.3 and the provisions of the Acts, the Board may appoint a person eligible to be a member of the Board who is willing to act to be a member of the Board, either to fill a vacancy or as an additional member of the Board provided that the appointment does not cause the number of members of the Board to exceed any number fixed by or in accordance with the Articles as the maximum number of members of the Board. A member of the Board 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 Board who are to retire by rotation at the meeting. If not re-appointed at such general meeting, he shall vacate office at the conclusion thereof.
- 18.9 A Corporate Member shall not be eligible for appointment as a member of the Board.

19. DISQUALIFICATION OF MEMBERS OF THE BOARD

The office of a member of the Board shall be vacated if:

- 19.1 he ceases to be a member of the Board by virtue of any provision of the Acts or he becomes prohibited by law from being an officer of the Company; or
- 19.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 19.3 he is, or may be, suffering from mental disorder and either:
- 19.3.1 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
- 19.3.2 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
- 19.4 he resigns his office by notice to the Company; or
- 19.5 he shall have been absent without permission of the Board from three consecutive meetings of the Board and the Board resolves that his office be vacated; or

19.6 he is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest in the manner required by the Companies Acts; or

19.7 he is removed from office by a special resolution.

20. REMUNERATION AND PAYMENT OF EXPENSES OF BOARD MEMBERS

20.1 The members of the Board shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

20.2 The members of the Board may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board, committees of the Board or general meetings of the Company or otherwise in connection with the discharge of their duties on a scale from time to time agreed by the Board.

21. APPOINTMENT OF EXECUTIVES AND INTERESTS OF BOARD MEMBERS AND EXECUTIVES

21.1 Subject to the provisions of the Acts the Board may appoint any one or more persons, including members of the Board, to the office of chief executive or to any other executive office under the Company and may enter into an agreement or arrangements with any person for his employment by the Company or for the provision by him or any services outside the scope of the ordinary duties of a member of the Board (as the case may be). Any such appointment, agreement, or arrangement may be made on such terms as the Board may determine and they may remunerate such person (including a member of the Board) for his services as they think fit. Any appointment of a member of the Board to an executive office shall (unless his agreement or arrangement with the Company otherwise provides) terminate if he ceases to be a member of the Board and the Company. A chief executive or other executive officer who is a member of the Board and who was appointed prior to the Relevant Date shall not be subject to retirement by rotation unless his agreement or arrangement with the Company otherwise provides.

21.2 Subject to the provisions of the Companies Acts, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a member of the Board or an executive officer notwithstanding his officer and with the prior consent of the Board:

21.2.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

21.2.2 may be a director of 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

21.2.3 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 body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

21.3 For the purpose of Article 21.2:

21.3.1 a general notice given to the Board that a member of the Board 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 member of the Board has an interest in any such transaction of the nature and extent specified; and

21.3.2 an interest of which a member of the Board has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

22. PENSIONS FOR EXECUTIVES

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

23. PROCEEDINGS OF THE BOARD

- 23.1 The Board may regulate their meetings as they think fit (which shall include the giving of notice by electronic means). Questions arising at any meeting shall be decided by a majority of votes with the exception of the exercise by the Board of their power and discretion under Article 7.3 in which case a majority of not less than three fourths of such members of the Board as (being entitled to do so) vote in person shall be required. In the case of an equality of votes the Chairman of the Board or in his absence the chairman appointed in accordance with Article 23.5 shall have a second or casting vote. A member of the Board may, and the secretary on the requisition of a member of the Board shall, at any time summon a meeting of the Board by not less than seven days' notice in writing to all members of the Board. It shall not be necessary to give notice of a meeting of the Board to any member of the Board for the time being absent from the United Kingdom and the Republic of Ireland.
- 23.2 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed shall be five, and the quorum necessary for the transaction of the business of any committee created under Article 17.3 shall be two of whom at least one shall be a member of the Board.
- 23.3 The continuing members or sole continuing member of the Board may act notwithstanding any vacancy in the number, but if their number is reduced below the number fixed as a quorum the continuing members or member of the Board may act only for the purpose of filling vacancies, or of summoning a General Meeting of the Company.
- 23.4 The Board may appoint one of their number to be the Chairman of the Board and may at any time remove him from office. No person shall be eligible for appointment as Chairman of the Board, or entitled to remain in office as such, unless he is a person who is eligible for membership of the Company pursuant to Articles 4.2.1 to 4.2.4 inclusive.
- 23.5 The Chairman of the Board shall act as a chairman of the meetings of the Board and unless he is unwilling so to do, the Chairman shall preside at every meeting of the Board at which he is present. But if there is no Chairman of the Board, or he is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the members of the Board present may appoint one of their number to be chairman of the meeting.
- 23.6 The chairman of any committee created pursuant to Article 17.3 shall be such person as the Board shall nominate.
- 23.7 All acts done by any meeting of the Board or of a committee created under Article 17.3 or by any person acting as a member of the Board or committee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any such member of the Board or committee or person acting as aforesaid, or that they or any of them were disqualified 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 Board or committee and was entitled to vote.

