

**THE COMPANIES ACT 2006**

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

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**ARTICLES OF ASSOCIATION**

**of**

**NAFEMS**

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**GENERAL**

- 1 The name of the Company (hereinafter called the "**Association**") is "NAFEMS".
- 2 The registered office of the Association will be situated in Scotland.
- 3 In this document the words in the first column of the Table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context -

<b>Words</b>	<b>Meanings</b>
The Act	The Companies Act 2006 and every statutory modification and re-enactment thereof for the time being in force.
The Articles	These Articles of Association and the regulations of the Association from time to time in force.
The Association	The Company
The Council	The Board of Directors for the time being of the Association.
Director	A member of the Council as appointed from time to time.
The Office	The registered office of the Association.
The United Kingdom	Great Britain and Northern Ireland
Member	A member of the Company from time to time
Month	Calendar month
In writing	Written, printed or lithographed, or partly one and partly another, and other modes of representing or producing words in a visible form. For the avoidance of doubt, this includes all forms of electronic communication.

Clear days	In relation to the 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.
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Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine gender; and

Words importing persons shall include all bodies corporate.

Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.

## OBJECTIVES

- 4 To carry on business as a general Company.
- 5 To carry on any trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company.
- 6 The income and property of the Association shall be applied solely towards the promotion of its principal objects and no portion thereof shall be paid or transferred directly or indirectly by way or dividend, bonus or otherwise howsoever by way of profit to members of the Association and no member of its Council of Management or Governing Body shall be appointed to any office of the Association paid by salary.

Provided that nothing herein shall prevent any payment in good faith by the Association

- (a) of reasonable and proper remuneration to any officer or servant of the Association or to any member of the Association or to any member of the Council of Management or Governing Body of the Association in return for any services actually rendered to the Association;
- (b) of interest at a rate not exceeding six per cent, per annum on money lent or reasonable and proper rent for premises let by any member of the Association or of its Council of Management or Governing Body to the Association; and
- (c) to any member of its Council of Management or Governing Body of out-of-pocket expenses.

## MEMBERS

- 7 The Members of the Association are those Members as at the date of the adoption of these Articles and such other persons as the Council shall admit to membership in accordance with the Articles. No person shall be admitted as a Member of the Association unless he is approved by the Council. Every person who wishes to become a Member shall deliver to the Association an application for membership in such form as the Council require executed by him.
- 8 A Member may at any time withdraw from the Association by giving at least seven clear days' notice in writing to the Association. Membership shall not be transferable and shall cease on death or liquidation. Any Member who is six months in arrears in payment of his annual subscription may automatically cease to be a Member, subject to the discretion of the Council. Any person ceasing for any reason to be a Member shall remain liable for and shall pay to the Association all monies which at the time of his ceasing to be a Member may be due from him to the Association for subscription money or otherwise and shall remain liable in terms of Clause 10 of the Articles.

- 9 A Member may consist of a group or a single Company with a multi-site membership. Full group Members shall have voting rights based on the number of full memberships which the group membership covers.

#### **LIABILITY OF MEMBERS AND WINDING UP**

- 10 The liability of each Member is limited to £10. Each Member of the Association undertakes to contribute such amount as may be required (not exceeding Ten Pounds (£10.00) Sterling) to the assets of the Association if it is wound up while he is a Member or within one year after he ceases to be a Member, for:
- (a) payment of the debts and liabilities of the Company contracted before he ceased to be a Member; and
  - (b) the costs, charges and expenses of winding up; and
  - (c) for the adjustment of the rights of the contributions amongst themselves.

#### **SUBSCRIPTIONS**

- 11 Every member shall pay to the Association such subscription as the Council shall from time to time determine.
- 12 Once paid, the subscription fee for each Member is non-refundable.

#### **GENERAL MEETINGS**

- 13 The Association shall not be required to hold an annual general meeting.
- 14 The Council may whenever they think fit convene a general meeting, and general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 303 of the Act.
- 15 Fourteen clear days' notice in writing at the least of every general meeting, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of that business shall be given in manner hereinafter mentioned to such persons as are under the Articles or under the Act entitled to receive such notices from the Association.
- 16 The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or the proceedings, at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 17 All business shall be deemed special that is transacted at a general meeting, with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the Council and of the Auditors, the election of members of the Council in the place of those retiring and the appointment of, and the fixing of the remuneration of, the Auditors.
- 18 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided one hundred members present shall be a quorum.
- 19 If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Council may determine.

- 20 The Chairman (if any) of the Council shall preside as Chairman at every general meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the members present shall choose some Director or if no such Director be present, or if all the Directors present decline to take the chair, they shall choose some member of the Association who shall be present to preside.
- 21 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
- 22 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the Chairman or by at least twenty members present in person or by proxy, or by a member or members present in person or by proxy and representing one-tenth of the total voting rights of all the members having the right to vote at the meeting, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn.
- 23 Subject to the provisions of Article 26, if a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner, as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 24 No poll shall be demanded on the election of a Chairman of a meeting, or on any question of adjournment.
- 25 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
- 26 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 27 Subject to the provisions of the Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at a general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Association duly convened and held.

