

COMPANY NO. 1330762

THE COMPANIES ACTS 1948 TO 1976

AND

THE COMPANIES ACTS 1985 TO 2006

ARTICLES OF ASSOCIATION

OF

THE ASSOCIATION OF LAW COSTS DRAFTSMEN LIMITED

(ADOPTED BY SPECIAL RESOLUTION PASSED ON [] OCTOBER 2011)

PRELIMINARY

1 These Articles of Association are the articles of the Association (to the exclusion of any other articles or regulations set out in any statute, statutory legislation or other subordinate legislation from time to time in force).

2 In these Articles of Association:

2.1 the following words and expressions shall have the following meanings unless the context otherwise requires:

“Act” or “1985 Act” means the Companies Act 1985;

“the 2006 Act” means the Companies Act 2006;

“Affiliate” means a person regulated by an Authorised Regulator (other than the Association) and (unless the context otherwise admits) is a Member with the Affiliate class of membership;

“Articles” or “Articles of Association” means these Articles of Association as originally adopted on the date of adoption above or as subsequently altered from time to time by special resolution of the Association;

“Association” means the Association of Law Costs Draftsmen Limited and references to the Association, including by reference to the “Association of Costs Lawyers” being a trade name of the Association, shall be construed accordingly;

“Auditors” means the auditors for the time being of the Association and if the Association does not have any auditors willing and/or able to act either generally or connected with a determination required by them under these Articles (including if exempt by law from a requirement to appoint) means (unless the context otherwise admits and to the extent the law allows) such other

	chartered accountants as the Council shall think fit to appoint;
“Authorised Regulator”	has the same meaning as in the Legal Services Act;
“Bye-Laws”	means the bye-laws of the Association referred to in these Articles (and, unless the context otherwise admits, includes any appendices to the bye-laws of the Association) as amended from time to time by the Council or by special resolution of the Association;
“clear days”	means, in relation to the period of a notice, that period excluding the day on which the notice is given or is deemed to be given and the day for which it is given or on which it is to take effect;
“Code of Conduct”	means the code of conduct for Costs Lawyers as amended from time to time by the Regulatory Body;
“Companies Acts”	has the same meaning as that in Section 2 of the 2006 Act in so far as they apply to the Association;
“controlling interest”	means an interest (whether under a contract or arrangement or otherwise) which confers directly or indirectly the right to exercise a majority of the votes in a members’ meeting;
“Costs Lawyer”	means a person who has been granted a Right of Audience and a Right to Conduct Costs Litigation and (unless the context otherwise admits) is a Member with the Costs Lawyer class of membership;
“Council”	means the Council of Management for the time being of the Association or (as the context shall require) any of the Council Members acting as the Council of Management;

“Council Member”	means a person who is a member of the Council at the relevant time and “Council Members” shall be construed accordingly;
“Fellow”	means a person who is a Fellow of the Association and (unless the context otherwise admits) is a Member with the Fellow Member class of membership;
“Honorary Member”	means a person who is an Honorary Member of the Association;
“Legal Services Act”	means the Legal Services Act 2007 and any reference to the “LSA” shall be construed accordingly;
“Legal Services Board”	means the Legal Services Board provided for in the Legal Services Act;
“limited liability partnership”	means a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000 and any reference to an “LLP” shall be construed accordingly;
“Member”	means every person whose application for any class of membership of the Association has been accepted by the Council and whose name is entered on the Register of Members and “Membership” means membership of the Association;
“Memorandum of Association”	means the Memorandum of Association of the Association on the date of adoption of these Articles (being the Memorandum of Association adopted on incorporation and subsequently altered by special resolutions of the Association passed on 14 December 1990 and 12 May 2000) or as subsequently altered from time to time by special resolution of the Association;
“month”	means a calendar month;

“the Office”	means the registered office for the time being of the Association;
“Officers”	means the Council Members who are appointed as officers of the Association from time to time in accordance with these Articles;
“Permitted Person”	means in relation to Article 116 and Article 117: (a) every Council Member or officer or auditor of the Association and every former Council Member or former officer or auditor of the Association and (unless otherwise stated) (b) every director or other officer or auditor of any subsidiary of the Association referred to or any former director or other officer or auditor of any such subsidiary of the Association;
“Principle of Regulatory Independence”	means the principle of regulatory independence as defined in the Internal Governance Rules 2009 made by the Legal Services Board;
“Regulatory Body”	means Costs Lawyer Standards Board Ltd (Company Number: 04608905) or any other person, entity or body which shall have no representative functions in respect of any Member and to which person, entity or body the Association may from time to time delegate the Regulatory Functions;
“Regulatory Functions”	means the regulatory functions of the Association as defined in Section 27 of the Legal Services Act;
“Right of Audience”	means a right of audience granted in accordance with the Legal Services Act;
“Right to Conduct Costs Litigation”	means a right to conduct costs litigation granted in accordance with the Legal Services Act;