- 23.8 A resolution in writing, signed or confirmed electronically by a majority of the members of the Board for the time being entitled to receive notice of a meeting of the Board or by a majority of the members of a committee created under Article 17.3 shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) such committee duly convened and held and may consist of several documents or electronic communications in the like form signed or authenticated by one or more members of the Board, or of such committee.
- 23.9 Any member of the Board may validly participate in a meeting of the Board or a committee of the Board through the medium of one or more conference telephones or similar form of communication equipment (whether in use when these Articles are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in the quorum and be entitled to vote. Subject to the Companies Acts, all business transacted in such manner by the Board or a committee of the Board shall, for the purpose of the Articles, be deemed to be validly and effectively transacted at a meeting of the Board or of a committee of the Board, even if fewer than two members of the Board or committee of the Board are physically present at the same place. 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.
- 23.10 The members of the Board may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation on reasonable notice) authorise, to the fullest extent permitted by law:
- 23.10.1 any matter which would otherwise result in a member of the Board infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (which expression when used in this Article includes a conflict of interest and duty and a conflict of duties);
- 23.10.2 a member of the Board to accept or continue in any office, employment or position in addition to his office as a member of the Board and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;
- provided that (subject to Article 23.13) for this purpose the member of the Board in question and any other interested members of the Board are not counted in the quorum at any meeting of the Board or of any committee created under Article 17.3 at which such matter or such office, employment or position is authorised and the authorising resolution is agreed to without his or their voting (or would have been agreed to if his or their votes had not been counted).
- 23.11 If a matter or office, employment or position has been authorised by the Board in accordance with this Article then:
- 23.11.1 the member of the Board in question shall not be required to disclose to the Company any confidential information relating to such matter or such office, employment or position if to make such disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter or that office, employment or position;
- 23.11.2 the member of the Board in question may absent himself from meetings of the Board or of any committee created under Article 17.3 at which anything relating to that matter or to that office, employment or position will or may be discussed; and
- 23.11.3 the member of the Board in question may make such arrangements as such member of the Board thinks fit for Board and committee papers to be received and read by a professional adviser on behalf of that member of the Board.

- 23.12 The Board may not delegate to a committee any of the powers conferred by this Article.
- 23.13 A member of the Board or of any committee created under Article 17.3 shall be counted in the quorum in relation to, and shall be permitted to speak and vote on, a resolution relating to premiums or other charges for membership payable to the Company by members of the Company or any class of members of the Company provided that the resolution does not affect the member of the Board or committee concerned in a manner which is materially different from the way in which it affects other members of the Company or of the class of members of the Company concerned.
- 23.14 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a member of the Board from voting at a meeting of the Board or of any committee created under Article 17.3.
- 23.15 Where proposals are under consideration concerning the appointment of two or more members of the Board to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each member of the Board separately and (provided he is not for another reason precluded from voting) each of the members of the Board concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 23.16 If a question arises at a meeting of the Board or of a committee created under Article 17.3 as to the right of a member of the Board or such committee 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 such member (other than himself) shall be final and conclusive.

24. SECRETARY

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

25. MINUTES

The Board shall cause minutes to be kept in books kept for the purpose;

- 25.1 of all appointments of officers made by the Board; and
- 25.2 of all proceedings at meetings of the Company, and of the Board and of committees of the Board, including the names of the members of the Board present at each such meeting.

26. SEAL

If the Company has a Seal, it may only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a member of the Board and by the secretary or by a second member of the Board.

27. ACCOUNTS AND AUDIT

- 27.1 The Board shall cause accounting records to be maintained in accordance with the provisions of the Acts, and shall comply with all the provisions of the Acts relative to the production and deposit of accounts, balance sheets, returns, abstracts, statements or other documents required by the Acts.

27.2 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company or produced by it except as conferred by statute or authorised by the Board or by ordinary resolution of the Company.

27.3 Auditors shall be appointed, and their duties regulated in accordance with the provisions of the Acts. The Board may appoint or employ any actuary as an actuary to the Company and may determine the duration of his appointment or employment, and any actuary may be removed by the Board or have his contract of employment terminated.

28. NOTICES

28.1 Any notice to be given to or by any person pursuant to the Articles (other than a notice calling a meeting of the Board) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice.

28.2 Subject to these Articles, anything sent or supplied by the Company under the Articles may be sent or supplied in any way in which the Companies Acts provides for documents or information which are authorised or required by any provision of the Companies Acts to be sent or supplied by the Company.

28.3 The Company 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 in an electronic form to an address for the time being notified to the Company by the member for that purpose or by making it available on a website and notifying the member of its availability in accordance with this Article. A member whose registered address is not within the United Kingdom or the Republic of Ireland and who gives to the Company an address within the United Kingdom or the Republic of Ireland 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 notice given to him at that address or, where applicable, the Company may make them available on a website and notify the holder of that address, but otherwise no such member shall be entitled to receive any notice from the Company.

