

**A PRIVATE COMPANY LIMITED BY GUARANTEE**

**MEMORANDUM OF ASSOCIATION**

**of**

**A.E.M.T. LIMITED (the Association)**

**Incorporated the 26th day of July 1945**

**COMPANY NUMBER: 397289**

1. The name of the Association is A.E.M.T. Limited.
2. The Association is a company limited by guarantee without a share capital.
3. On the date of incorporation it was the subscribers' intention to form the Association.

**Harrowells**  
SOLICITORS

## 1 Definitions and Interpretation

- 1.1 In these Articles, unless the context otherwise requires:
- 1.1.1 **Act:** means the Companies Act 2006;
- 1.1.2 **Articles:** means the Association's articles of association for the time being in force;
- 1.1.3 **Board:** means the board of directors from time to time.
- 1.1.4 **Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
- 1.1.5 **Conflict:** means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Association;
- 1.1.6 **Eligible Director:** means a director (a member of council) who would be entitled to vote on any matter at a meeting of directors (but excluding matters in relation to the authorisation of a Conflict pursuant to article 12, any director whose vote is not to be counted in respect of the particular matter);
- 1.1.7 **Industry:** means the carrying on of business in electrical, electronic, and mechanical engineering trades internationally. This includes companies that manufacture, service, repair or maintain, motors, generators, pumps, fans, drives, gearboxes, compressors, turbines, transformers and other rotating equipment and allied products.
- 1.1.8 **Member:** means a member of the Association;
- 1.1.9 **Model Articles:** means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered "**Model Article**" as a reference to that article of the Model Articles.
- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have

particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "**article**" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 "**Writing**" shall include faxes and emails.

## 2 Objects

- 2.1 The objects for which the Association is established is to:
- 2.1.1 To foster and protect the trade, commerce, and manufacturing of Members carrying on business in the Industry and their suppliers and to consider and consult with Members on matters relating thereto.
- 2.1.2 To secure the co-operation of all bona fide firms in the Industry and their suppliers, so that, by co-operative action, it can speak for the whole industry internationally on matters affecting them all.
- 2.1.3 To prescribe and maintain methods of procedure for the electrical, electronic, and mechanical traders having reference to the conditions governing the offer and sale, and/or the service and repair of, electrical, electronic, and mechanical apparatus, which does not carry the manufacturer's normal guarantee. To require that electrical and mechanical apparatus is sold either with a guarantee of serviceability and performance in accordance with the particulars given by the trader, or with a true and correct statement of the manufacturer's original description rating and details of the apparatus. To ensure that members give a true and accurate statement of the general condition of any refurbished equipment.
- 2.1.4 To recognise electrical, electronic, and mechanical engineering traders with special facilities for surveying, reporting and advising upon electrical and mechanical apparatus,