“Retired Member”	means a person who no longer practices in the field of legal costs and who does not exercise a Right of Audience or a Right to Conduct Costs Litigation and who has been a Member of the Association for at least ten consecutive years and is a Member at the date of his retirement and (unless the context otherwise admits) is a Member with the Retired Member class of membership;
“Seal”	means the common seal (if any) of the Association;
“Secretary”	means the Secretary for the time being of the Association appointed by the Council and such person may also be appointed (subject as stated in these Articles) as the company secretary for the time being of the Association. Subject to the foregoing “Secretary” means a person appointed by the Council either alone or as a joint, assistant or deputy secretary to perform any of the duties of the Secretary or of the company secretary of the Association;
“Trainee Costs Lawyer”	means a person who has not met all the requirements in the Training Regulations to become a Costs Lawyer or who having completed such requirements has yet successfully to apply to become a Member with the Costs Lawyer class of membership;
“Training Regulations”	means the regulations for the training of persons who want to become and (unless the context otherwise admits) practice as Costs Lawyers as amended from time to time by the Regulatory Body;
“TUPE”	means The Transfer of Undertakings (Protection of Employment) Regulations 2006;

“United Kingdom”	means Great Britain and Northern Ireland; and
“in writing”	means written or printed, or partly one and partly the other, and any other method or combination of methods of representing or reproducing words, symbols or other information in a visible form and (unless the context otherwise admits) includes whether sent or supplied either in hard copy form or electronic form or on a website or otherwise in any manner permitted by the Companies Acts.

- 2.2 Words importing the singular number only shall include the plural number, and vice versa.
- 2.3 Words importing the masculine gender only shall include each other gender and vice versa; and words importing persons shall include (unless the context otherwise admits) any individual; unincorporated body or association, general partnership or firm, limited liability partnership, company or other body corporate).
- 2.4 Subject as aforesaid, any words or expressions defined in these Articles shall, if not inconsistent with the subject or context, have the same meanings as in the Companies Acts (excluding any modification, re-enactment or restatement of them which is not in force on the date of adoption of these Articles).
- 2.5 Subject to Article 2.4 any reference to a statute or provision or schedule of a statute shall include any orders, regulations or subordinate legislation made under it and shall, unless the context otherwise requires, include any modification, re-enactment or re-statement of it for the time being in force and the same principle of construction shall be applied to any orders, regulations or other subordinate legislation.
- 2.6 Any reference to a document or information being sent or supplied by or to a company (including the Association) shall be construed in accordance with the provisions of Section 1148 (3) of the 2006 Act and any reference to “sent” or “supplied” (or other similar terms) shall be construed in accordance with Section 1148 (2) of the 2006 Act.
- 2.7 Headings to Articles or groups of Articles, and any marginal notes appearing in these Articles, are inserted for convenience only and shall not form part of, or affect the construction of, these Articles.

OBJECTS

- 3 The objects for which the Association is established (“the Objects”) are:
- 3.1 To provide a special organisation and to do all such things as from time to time may be necessary or desirable to establish, maintain and advance the status and interests of the profession of Costs Lawyers;
- 3.2 To provide for the protection of the said profession and the setting up of an organisation comprised of persons qualified to deal with legal costs including: consultation with solicitors and others as to questions relating thereto and to advise in respect thereof; to assist in relation to legal costs generally and to do all that is necessary or desirable in respect of law costs drafting;
- 3.3 To promote and develop within the legal profession and elsewhere a greater appreciation and general understanding of legal costs and charges; to encourage efficiency in those engaged in the preparation thereof and in associated matters;
- 3.4 To print and publish literature, books, journals, periodicals, educational books and courses; to hold and provide seminars, lectures, courses of education and other means of training; to hold examinations and to award recognition of success to examinees achieving such standard as may from time to time be decided by the Regulatory body or (if the standard required to be met by an examinee in respect of the examination is not within Regulatory Functions required to be decided by the Regulatory Body) by the Association;
- 3.5 To protect and promote the mutual interests of its members by such methods as may be decided upon by the Council of Management of the Association and as are consistent with the Object(s) of the Association;
- 3.6 To have overall responsibility for the regulation of its members and in particular to:
- 3.6.1 delegate to and ensure that the Regulatory Functions are delegated to the Regulatory Body;
- 3.6.2 following such delegation undertake the oversight and monitoring of such regulation (save that it shall not intervene in or make directions in respect of the Regulatory Functions unless with the concurrence of the Legal Services Board);
- 3.7 To work in conjunction with the Senior Courts Costs Office, The Ministry of Justice, The Law Society of England and Wales, the Institute of Legal Executives and others