28.4 If on three consecutive occasions any notice, document or other information has been sent to any member at the member's registered address or the member's address for the service of notices (by electronic means or otherwise) but has been returned undelivered, such member shall not be entitled to receive notices, documents or other information from the Company until he or she shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices or has informed the Company of an address for the service of notices and the sending or supply of documents and other information in electronic form. For these purposes, any notice, document or other information served, sent or supplied by post shall be treated as returned undelivered if the notice, document or other information is served, sent or supplied back to the Company (or its agents) and a notice, document or other information served, sent or supplied in electronic form shall be treated as returned undelivered if the Company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was served, sent or supplied.

28.5 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 issued 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 expiration of 24 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 24 hours after the time it was sent.

28.6 Notice of every general meeting shall be given in any manner hereinbefore authorised to:

28.6.1 every member except VN Members and those members who (having no registered address within the United Kingdom or The Republic of Ireland) have not supplied to the Company an address within the United Kingdom or The Republic of Ireland for giving notice to them; and

28.6.2 the auditor for the time being of the Company; and

28.6.3 each member of the Board.

No other person shall be entitled to receive notices of general meetings.

28.7 Any notice required to be given by these Articles to the Company may be given by:

28.7.1 depositing the same at the Office of the Company; or

28.7.2 sending it by post to the Office of the Company and the provisions of Article 28.3 shall apply to the giving of any notice in such manner.

28.8 Any notice, document or other information, if served, sent or supplied by electronic means shall be deemed to have been received on the day on which the electronic communication was sent by or on behalf of the Company notwithstanding that the Company subsequently sends a hard copy of such notice, document or other information by post. Any notice, document or other information made available on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this Article. Proof that the notice, document or other information was properly addressed shall be conclusive evidence that the notice by electronic means was given.

28.9 Any document or information which the Company chooses or is obliged by the Companies Acts or any other statute, statutory instrument, regulation or rule to send or supply to members may be validly sent or supplied if it is made available on the VDS website.

28.10 The Company may at any time and in its sole discretion choose to serve, send or supply notices, documents or other information in hard copy form alone to some or all of the members.

28.11 If at any time by reason of the suspension, interruption or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, the Company need only give notice of a general meeting to those members with whom the Company can communicate by electronic means and who have provided the Company with an address for this purpose. The Company shall also advertise the notice in at least one national newspaper published in the United Kingdom and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment of it. In any such case the Company shall send confirmatory copies of the notice by post to those members to whom notice cannot be given by electronic means if, at least seven days prior to the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

29. RULES OR BYE-LAWS

29.1 The Board may from time to time make such Rules or Bye Laws as it may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, it may by such Rules or Bye Laws regulate:

29.1.1 the admission and classification of members of the Company, and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by members;

29.1.2 the conduct of members of the Company in relation to one another, and to the Company's servants;

- 29.1.3 the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
 - 29.1.4 the procedure at general meetings and meetings of the Board in so far as such procedure is not regulated by these presents; and
 - 29.1.5 generally, all such matters as are commonly the subject of Company rules.
- 29.2 The Company in general meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions thereto and the Board shall adopt such means as they deem sufficient to bring to the notice of members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all members of the Company. Provided, nevertheless, that no Rules or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in, these Articles.

30. INDEMNITY

- 30.1 To the extent not avoided by the provisions of the Companies Acts every officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto and, in particular but without prejudice to the generality of the foregoing, shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the Court.
- 30.2 The Board may purchase and maintain at the expense of the Company an insurance policy for any member of the Board, officer or auditor, or former member of the Board, officer or auditor, of the Company or of any other company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect) or who is or was at any time trustee of any retirement benefits scheme or any other trust in which any such officer or employee or former officer or employee is or has been interested, against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may lawfully be insured against.

31. SURPLUS

- 31.1 Any surplus arising from the excess (if any) of the total premiums received by the Company in any accounting reference period of the Company over the aggregate of:
- 31.1.1 all claims and expenses paid by the Company in respect of any policies of insurance in such period; and
 - 31.1.2 all disbursements and expenses of any description paid by the Company during such period; and
 - 31.1.3 the value as estimated by the members of the Board or any person employed by them for that purpose of all claims against the Company in respect of such policies in such period; and
 - 31.1.4 any sum which the Company may be required by law to carry to a reserve of any description; and
 - 31.1.5 any sum which the Board may consider in its absolute discretion to be prudent or desirable to carry to a reserve of any description;

may in the absolute discretion of the Board be applied in reducing the premiums payable in respect of policies of insurance effected or to be effected with the Company in such manner and in such proportion as the Board may in its absolute discretion determine.

31.2 If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities and of the costs, charges and expenses of any winding up or dissolution any surplus funds the same shall be applied firstly in recouping to members and former members rateably any sums paid out by them under Article 3.2 and the balance of any surplus funds then remaining shall be distributed to each person who was a member at the date of the winding up or dissolution or had ceased to be a member within one year prior to the date of the winding up or dissolution in proportion as nearly as may be to the proportion that the aggregate premiums paid pursuant to Article 6.1 or attributed and treated as paid under Article 5.5 by such person in the three years preceding the winding up or dissolution bears to the total premiums paid pursuant to Article 6.1 or attributed and treated as paid under Article 5.5 in such period by all persons who were members at the date of the winding up or dissolution or had ceased to be members within one year prior to the date of the winding up or dissolution.