- and the selling, servicing, rebuilding, rewinding and reconditioning thereof.
- 2.1.5 To provide and arrange for such services as are or may be for the benefit of Members of the Association generally in the view of the Board, whether or not such services are actually taken up by all Members,
- 2.1.6 To collect and disseminate statistical and other information relating to the electrical and mechanical engineering and allied trades internationally. To print, publish, issue, and circulate such papers, periodicals, books, circulars and other matters in whatever medium as may seem conducive including digital mediums on any of these subjects.
- 2.1.7 To give the legislature, public authorities and other bodies, facilities for conferring with and ascertaining the views of persons engaged in the Industry as regards matters directly or indirectly affecting their interests.
- 2.1.8 To originate, promote and support improvements in the law, regulations, and standards directly or indirectly affecting persons engaged in the Industry, and in particular to promote and support the passage through the UK Parliament or the European Union legislative process of any Regulation, Directive, Bill or Bills in furtherance of the objects of the Association and to oppose any Regulations, Directives, Bills, Standards, Orders or other measures likely to be injurious to them. To enter into any arrangement with any authority, nationally, internationally, or community-wide, municipal, local or otherwise, to secure such rights, privileges, or concessions as may be conducive to the objects of the Association.
- 2.1.9 To advise Members and to undertake or assist financially or otherwise the institution, prosecution, promotion of, defence, or opposition to litigation in any cases affecting the interests of persons engaged in the Industry and of their officers, servants and agents so far as may be legally done, and to take such steps as may from time to time appear to the Board to be necessary in the interests of such Members in relation thereto.
- 2.1.10 To raise the standard of technical and general knowledge of persons engaged in, or about to engage in, the Industry and their employees, with a view to assist technical and other colleges, and to provide for the delivery of lectures and the holding of courses. To test by assessment or otherwise the competence of such persons, and to award certificates and distinctions, and to institute and establish scholarships, grants, rewards and other benefactions.
- 2.1.11 To promote the settlement of disputes by conciliation or arbitration, and to assist in the formation, development, and maintenance of facilities for conciliation or arbitration.
- 2.1.12 To promote just and honourable practice in the conduct of business in the Industry and by all just means to suppress malpractice and unfair competition.
- 2.1.13 To examine and deal with all matters concerning the interests of the electrical, electronic, and mechanical engineering trades.
- 2.1.14 To purchase, take on, lease, exchange, hire or otherwise acquire any real or personal property and any rights or privileges, which the Association may think necessary or convenient for the promotion of its objects. To construct, maintain and alter any buildings or erections necessary, or convenient, for the work of the Association.
- 2.1.15 To sell, let, mortgage, dispose of, or turn to account, all or any of the property or assets of the Association as may be thought expedient with a view to the promotion of its objects.
- 2.1.16 To undertake and execute any trusts which may lawfully be undertaken by the Association and may be conducive to its objects.
- 2.1.17 To borrow or raise or secure the payment of money for the purposes of the Association on such terms and on such security as may be thought fit.
- 2.1.18 To invest the moneys of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.
- 2.1.19 To co-operate with or enter into any working arrangement with any other person or body pursuing objects similar to the objects of the Association and to amalgamate, if approved by the membership, with any other company or companies having objects or carrying on work similar to those of the Association.
- 2.1.20 To establish and support or aid in the establishment and support of any charitable or benevolent associations or institutions, and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purposes of the Association or calculated to further its objects.
- 2.1.21 To grant remuneration, pensions, allowances, gratuities, and bonuses, to officers or former officers, or to employees of former employees

of the Association, or dependents of any such persons.

- 2.1.22 To do all such other things as are incidental, or the Association may think conducive to, the attainment of any of the above objects.

### **3 Powers**

- 3.1 In pursuance of the objects set out in article 2, the Association has the power to:

- 3.1.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Association;
- 3.1.2 borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Association's property and assets;
- 3.1.3 invest and deal with the funds of the Association not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
- 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Association may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
- 3.1.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
- 3.1.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Association and to

contract with any person, firm or company to pay the same;

- 3.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.9 provide and assist in the provision of money, materials or other help;
- 3.1.10 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.11 incorporate subsidiary companies to carry on any trade; and
- 3.1.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

### **4 Income**

- 4.1 The income and property of the Association shall be applied solely in promoting the objects of the Association as set out in article 2.
- 4.2 No dividends or bonus may be paid or capital otherwise returned to the Members, provided that nothing in these Articles shall prevent any payment in good faith by the Association of:
- 4.2.1 reasonable and proper remuneration to any Member, officer or servant of the Association for any services rendered to the Association;
- 4.2.2 any interest on money lent by any Member or any director at a reasonable and proper rate;
- 4.2.3 reasonable and proper rent for premises demised or let by any Member or director; or
- 4.2.4 reasonable out-of-pocket expenses properly incurred by any director.

### **5 Winding up**

On the winding-up or dissolution of the Association, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Association. Such body to be determined by the Members at the time of winding up or dissolution.

### **6 Guarantee**

- 6.1 The liability of each Member is limited to £5.00, being the amount that each Member undertakes to contribute to the assets of the Association in the event of its being wound up while he is a

Member or within one year after he ceases to be a Member, for

- 6.1.1 payment of the Association's debts and liabilities contracted before he ceases to be a Member,
- 6.1.2 payment of the costs, charges and expenses of the winding up, and
- 6.1.3 adjustment of the rights of the contributories among themselves.