as appropriate and to apply, promote and petition for and to join with any other person, entity or body in promoting any Act of Parliament, Royal Charter or authority that is in the interests of the Association's members;

- 3.8 To become affiliated to such other professional body or bodies as the Council of Management of the Association in its discretion thinks fit; and
- 3.9 To encourage and assist people of good education who wish to join the Association.
- 4 The Association shall have the power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular (but without limitation) the Association has the following powers:
 - 4.1 To purchase, take on lease or in exchange, hire or otherwise acquire any freehold, leasehold or other property for any estate or interest whatsoever, any rights, privileges, or easements over or in respect of any property and any real or personal property and rights or privileges whatsoever which may be necessary for or may enhance the value of any property of the Association and to construct, maintain and alter buildings or erections;
 - 4.2 To sell, improve, develop, exchange, let, mortgage, dispose of or turn to account grant rights and privileges in respect of, or otherwise deal with all or any part of the property and rights or assets of the Association;
 - 4.3 To undertake and execute any charitable trusts which may lawfully be undertaken by the Association;
 - 4.4 To borrow or raise money on such terms and on such security as the Council of Management of the Association shall think fit and to secure the repayment of any money borrowed raised or owing by mortgage, charge, or lien upon the whole or any part of the Association's undertaking, property or assets, whether present or future, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Association of any obligation it may undertake;
 - 4.5 To lend money of the Association, which may not for the time being be required for any of the purposes aforesaid, upon the security of any real or leasehold property, and to lend money with security, in any case in which such a loan shall be deemed likely to directly or indirectly further the interests of the Association, and 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, subject nevertheless to

such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;

- 4.6 To establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes;
 - 4.7 To acquire, merge with or enter into any partnership or joint venture arrangement with any person or persons (including any individuals; unincorporated body or association, general partnership or firm, limited liability partnership, company or other body corporate);
 - 4.8 To transfer or delegate in whole or in part the business or undertaking or any aspect of the business or undertaking of the Association in accordance with requirements by law and in particular the Regulatory Functions in accordance with the requirements of the Legal Services Act; and
 - 4.9 To do all such other things as are incidental or conducive to the attainment or furtherance of the said Objects or any of them including by the exercise of powers set out in or in accordance with the following provisions of these Articles.
- 5 Notwithstanding Articles 3 and 4
- 5.1 The Objects shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers;
 - 5.2 In any case where the Association shall take or hold any property which may be subject to any trusts, the Association shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts; and
 - 5.3 In any case where the Association shall be restricted by any legal requirement in the Companies Acts or in the Legal Services Act which cannot be excluded or varied in law, including in respect of its Objects or the exercise of any powers calculated to further its Objects or conducive or incidental in doing so, then Article 119 confirms the relationship with these Articles.
- 6 For the avoidance of doubt the powers listed in Article 4 is not an exhaustive list and the Association shall have powers in these Articles or (subject to the foregoing) the Bye-Laws and those conferred by the Members in general meeting or by law.
- 7 In the event of a conflict between Clause 3 of the Memorandum of Association and Articles 3 to 6 (inclusive) the provisions of Articles 3 to 6 (inclusive) apply.