#### **VOTES OF MEMBERS**

- 28 Subject as hereinafter provided, every member shall have one vote at every general meeting of the Association.
- 29 Save as herein expressly provided, no member other than a member duly registered, who shall have paid every subscription and other sum (if any) which shall be due and payable to the Association in respect of his membership, shall be entitled to vote on any question either personally or by proxy.
- 30 The Association accepts no responsibility to verify the identity of any corporate representative for a member and shall proceed on the basis of good faith.

31 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.

32 Votes may be given on a poll either personally or by proxy. On a show of hands a member present only by proxy shall have no vote. A corporation may vote by its duly authorised representative appointed as provided by section 323 of the Act. A proxy need not be a member.

33 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation either under its common seal, or under the hand of some officer duly authorised in that behalf.

34 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

35 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of the death, insanity or revocation as aforesaid shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

36

(a) Any instrument appointing a proxy shall be in the following form or as near thereto as circumstances will admit-

"NAFEMS

"I/We of being a

member/members of NAFEMS (the "**Association**") hereby appoint

of or failing him

of as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Association to be held on 20 , and at any adjournment thereof."

Signed this day of , 20 "

(b) Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

"NAFEMS

"I/We of

being a member/members of NAFEMS (the "**Association**") hereby appoint

of ,or failing him,

of \_\_\_\_\_, as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Association to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

This form is to be used in favour of/against\* the resolution.

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

\*Strike out whichever is not desired.

- (c) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

### **COUNCIL OF MANAGEMENT**

- 37 Until otherwise determined by an Ordinary Resolution of the Members, the number of Directors shall not be less than 3 nor more than 14.
- 38 At the first Council Meeting called after the first anniversary of the adoption of these articles and at annual intervals thereafter, one-third of the Directors for the time being, or if their number is not a multiple of three then the number nearest to one-third shall retire from office.
- 39 The Directors to retire shall be those who have been longest in office since their last election or appointment. As between members of equal seniority, the members to retire shall in the absence of agreement be selected from among them by lot. The length of time a member has been in office shall be computed from his last election or appointment. A retiring member of the Council shall be eligible for re-election.
- 40 The Council may from time to time appoint any person as a Director either to fill a casual vacancy or by way of addition to the Council, provided that the prescribed maximum be not thereby exceeded.
- 41 Each Director shall be appointed by way of election by the current Council at a Council meeting. Election will occur by way of simple majority. Each member of the Association is eligible to recommend a Member to the Council for consideration as a Director if deemed appropriate by the majority of the Council.
- 42 The Council may, at the Council meeting at which a Director retires in manner aforesaid, fill up the vacated office by electing a person thereto, and in default the retiring member shall, if offering himself for re-election, be deemed to have been re-elected unless at such Council meeting it is expressly resolved not to fill such vacated office, or unless a resolution for the re-election of such member shall have been put to the Council meeting and lost.
- 43 The Council may from time to time increase or reduce the number of members of the Council and determine in what rotation such increased or reduced number shall go out of office, and may make the appointments necessary for effecting any such increase.
- 44 In addition, the Association may by Extraordinary Resolution remove any Director, and may by an Ordinary Resolution appoint another qualified member in his stead; but any person so appointed shall retain his office so long only as the member in whose place he is appointed would have held the same if he had not been removed.

### **POWERS OF THE COUNCIL**

- 45 The members for the time being of the Council may act notwithstanding any vacancy in their body, provided always that in case the members of the Council shall at any time be or be reduced in number to less than the minimum number prescribed by or in accordance with the Articles, it shall be lawful for them to act as the Council for the purpose of admitting persons to membership of the Association or filling up vacancies in their body, but not for any other purpose.

#### **CALLING A COUNCIL MEETING**

- 46 Any Director may call a Council meeting by giving notice of the meeting to the Directors.
- 47 Notice of any Council meeting must indicate:
- (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that a Director participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 48 Reasonable notice of a Council meeting must be given to each Director. Notice of a Council meeting must be given to each Director, but need not be in writing
- 49 The Council is required to hold a Council Meeting every year to deal with the resignation and appointment of Directors.

#### **PARTICIPATION IN DIRECTORS' MEETINGS**

- 50 Subject to the Articles, Directors "**participate**" in a Directors' meeting, or part of a Directors meeting, when:
- (a) the meeting has been called and takes place in accordance with the Articles; and
  - (b) they can communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 51 In determining whether directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 52 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

#### **DISQUALIFICATION OF MEMBERS OF THE COUNCIL**

- 53 The office of a member of the Council shall be vacated:-
- (a) If he becomes bankrupt or makes any arrangement or composition with his creditors generally.
  - (b) If he becomes of unsound mind.
  - (c) If by notice in writing to the Association he resigns his office.
  - (d) If he does not participate in 4 Council meetings in succession, subject to the discretion of the Council.
  - (e) If he ceases to hold office by virtue of any provision of the Act or he becomes prohibited by law from being a Director of a company.