## 7 Directors and Management

- 7.1 The Board shall be comprised of:
  - 7.1.1 the officers of the Association elected pursuant to article 7.2;
  - 7.1.2 the chairman, for the time being of any area or regional committee established pursuant to article 22;
  - 7.1.3 Associate Members elected by the Board in accordance with and on the terms of rules adopted by the Board from time to time. Associate members should be limited to less than 50% of the council membership, including their chairman.
  - 7.1.4 Elected members; any Member appointed pursuant to article 7.4 below.
- 7.2 Until otherwise determined at a general meeting, the number of directors shall not be less than three nor more than twenty five.
- 7.3 Only Full Members, International Members, and Associate Members (or their appointed representatives, as appropriate) shall be entitled to be appointed as directors. Save in respect of directors included in Article 7.1.1 above, no appointed representative of a Member shall be eligible for appointment as a director where such election or appointment would bring the number of directors nominated by the same Full Member to more than three.
- 7.4 The Board may from time to time and at any time appoint any person to act as a director, either to fill a vacancy or by the way of additional director, provided that the prescribed maximum number is not exceeded. Any person so appointed shall retain his office only until the next Annual General Meeting, but he shall then be eligible for re-election.
- 7.5 A director may hold any other office or place of profit under the Association (except that of auditor) in conjunction with his office of a Member, and on such terms as to remuneration and otherwise as the Board shall arrange.
- 7.6 The business of the Association shall be managed by the Board who may pay all such expenses of, and preliminary and incidental to, the promotion, formation, establishment, and registration of the Association as they think fit. They may exercise all such powers of the Association, and do on behalf of the Association

all such acts as may be exercised and done by the Association. Subject as provided herein the Board may make such arrangements for the conduct of the executive, secretarial and administrative acts of the Association as they may from time to time consider desirable and may appoint such officials on such terms as to length of service remuneration and generally as they think fit to act under their direction.

- 7.7 The Board may act notwithstanding any vacancy in their body; provided always that in case the directors shall be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as the directors for the purpose of filling up vacancies in their body in accordance with article 7.4, or of summoning a General Meeting, but not for any other purpose.
- 7.8 Without prejudice to their general powers, the Board may from time to time make, vary and repeal rules relating to the affairs of the Association, its Members, regions, groups, committees, officials and other matters within the competence of the Board which can in their opinion conveniently be dealt with in this manner provided that no rule shall be made which is inconsistent or be varied so as to become inconsistent with these Articles or any rule of law. If there is a conflict between the terms of these Articles and any rules established under this Article, the terms of these Articles shall prevail. A copy of the rules (if any) shall be kept at the Office and shall be available for inspection and the taking of copies by Members on reasonable notice.
- 7.9 The Board may delegate any of their powers to committees consisting of such directors as they think fit, and any committee so formed shall conform to the rules and regulations and instructions imposed on it by the Board. The Board may, as they think fit, give any such committee the powers to co-opt any person or persons to that committee. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating directors' meetings and proceedings so far as applicable and so far as the same shall not be superseded by any regulations made by the Board as aforesaid. The Board may (subject to any terms and conditions on which such committee is formed) dissolve it or vary the constitution thereof as they may think fit.
- 7.10 The Board may also appoint committees or panels of persons, and particularly persons having expert or technical or local knowledge or experience to assist or advise or report
- 7.11 to the Board in connection with any matters or questions which the Board may think fit to refer to such persons. The Board may pay to such

persons such remuneration for their services as the Board may think fit.