APPLICATION OF INCOME AND PROPERTY

- 8 The income and property of the Association shall be applied solely towards the promotion of its Objects 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 of the Association.
- 9 Nothing in Article 8 shall prevent any payment in good faith by the Association:
- 9.1 of reasonable and proper remuneration to any member, director, officer, employee or servant of the Association for any goods or services supplied to the Association or as otherwise expressly permitted by these Articles (including as provided in Article 82) or the employment or appointment of any person in respect of which such remuneration is payable;
- 9.2 of interest at a rate not exceeding the base lending rate from time to time of Lloyds TSB Bank PLC (or any successor bank or financial institution to the whole or substantially the whole of the business of such bank) on money lent to the Association or a greater rate approved in general meeting by the Members;
- 9.3 of reasonable and proper rent for premises demised or let to the Association;
- 9.4 to any officer or member of its Council of Management or governing body of reasonable out-of-pocket expenses properly incurred or reimbursement by the Association to any such person of any such out-of-pocket expenses including expenses as provided in Article 83;
- 9.5 to a general partnership or firm, limited liability partnership, company or other body corporate of which any member of the Association or any officer or member of its Council of Management or governing body may be a partner, officer, designated member or member or employee or servant; or
- 9.6 (without prejudice to Articles 9.1 to 9.5 (inclusive)) of monies to any member of the Association or any officer or member of its Council of Management or governing body for the purchase or any other acquisition by the Association or the lease or licence or other right of use granted to the Association of any property and also the sale or any other disposal by the Association or the lease or licence or other right of use granted by the Association of any property to any member of the Association or any officer or member of its Council of Management or governing body.

- 10 Nothing in Article 8 shall prevent a member of the Association or officer or member of its Council of Management or governing body or other person from having the benefit of the indemnity in Article 116 or any other indemnity referred to in Article 116.
- 11 Nothing in Article 8 shall prevent a member of the Association or officer or member of its Council of Management or governing body or other person from having the benefit of the insurance referred to in Article 117 or purchase or maintenance of such insurance.
- 12 Nothing in Article 8 shall prevent or restrict any contract, transaction or arrangement (not within exceptions in Articles 9 to 11 (inclusive)) if and to the extent not prohibited by law, and in particular the 2006 Act and the Legal Services Act, and if in accordance with these Articles.
- 13 Nothing in Article 8 shall prevent or restrict the Association from making available to the Regulatory Body such resources as are reasonably required for or in connection with the performance of the Regulatory Functions.
- 14 In the event of a conflict between Clause 4 of the Memorandum of Association and Articles 8 to 13 (inclusive) the provisions of Articles 8 to 13 (inclusive) apply.

MEMBERSHIP

- 15 The subscribers to the Memorandum of Association and such other persons as are admitted to Membership in accordance with these Articles and (subject to the foregoing) the Bye-Laws shall be the Members.
- 16 No person shall be admitted to Membership unless that person fulfils the general and specific requirements for Membership in these Articles, (if applicable to such person or the class of membership) such rules as may from time to time be promulgated by the Regulatory Body and (subject to the foregoing) the Bye-Laws and his application for Membership has been approved by the Council by a resolution passed by a simple majority of votes cast in favour of the resolution.
- 17 No person shall be eligible for Membership unless he satisfies the Council that he meets all the general and specific requirements referred to in Article 16 including:
- 17.1 (in the case of the class of membership of Costs Lawyer) he has met the training requirements in the Training Regulations and has been granted a Right of Audience and a Right to Conduct Costs Litigation by the Regulatory Body or (prior to the delegation of Regulatory Functions to the Regulatory Body and if such grant is in

accordance with the Legal Services Act and is valid and subsisting) by the Association;

- 17.2 he meets any specific requirements for the class of membership; and
- 17.3 he undertakes in his application to comply with these Articles, (if applicable to such person or the class of membership) to continue to meet the educational obligations prescribed by the Regulatory Body and to comply with such rules as may from time to time be promulgated by the Regulatory Body and (subject to the foregoing) to comply with the Bye-Laws and to pay the subscription fees and all other fees and sums payable as a Member due to the Association.
- 18 The application for Membership shall be made in writing in a form approved by the Council, and in particular in which the person who is an applicant for Membership sets out such particulars and declarations as the Council may require, and shall be sent to the Association together with payment of such application fee as may from time to time be determined by the Council. That fee is in addition to the requirement for payment of an annual subscription fee if admitted to Membership as may from time to time be determined by the Council and the application fee is not a part payment.
- 19 An applicant for Membership may withdraw the application at any time before any decision is communicated by the Council to him but a person who withdraws an application or is refused admission is not entitled to a refund of any application fee or any part of any such application fee.
- 20 Subject only to any requirement imposed by law, the Council shall notify a refusal to admit any person as a Member within three months of receiving his application but in every case has the right, in its absolute discretion, to refuse admission to Membership to any person without disclosing reasons for such decision.
- 21 An annual subscription fee in such sum as may from time to time be determined by the Council shall be payable by all Members and is payable on admission to Membership and thereafter at such times as prescribed by the Bye-Laws. A person who ceases to be a Member for any reason is not entitled to a refund of any annual subscription fee or any part of any such annual subscription fee.
- 22 A Member may at any time withdraw from Membership by giving one month's notice in writing of withdrawal to the Association and unless that person ceases to be a Member beforehand Membership shall cease on expiry of the notice period.