## **PROCEEDINGS OF THE COUNCIL**

- 54 The Council may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined, three shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.
- 55 The Council shall from time to time elect a Chairman who shall be entitled to preside at all meetings of the Council at which he shall be present, and may determine for what period he is to hold office, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the meeting and willing to preside, the Directors present shall choose one of their number to be Chairman of the meeting.
- 56 A meeting of the Council at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Association for the time being vested in the Council generally.
- 57 The Council may delegate any of their powers to committees consisting of such member or Directors as they think fit, and any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Council. The meetings and proceedings of any such committee shall be governed by the provisions of the Articles for regulating the meetings and proceedings of the Council so far as applicable and so far as the same shall not be superseded by any regulations made by the Council.
- 58 All acts bona fide done by any meeting of the Council or any committee of the Council, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office or any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Council.
- 59 A resolution in writing signed by all the Directors or of any committee of the Council who are entitled to receive notice of a meeting of the Council or of such committee shall be as valid and effectual as if it had been passed at a meeting of the Council or of such committee duly convened and constituted.

## **CONFLICTS OF INTEREST**

- 60 Each of the Directors shall, in exercising his functions in his capacity as a Director, act in the interests of the Association, and in particular must:-
- (a) act in good faith in a way that would be most likely to promote the success of the Association to the benefit of the purposes of the Association;
  - (b) seek, in good faith, to ensure that the Association acts in a manner which is consistent with and furthers its purposes;
  - (c) act with such care and diligence as is reasonable to expect a person who is managing the affairs of another person, having regard in particular:
    - (i) to any special knowledge or experience that he has or holds himself out as having, and
    - (ii) if he acts in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession;

- 61 Where there are circumstances capable of giving rise to a conflict of interest between the Association and any person or entity responsible for the appointment of a Director, the Director must:-
- (a) declare the conflicting interest;
  - (b) put the interests of the Association first before that of the person responsible for the Director's appointment; or
  - (c) where any other duty prevents the Director from putting the interests of the Association first or the Director is incapable of putting the interests of the Association first:
    - (i) be absent from the meeting for the deliberation or that matter (unless expressly invited to remain in order to provide information);
    - (ii) not participate in any deliberation;
    - (iii) not be counted in the quorum for that part of the meeting; and
    - (iv) be absent during the vote and have no vote on the matter.
- 62 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 63 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question must, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.
- 64 If any question arises at a meeting of Directors or of a committee of Directors as to the right of the Chairman to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question must be decided by a decision of the Directors at that meeting, for which purpose the Chairman must not be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **INDEMNITY**

- 65 A Director, auditors and officers for the time being of the Association may be indemnified out of the funds of the Association against:
- (a) any liability incurred by that Director, in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company; and/or
  - (b) any other liability incurred by that Director as an officer of the Company or an associated Company.
- 66 This provision does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

#### **ACCOUNTS**

- 67 The Council shall cause accounting records to be kept in accordance with the requirements of the Act.

68 The accounting records shall be kept at the Office, or, subject to the provisions of the Act, at such other place or places as the Council shall think fit, and shall always be open to the inspection by the officers of the Association.

69 The Council shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records or other books or documents of the Association or any of them shall be open to the inspection of members not being officers of the Association, and no member (not being an officer) shall give any right of inspecting any accounting records or other books or documents of the Association except as conferred by statute or authorised by the Council or by the Association in General Meeting.

#### **AUDIT**

70 To the extent required by the Act, the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

71 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act, the members of the Council being treated for all purposes as the directors mentioned in those provisions.

#### **NOTICES**

72 A notice may be served by the Association upon any Member, either personally or by sending it through the post in a prepaid letter, addressed to such member at his registered address as appearing in the register of members.

73 In accordance with section 308 of the Act, the Company can validly give notice of a general meeting in electronic form.

74 Any notice, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office as a prepaid first class letter.

75 Any notice served by electronic means, shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information in electronic format was addressed to the electronic address provided by the Member for the purposes of receiving communications from the Company shall be conclusive evidence that the notice, document or information was sent.

#### **DISSOLUTION**

76 If upon the winding up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed amongst the Members of the Association, but shall be given or transferred to some other not for profit society, institution or organisation having objects similar to the objects of the Association and which shall prohibit the distribution of its or their income and property among its or their Members to an extent at least as great as is imposed on the Association under or by virtue of Clause 6 of this Association's Articles, such a society, institution or organisation to be determined by the Members of the Association at or before the time of dissolution and if and so far as effect cannot be given to such provision, then to some other charitable object.