- 7.12 The seal of the Association shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of at least two directors and of the secretary, and the said directors and secretary shall sign every instrument to which the seal shall be so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Association such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.
- 7.13 The office of a director shall be vacated:
- 7.13.1 if any Member of which he is the appointed representative makes any arrangement or composition with its creditors or goes into administration or liquidation;
- 7.13.2 if he shall cease to be an appointed representative of a Member or if he or such firm or company shall cease to be a Member of the Association;
- 7.13.3 if he is no longer employed by a company which is a Member. If the director ceases to represent one Member and joins another Member, the Board will determine in their sole discretion whether this upsets the balance of the Board or not, and whether he can remain a director.
- 7.14 At the Annual General Meeting one-third of the Board for the time being or if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. A retiring director shall retain his office until the dissolution or adjournment of the meeting at which his successor is elected or it is determined not to fill his place. No member of the Board holding office pursuant to articles 7.2.5 shall be required to retire by rotation.
- 7.15 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 directors to retire shall in the absence of agreement be selected from among them by lot. The length of time a director has been in office shall be computed from his last election or appointment. A retiring director shall be eligible for re-election, but should not be eligible to be elected for a third term of office, subject to those holding office pursuant of article 7.2.5.
- 7.16 The Association may at the meeting at which any directors retire, fill up the vacated office of each director by electing a person thereto, unless at such meeting it shall be determined to reduce the number of directors from time to time.
- 7.17 Not more than one third of the number of places falling vacant at an Annual General Meeting may in the absolute discretion of the Board be allocated to any particular area of the United Kingdom or any country internationally, which

immediately after the election to fill the vacancy, would cause the Board to be unbalanced in their sole discretion by the new geographical distribution of the directors.

- 7.18 A person shall not be eligible to be put forward for office unless recommended by the Board for election, or notice in writing has been given to the secretary, by a Member duly qualified to be present and vote at the meeting for which notice has been given, of his intention to propose the person for election within the prescribed time before the day appointed for the meeting. The person to be proposed must also submit to the secretary a signed statement in writing of his willingness to be elected. The prescribed time between the date when the notice is served, or deemed to be served, and the day appointed for the meeting, shall be not less than 7 days nor more than twenty-one intervening days.
- 7.19 If at any meeting at which an election of the directors ought to take place, some of the places of the retiring directors are not filled, if eligible, pursuant of article 7.15, the retiring directors shall be deemed to have been re-elected, if they are willing to do so, unless it shall be determined to reduce the number of directors.
- 7.20 The Association may by Special Resolution remove any director before the expiration of his period of office, and may by an Ordinary Resolution appoint another director in his place. The appointment of the new director must be confirmed by re-election at the next Annual General Meeting.
- 7.21 All acts done in good faith at any meeting of the Board or of any committee of the directors, or by any person acting as a director, shall be as valid as if every such person had been duly appointed and was qualified to be a director, even if it is later discovered that there was a defect in the appointment of any director or person acting as above, or if they or any of them were disqualified, but were not aware of the fact.
- 7.22 The Board shall have proper minutes taken of the proceedings of all meetings and all business transacted at such meetings. Any minutes of a meeting, if signed by the Chairman of the meeting, or by the Chairman of the next meeting, shall be conclusive evidence without any further proof of the facts therein stated.
- 7.23 A resolution in writing signed by all the Board or of any committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the Board or of such committee duly convened and constituted.
- 7.24 The Board 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 with reference to article 10.
- 7.25 There shall be elected from the Board the following officers as required: President; Past

President; Vice President; Treasurer and Junior Vice President, to serve for a term of one year. Such officers may stand for election for a second term of office, if there is no other officer ready to take his place, but they are not eligible for a third consecutive term of office. Such officers shall be approved by an Ordinary Resolution of the Members at the Annual General Meeting and their positions may only be held by Full Members, Associate Members, and International Members.