- 23 In addition to cessation under Article 22, a person shall also cease to be a Member in the following circumstances:
- 23.1 If he dies or any other circumstance occurs in respect of him as prescribed by these Articles or (subject to the foregoing) the Bye-Laws or by law which gives rise to termination of his Membership automatically without the need for a resolution of the Council or (as the case may be) a further resolution of the Council (including if a resolution has been passed under Article 23.3 but termination was expressed as conditional on certain circumstances and such termination then becomes effective);
- 23.2 if his Membership is terminated on expiry of a notice in writing given under Article 28.2 and service was approved by a resolution of the Council passed by a simple majority of the votes cast in favour of the resolution; or
- 23.3 if (except for any circumstance referred to in Article 23.1 or Article 23.2 but subject to Article 25) his Membership is terminated by a resolution of the Council passed by a simple majority of the votes cast in favour of the resolution if any of the following circumstances apply to him:
- 23.3.1 he no longer fulfils the general or specific requirements for Membership;
- 23.3.2 he is in material breach of the Bye-Laws and, if such breach is capable of remedy, it has not been remedied within twenty-eight days of notice in writing served by the Council identifying the breach and requesting remedy of it;
- 23.3.3 he is subject to the rules promulgated by the Regulatory Body and is in material breach of any such rule promulgated by the Regulatory Body and, if such breach is capable of remedy, it has not been remedied within twenty-eight days of notice in writing served by the Council identifying the breach and requesting remedy of it;
- 23.3.4 he has become insolvent as defined by the Insolvency Act 1986 and the Council considers that it is in the best interests of the Association that his Membership be terminated; or
- 23.3.5 any other circumstances which may give rise to termination of Membership as prescribed by these Articles or (subject to the foregoing) the Bye-Laws apply to him and for which a resolution of the Council (other than as provided in Article 23.2) is required.
- 24 A person may (subject to Article 25) have his Membership suspended by a resolution of the Council passed by a simple majority of the votes cast in favour of the resolution

if any circumstance referred to in Articles 23.3.1 to 23.3.5 (inclusive) occurs in respect of him and (without prejudice to any subsequent decision in accordance with Article 23.3) the Council determine to initially suspend rather than terminate his Membership or any other circumstances which may give rise to suspension of Membership as prescribed by these Articles or (subject to the foregoing) the Bye-Laws apply to him and for which a resolution of the Council is required.

25 Unless otherwise expressly stated in these Articles or (subject to the foregoing) the Bye-Laws to the contrary, a resolution of the Council to remove a Member by termination of his Membership or to suspend a Member may only be passed if:

25.1 he has been given at least twenty one days notice in writing of the meeting at which the resolution will be proposed and reasons why it is to be proposed; and

25.2 he has been allowed to make written and/or oral representations to the meeting.

25.3 It is agreed that if his Membership has been suspended and the circumstance which resulted in the resolution of the Council to suspend his Membership continues to apply then a resolution of the Council to terminate his Membership because of such circumstance is not subject to this Article 25.

25.4 It is also agreed that for the avoidance of doubt this Article 25 does not apply to termination in circumstances referred to in Article 23.1 or Article 23.2.

26 In the case of termination of Membership by such a resolution of the Council under Article 23.3 the relevant person shall cease to be a Member immediately upon the conclusion of the meeting at which the resolution to remove him has been passed or (if later) on the date stated in the resolution or confirmed by notice in writing from the Council to such Member given pursuant to such resolution.

27 In the case of suspension of Membership the Council shall specify the duration and/or terms of the suspension and the Member shall not be entitled to a refund of his subscription fee or any other fee or sum payable as a Member. Such terms to include that during suspension he shall not have any right to receive notice of and attend or (if otherwise entitled) to vote in general or class meeting or appoint a proxy.