- 7.26 The Past President will retire from the Board once his term of office has expired and the retiring President is able to take his place. Council may vote for the immediate Past President to be re-elected for a new term on the board of directors, subject to normal re-election periods.
- 7.27 The secretary/secretariat shall be appointed by the Board on such terms as to length of service, remuneration as agreed by contract. and the Board may remove any secretary/secretariat so appointed. The Board may from time to time appoint a deputy or assistant secretary who may act in the place of the secretary, if there be no secretary, or no secretary available to act, or capable of acting. The secretary shall act as secretary to the Board and at such other committees and sub-committees as the Board may determine. The Board shall determine the powers, duties and responsibilities of the secretary, which shall be communicated to him in writing.
- 7.28 The President shall be entitled to sit ex officio on all committees and sub-committees established by the Board.
- 7.29 It shall be the duty of the Honorary Treasurer to advise the Board on any matters of principle governing the financial administration of the Association and on such other matters as may from time to time be considered desirable by the Board.
- 7.30 The chairman of the Board shall be the President and shall preside at all meetings of the Board at which he is present, but if no such President shall be elected, or if the President is not present at any Board meeting within thirty five minutes after the time appointed for holding a meeting, the directors present shall choose the next most senior officer to be chairman for that meeting only.
- 7.31 A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under these Articles and/or the regulations of the Association for the time being vested in the directors.

## **8 Unanimous decisions**

- 8.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate

to each other by any means that they share a common view on a matter.

- 8.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 8.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

## **9 Calling a Council meeting (directors' meeting)**

- 9.1 Any member of the council (directors of the association) may call, or request that the secretary call a directors' meeting by giving not less than 14 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Association secretary (if any) to give such notice.
- 9.2 Notice of a directors' meeting shall be given to each director in writing.
- 9.3 A director who has no current registered address, or digital address shall not be entitled to notice of the directors' meeting.

## **10 Quorum for Council Meetings (directors' meetings)**

- 10.1 Subject to article 10.2, unless otherwise determined in accordance with article 7.24, the quorum for the transaction of business at a meeting of directors is half of the number of directors for the time being. Where a quorum of directors is not present, the decisions at the meeting that require a quorum, may be circulated digitally to all directors eligible for a vote after the meeting for a response within a given reasonable timescale.
- 10.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 12 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (defined in article 12.1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

## **11 Casting vote**

- 11.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.
- 11.2 Article 11.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

## **12 Directors' conflicts of interest**

- 12.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which

would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

12.2 Any authorisation under this article 12 shall be effective only if:

12.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;

12.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

12.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

12.3 Any authorisation of a Conflict under this article 12 may (whether at the time of giving the authorisation or subsequently):

12.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

12.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

12.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

12.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

12.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Association) information that is confidential to a third party, he shall not be obliged to disclose that information to the Association, or to use it in relation to the Association's affairs where to do so would amount to a breach of that confidence; and

12.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

12.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and

conditions imposed by the directors in relation to the Conflict.

12.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

12.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Association for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Association in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

12.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Association:

12.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Association or in which the Association is otherwise (directly or indirectly) interested;

12.7.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

12.7.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

12.7.4 may act by himself or his firm in a professional capacity for the Association (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

12.7.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, anybody corporate in which the Association is otherwise (directly or indirectly) interested; and

12.7.6 shall not, save as he may otherwise agree, be accountable to the Association for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and



no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

### **13 Records of decisions to be kept**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

### **14 Death or bankruptcy of sole member director**

In any case where, a Member dies or becomes bankrupt and the Association has no Members and no directors, the person(s) who is entitled to that membership has the right, by notice in writing, to appoint a natural person (including the appointor himself), who is willing to act and permitted to do so, to be a director of the Association.

### **15 Change of company name**

15.1 The name of the Association may be changed by:

15.1.1 a decision of the Board; or

15.1.2 a special resolution of the Members,

15.2 or otherwise in accordance with the Act.

### **16 Application for membership**

16.1 No person shall become a Member unless he has completed an application for membership in a form approved by the Board from time to time. The Board may accept or decline such application at its absolute discretion by a simple majority of votes. A letter shall be sent to each successful applicant confirming their membership of the Association and the details of each successful applicant shall be entered into the Register of Members by the secretary. Every person, firm or corporation shall upon becoming a Member be entitled to a certificate of membership in a form approved by the Board. Such a certificate shall remain the property of the Association and shall on demand be returned to the secretary.

16.2 The following persons engaged in the Industry shall be eligible to apply for membership in the relevant category or categories as set out in article 16.3:

16.2.1 in the case of a sole trader, the proprietor; or senior manager;

16.2.2 in the case of a partnership, a partner; or senior manager;

16.2.3 in the case of a company or body corporate: a director or senior manager,

provided that all persons applying on behalf of their company or business shall have the

authority invested in them to apply for membership of the Association.

16.3 The membership structure of the Association shall include the following types of Members, and every Member shall be registered in one of the following categories, but shall not be precluded from registering in more than one category if so admitted:

16.3.1 Full Members, which shall be businesses involved in the Industry;

16.3.2 Associate Members, which shall be suppliers of materials, apparatus and services to the Industry;

16.3.3 International Members, which shall be Full Members or Associate Members who are based outside the United Kingdom;

16.3.4 Allied Members, which shall be parties connected to, or have an interest in, the Industry;

16.3.5 Hazardous Area Members, which shall be parties connected to the Industry who are particularly interested in the development of safe working practices in hazardous areas;

16.3.6 Honorary Members, which shall be distinguished individuals respected within the Industry; and

16.3.7 Friend Members, which shall be individuals who may have retired from the industry, or wish to be engaged with the Industry, but have no direct involvement in the Industry.

16.4 A Member may at any time by notice in writing to the Association resign his membership and shall thereupon cease to be a Member.

16.5 A Member shall also cease to be a Member automatically if his or its annual subscription falls into arrears for six months or more save that such arrears shall be referred to the Board not less than three months after the due date and the Board shall have the right, but not the obligation, to waive or suspend such automatic termination. The Board shall further have the right to reinstate to membership any Member whose membership has ceased by virtue of this provision upon or without payment of the arrears of his or its subscription and subject also to compliance with any other terms which the Board may think fit to impose.

16.6 Any Member may be excluded from the Association by resolution of not less than two thirds of the Board present at a Board meeting provided always that no such resolution for the exclusion of a Member shall be valid unless such Member has been given the opportunity to state his position in accordance with the provisions of such disciplinary procedures as may be adopted by the Board from time to time. Where, in the view of a simple majority of the Board, the continued participation by the Member concerned is likely to cause significant damage

to the interests of the Association or bring the Association into serious disrepute then the Board may at its absolute discretion suspend the rights of membership of such Member during the course of such disciplinary procedures.

- 16.7 A Member shall automatically cease to be a Member of the Association:
  - 16.7.1 if he ceases to be qualified within one of the categories of membership as stated above;
  - 16.7.2 if, being a company, the company becomes insolvent, goes into administration, receivership, or liquidation, otherwise than for the purpose of reconstruction, amalgamation or, being a firm, the firm be dissolved or cease to carry on business, or enters into a creditors voluntary arrangement to only repay a proportion of any amounts outstanding to their creditors, or being an individual, he dies or become bankrupt, or insolvent, or of unsound mind, or cease to carry on business;
  - 16.7.3 if being a company, control of such company (as defined in the Act) shall pass to a person, other than the person, or persons, controlling such company as at the later of the adoption of these Articles or the date of application for membership save that such Member shall have the right to re-apply forthwith and the Board shall have the right, but not the obligation, to waive all or any of the entrance fee or other requirements of application in respect of such application.
- 16.8 Following termination of a Member's membership, the Member shall be removed from the Register of Members by the secretary.
- 16.9 Each Member on becoming a Member shall pay to the Association such entrance fee, if any, as the Board shall determine, which may be of varying amounts as between different categories of Members.
- 16.10 Every Member shall pay an annual subscription as provided for in these Articles, the first subscription to be payable at the time of election as a Member and to cover the period from the date of election to December 31 of the year during which the Member was elected; thereafter all future subscriptions shall be payable within 28 days of the date of invoice issued by the Association.
- 16.11 The rates of annual subscription, which may be of varying amounts as between different Members or categories of Members, shall be determined by the Board who may make increases in such annual rates (calculated on the basis of like criteria) up to the level of the increase in RPI over the previous year. Should an increase of annual subscription be required in excess of the foregoing it shall be determined by the Association in General Meeting.
- 16.12 No person whose membership has ceased shall be entitled to claim a return of any money paid to

the Association by way of entrance fee, subscription, donation, and shall remain liable to pay to the Association any subscription or other sum owed by him.