28 A person who is a Member may apply in accordance with these Articles to become a Member with a different class of Membership and if his application is successful then his Membership shall be changed to that different class with effect from the effective date prescribed by these Articles or (in any other case) as stated in a notice in writing from the Council to him. In particular:

- 28.1 in the case of a Trainee Costs Lawyer he may apply to become a Member with the class of Membership applicable for a Costs Lawyer if he has been granted a Right of Audience and a Right to Conduct Costs Litigation by the Regulatory Body or (prior to the delegation of Regulatory Functions to the Regulatory Body and if such grant is in accordance with the Legal Services Act and is valid and subsisting) by the Association and if his application is successful then his Membership shall be changed to that class with effect from the effective date prescribed by these Articles or (in any other case) as stated in a notice in writing from the Council to him; and
- 28.2 in the case of any Fellow he may apply to become a Member with the class of Membership applicable for a Costs Lawyer and if his application is successful then his Membership shall be changed to that class with effect from and including 1st January 2012 or (if earlier) such date stated in a notice in writing from the Council to him but if he does not submit the requisite application on or before any final date for doing so specified by the Council (and in any other case 31st December 2011) or his application is not successful the Council may by notice in writing to him terminate his Membership and compliance with Article 23.3 (and Article 25) do not apply to such termination.
- 29 Membership shall not in any circumstances be transferable or transmissible but shall be entirely personal to each Member. Without prejudice to the right of a Member to appoint a proxy, no rights of a Member are transferable and no Member may nominate any person to enjoy or exercise any of his rights as a Member.
- 30 The Council shall ensure that a register (“the Register of Members”) containing the names and addresses of all classes of Members and a statement of the class to which each Member belongs shall be maintained by the Association and also that, if required by such section, that an index of members (“the Index of Members”) which complies with the requirements of Section 115 of the 2006 Act shall be maintained by the Association. The Register of Members and any Index of Members shall be open to inspection by any Member, solicitor or other body or persons requiring the services of a Member as a Costs Lawyer and to any other person as permitted by statute and such right of inspection is in addition to any other rights of inspection and/or to request copies of or otherwise receive information as prescribed by statute. The Council shall make or instruct the Secretary to make from time to time any relevant changes to the Register of Members and any Index of Members including to reflect any termination or suspension or change of class of Membership referred to above.
- 31 No variation of the rights attached to any class of membership shall be made without either the consent in writing of not less than three-quarters of the members of that

class or with the approval of a special resolution passed in a separate general meeting of the members of that class. The provisions of these Articles applicable to general meetings shall so far as practicable apply to any such class meetings save that a Member in such class unless his Membership is suspended or he is otherwise restricted by these Articles shall be entitled to receive notice of and to attend and vote in any such separate class meeting in person or by proxy.

- 32 For the avoidance of doubt it is agreed there is no variation of class rights by:
- 32.1 any application for or change of class of Membership; suspension or termination of Membership or change to the requirements of Membership or for any class (including any change to the Training Regulations);
 - 32.2 any grant or change of a right conferred on a Member which is merely a personal right or which (other than any right to attend, to speak and (if applicable) to vote as a Member or other right which is expressed as being or in law would be regarded a class right) is a right incidental to membership of a class or from being a member of such class and not a class right; or
 - 32.3 any change to these Articles or to the Bye-Laws or any document referred to in them which does not directly impact on any rights of a class.

BYE-LAWS

- 33 The Council shall have power to prescribe the Bye-Laws in its absolute discretion to regulate such matters as it deems necessary or expedient or convenient for the proper conduct and management of the Association (save that for the avoidance of doubt, the Bye Laws shall not confer any powers or authority on the Association or Council where to do so would be contrary to these Articles or the Legal Services Act and the Regulatory Body shall have exclusive power in respect of the Regulatory Functions) and in particular, but without limitation, it shall have power to regulate the following in the Bye-Laws:
- 33.1 the admission and classification of Members, and the rights and privileges of such Members or classifications of Members, the conditions of Membership and other obligations of Membership and the terms on which Members may withdraw from Membership or have their Membership suspended, cease or terminated;
 - 33.2 the number of officers of the Association and their designations;
 - 33.3 the composition of the Council and the criteria for eligibility for appointment to the Council in so far as such matters are not regulated by these Articles;

- 33.4 the appointment of the Officers and (subject to Article 33.3) the Council;
- 33.5 the procedure at general meetings and separate general meetings of any class of Member and meetings of the Council and committees of the Council in so far as such matters are not regulated by these Articles; and
- 33.6 the appointment, rights, privileges, and powers of honorary members, presidents, vice-presidents and patrons of the Association.
- 34 Subject to Article 33 above the Council shall have power to alter or repeal all or any of the provisions of the Bye-Laws and to make additions thereto. Subject to Article 33 above the Members shall also have the power by passing a special resolution of the Association to alter or repeal all or any of the provisions of the Bye-Laws and to make additions thereto. Notwithstanding Article 33 and this Article a variation of class rights may only be made if the variation is agreed in accordance with Article 31.
- 35 The Council shall, by such means as they deem sufficient, bring the Bye-Laws, and such alterations, repeals and additions, to the notice of Members.
- 36 The Bye-Laws shall, so long as they shall be in force, be binding on all Members except to the extent of a conflict with the Memorandum of Association or these Articles.