## **17 Transfer of membership**

- 17.1 A Member may request transfer of membership to another person providing such person fulfils the membership criteria set out in these Articles or elsewhere by signing an instrument of transfer in any usual form or in any form approved by the Directors and depositing such document at the registered office of the Association.
- 17.2 Following deposit of the instrument of transfer at the registered office, the Association Secretary shall, as soon as reasonably practicable, register the transferee in the Register of Members of the Association and notify the transferee of the date he becomes a Member.
- 17.3 No fee shall be charged for registering the transferee in the Register of Members.
- 17.4 When a Member dies or becomes bankrupt (if an individual) or goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company (if a company), the membership shall automatically pass to the personal representatives, trustee in bankruptcy, supervisor, receiver, administrator or administrative receiver (as appropriate) who may transfer such membership rights in accordance with the procedure set out in article 17.1.
- 17.5 20.5 All transfers of membership, or changes of ownership of a member company require approval by the board.

## **18 Meetings of Members**

- 18.1 An Annual General Meeting shall be held once in every calendar year at such time and place as may be determined by the Council provided that every Annual General Meeting shall be held not more than fifteen months after the holding of the last preceding meeting.
- 18.2 The Board may call a General meeting whenever they think fit. General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act.
- 18.3 A minimum of twenty-one days' notice, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business, shall be given to the Members of a General Meeting; but with the consent of all the Members entitled to receive notice thereof, a meeting may be convened by such notice and in such manner as those Members may think fit. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by

any Member shall not invalidate any resolution passed, or proceeding held, at the meeting.

- 18.4 No regulation made by the Association in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- 18.5 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 the quorum shall be representatives from not less than ten Full Members, Associate Members, or International Members present in person, save that where the business to be transacted at a General Meeting involves the amendment of these Articles, or where deemed by the chairman of the General Meeting, the quorum shall be all Members who are entitled to vote.
- 18.6 The President of the Board shall preside at every General Meeting. If there be no such President, or if at any meeting he shall not be able to be present within an hour after the time appointed for holding the same, and has been unable to contact the meeting, or shall be unwilling to preside, the Members present shall choose the most senior officer present. If there is no officer present the meeting will be postponed and all Members given at least 21 days' notice of the postponed meeting.

## 19 Votes of members

- 19.1 Subject to the Act and these Articles, at any General Meeting every Member Company, who is represented in person (or by proxy) shall on a show of hands have one vote. The person present and voting on behalf of each Member shall be a director, senior manager, or senior employee, engaged in each case in the aspects of the Member's business. Any item, which is decided by the chairman of the General Meeting as not being the normal business of a General Meeting, shall be referred to the Board.
- 19.2 The rights attached to each category of Member shall be as follows:
- 19.2.1 Full Members, Associate Members and International Members shall have the right to receive notice of and to vote at a General Meeting;
- 19.2.2 Allied Members, Hazardous Area Members, Honorary Members and Friend Members shall have the right to receive notice of and attend General Meetings but shall not have the right to vote at General Meetings,

provided that those categories of Members who do not have any voting rights as specified above, are able to vote on certain matters where the Full Members, Associate Members and International Members decide by a majority of three quarters

that the votes of such Members should be considered with regard to that particular matter.

- 19.3 In the case of an equality of votes, the chairman of the General Meeting shall be entitled to a casting vote.

## 20 Poll Votes

- (1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all **the** members having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## Proxy Notices

- 21 (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice")
- which—
- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy

is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

21.1 Any Member may appoint only the secretary of the Association as its proxy in accordance with the terms of these Articles. All proxy notices should be returned to the secretary at least seven days prior to the General Meeting in respect of which the Member wishes to appoint the proxy.

## **22 Regional and International Structure of the Organisation**

22.1 The Association can be organised into national and international regions from time to time prescribed by the Board. A regional Committee can be established for each region of the Association.

22.2 Every Member shall be a Member of the region within which the place of business in respect of which such a Member is nominated and is situated. All Members can attend committee meetings in other regions.

22.3 Subject to these Articles and to any determination by the Board, each regional committee shall consist of Members elected by way of a ballot of the Members eligible to vote in that region. The Members to be so elected shall be put forward for election by the Members who are able to vote within that region at the request of the regional committee. The number of persons who may be appointed as Members of each regional committee shall be determined by the Board from time to time.

22.4 The extent, constitution, organisation, functions, powers and procedures and all other matters relating to regional committees may (subject to these Articles) from time to time be determined by the Board. All local matters coming to the attention of a regional committee shall be referred forthwith to the Board. Minutes of the regional committee meetings will be forwarded to the secretary for circulation to the Board.

22.5 Subject to these Articles, each regional committee shall have power to regulate its proceedings as it thinks fit with guidance from the Board and the secretary.

22.6 The chairman of each regional committee shall be elected for a 2 year term by the Members of that Region or by recommendation of the Board, for endorsement by the region. A retiring chairman who has held office for one term shall

not be eligible for re-election to that office for a second consecutive term.

22.7 Each regional committee may also elect from amongst its Members not more than two vice-chairmen at the same time as it elects its chairman.

## **23 Means of communication to be used**

23.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

23.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

23.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

23.1.3 if properly addressed and sent or supplied by fax or electronic means, one hour after the document or information was sent or supplied; and

23.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

23.2 For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

23.3 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **24 Accounts**

24.1 The Board shall cause proper books of account to be kept with respect to:

24.1.1 the assets and liabilities of the Association;

24.1.2 the sums of money received and expended by the Association and the matters in respect of

which such receipts and expenditure take place; and

- 24.1.3 all sales and purchases of goods by the Association.
- 24.2 The books of account shall be kept at the registered office of the Association, or at such other place or places as the Board shall think fit.
- 24.3 The Association in General Meeting may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by the Members of the accounts, and subject to such conditions and regulations the accounts of the Association shall be open to the inspection of Members at all reasonable times during working hours.
- 24.4 Once at least in every year the Board shall lay before the Association in General Meeting an income and expenditure account for the period since the last preceding account, together with a balance sheet made up as at the same date. Every such balance sheet shall be accompanied by a report of the Board and a report of the auditors, and a copy of such account, balance sheet and reports shall seven days before the meeting be sent to all persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served. The auditors' report shall be read before the meeting as required by the Act.
- 24.5 Cheques on the Association's bankers, until otherwise from time to time resolved upon by the Board, may be signed by any member of the finance committee appointed by the directors from time to time and countersigned by the secretary or by two directors of such finance committee save that no cheque may be signed by a beneficiary. The bank account of the Association shall be kept with such banker or bankers as the Board shall from time to time determine. The secretary may place orders on behalf of the Association for sums up to such limits as the Board may specify from time to time where such sums are included in the adopted budget, but any non-budgeted items or larger sums must be approved by the Board.

## 25 Audit

- 25.1 Once at least in every year 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.
- 25.2 Auditors shall be appointed and their duties regulated in accordance with the Act.
- 25.3 An audit committee consisting of the finance committee plus one other Member who is not a director should meet with the auditors to go through the accounts before the Annual General Meeting. The non-director should be elected by the finance committee for a term of two years,

and if re-elected after that term should not be eligible for a third term of office.

## 26 Indemnity and insurance

- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 26.1.1 each relevant officer shall be indemnified out of the Association's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
- in the actual or purported execution and/or discharge of his duties, or in relation to them, including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Association's (or any associated company's) affairs; The Association may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in this article 26.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 26.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 26.3 The Board may decide to purchase and maintain insurance, at the expense of the Association, for the benefit of any relevant officer in respect of any relevant loss.
- 26.4 In this article:
- 26.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 26.4.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Association, any associated company or any pension fund or employees' share scheme of the Association or associated company; and
- 26.4.3 a **relevant officer** means any director or other officer of the Association, but excluding in each case any person engaged by the Association (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).