GENERAL MEETINGS

- 37 The Association shall not be obliged to call an Annual General Meeting or to make any distinction between the name or type of any general meeting and accordingly any references to any Annual or Extraordinary General Meetings shall have no application to the Association after the date of adoption of these Articles. Furthermore if the term "Annual General Meeting" is used by the Association on a website or in any document or information sent to a Member or other person to describe a general meeting it is not to be construed as referring to an annual general meeting within the meaning of the Companies Acts or impose any new or additional requirements to be satisfied than are needed for any other general meeting and is merely used for convenience to describe a particular meeting in a calendar year.
- 38 All general meetings shall be convened and held in accordance with these Articles.
- 39 The Council may convene general meetings at any time. If at any time there are not sufficient Council Members physically present or present in such other manner as permitted by these Articles and capable of acting to form a quorum for a meeting of the Council, or those Council Members present at an inquorate meeting are entitled

under these Articles to convene a general meeting but have not resolved to convene a general meeting, then any Council Member or any two Members entitled to vote in general meeting, or if there is only a single Member entitled to vote in general meeting, the sole Member may convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Council.

- 40 Nothing in Article 39 is intended to override a requirement of the Council to convene a general meeting on the requisition of the Members pursuant to Section 303 of the 2006 Act and in which event the Council shall proceed to convene a general meeting. If a general meeting is not called by the Council or (in the alternative) is not or cannot be called as set out in Article 39 then the provisions of the 2006 Act shall apply for convening of the meeting by the requisitionists or otherwise as prescribed.

NOTICE OF GENERAL MEETINGS

- 41 A general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days notice. All other general meetings shall be called by at least fourteen clear days notice. Notwithstanding the foregoing any general meeting may be called by shorter notice if it is so agreed by a majority in number of Members having a right to attend and vote at the meeting, being a majority who together hold not less than 90% of the total voting rights in general meeting.
- 42 A notice of general meeting shall be in writing and sent or supplied as prescribed by these Articles and shall specify the date, time and place of the meeting and, in the case of any general meeting at which business other than ordinary business is to be transacted, the general nature of such business. The notice of general meeting shall also include with reasonable prominence the requisite statement(s) in accordance with Section 325 of the 2006 Act and in particular that a Member is entitled to appoint a proxy to exercise all or any of his rights referred to in Section 324 of the 2006 Act and that a proxy need not be a Member. Subject to the provisions of these Articles, the notice shall be sent or supplied in accordance with these Articles to all the Members entitled to receive notice and whose Membership has not been suspended and to all Council Members and to the Auditors. A Trainee Costs Lawyer who is a Member shall not be entitled to receive notice or attend. 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.
- 43 If a resolution to be proposed at a general meeting is intended to be amended then:

- 43.1 In the case of an ordinary resolution to be proposed at a general meeting it may be amended by ordinary resolution if:
- 43.1.1 notice in writing of the proposed amendment is given to the Association by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine) or (alternatively) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is proposed; and
- 43.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 43.2 In the case of a special resolution to be proposed at a general meeting it may be amended by ordinary resolution if:
- 43.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is proposed; and
- 43.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 43.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution does not meet the above requirements of this Article 43, the chairman's error does not invalidate the vote on that resolution.

PROCEEDINGS AT GENERAL MEETINGS

- 44 Ordinary business shall mean and include only business transacted at a general meeting of the following classes, that is to say:
- 44.1 Receiving and considering the annual accounts of the Association, the reports of the Council and the Auditors and other documents required by law to be attached or annexed to such accounts and reports or to be comprised in them; and
- 44.2 Appointing the Auditors (except when special notice of the resolution for such appointment is required by the 2006 Act) and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.
- 45 No business shall be transacted at any general meeting unless a quorum is present. Save in the case when the Association only has a single Member entitled to vote in general meeting (in which case the sole Member present in person or by proxy shall

be a quorum) seven persons entitled to vote upon the business to be transacted or (if less) those persons representing not less than one tenth of the total voting rights of all Members, each being a Member entitled to vote in general meeting or a proxy for such a Member entitled to vote in general meeting, shall be a quorum.

- 46 If within half an hour from the time appointed for the holding of a general meeting a quorum is not present or if during a meeting such a quorum ceases to be present, the meeting shall if convened on the requisition of or by the 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 chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the holding the meeting, the Members entitled to vote upon the business to be transacted, being Members entitled to vote in general meeting who are present in person or by proxy, shall be a quorum.
- 47 The chairman of a general meeting may, with the consent of any meeting at which a quorum is present or if it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner (and shall if so directed by the meeting) adjourn the meeting from time to time (or without specifying a time and date) and from place to place. Where a meeting is adjourned without specifying a time and date, the date, time and place of the adjourned meeting shall be fixed by the Council.
- 48 No business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting from which the adjournment took place.
- 49 When a general meeting is adjourned for fourteen days or more or without a time and date being specified, at least seven clear days notice of the adjourned meeting shall be given in like manner as in the case of the original meeting (save that it shall not be necessary to specify the nature of the business to be transacted). Save as stated in this Article, it shall not be necessary to give any notice of an adjournment or of the adjourned meeting or business to be transacted at an adjourned meeting.
- 50 The Chairman (if any) of the Association shall preside as chairman at every general meeting of the Association, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or he is unwilling to act, the Vice-Chairman shall preside or, failing him, the Council

Members present shall elect one of their number to be chairman of the meeting. If at any meeting no Council Member is willing to act as chairman, or if no such person is present within fifteen minutes after the time appointed for the holding of the meeting, the Members present and entitled to vote shall choose one of their number to be the chairman of the meeting.

51 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 on the declaration of the result of the show of hands) demanded by:

51.1 the chairman of the meeting; or

51.2 not less than five Members present in person or by proxy and entitled to vote; or

51.3 (if Article 51.2 does not apply because the Association has less than five Members entitled to vote) any Member or Members present in person or by proxy and entitled to vote representing not less than one tenth of the total voting rights of all Members having the right to vote on the resolution,

and, for the purposes of the foregoing, a demand by a proxy pursuant to Article 62 shall be deemed to be a demand by the person appointing that proxy.

A demand for a poll may, before the poll is taken, be withdrawn with the consent of the chairman of the meeting and any demand so withdrawn shall not be taken to have invalidated any result of a show of hands made before the demand was made.

52 Unless a poll is duly 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, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers (who need not be Members) and may adjourn the meeting to a place and time fixed by him for the purpose of declaring the result of the poll.

53 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 in addition to any other vote

he may have and such vote shall be taken into account in determining if the relevant resolution is passed (except when such second or casting vote would be in respect of any matter on which he is not eligible to vote as a Member or (if applicable) as a proxy).

- 54 A poll demanded on the election of a chairman of a general meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately provided that the time and place at which it is to be taken was announced at the meeting at which it was demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. If a poll is demanded before the declaration of the result of a show of hands, and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

VOTES OF MEMBERS

- 55 Subject to any restrictions imposed by or pursuant to these Articles or (subject to the foregoing) the Bye-Laws, on a show of hands or in the case of a poll every Fellow or Costs Lawyer who is a Member present in person or by proxy shall have one vote. If any person has been or is admitted as a Member who is not a Fellow or a Costs Lawyer, or the Membership of a Fellow or Costs Lawyer is suspended, that person shall not be entitled to vote in general meeting whether in person or by proxy. Subject to the foregoing no person who has been or is admitted as a Member (including in the event of a change of class to a class which would not entitle such person to vote) shall be entitled to vote in general meeting but save for voting restrictions as a proxy this Article 55 does not prevent any person from being a proxy for a Member.

- 56 If:

56.1 any objection shall be raised to the qualification of any voter;

56.2 any votes have been counted which ought not to have been counted or which might have been rejected; or

56.3 any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the

case may be, the adjourned meeting at which the vote objected to is given or tendered or the error occurred and then subject to a referral and decision under this Article. Any such objection or error shall be referred to the chairman of the meeting (unless the vote objected to was given or tendered in connection with the resolution for the appointment or removal of the chairman of the meeting whether as such chairman or as a Council Member, in which case the objection or error shall be referred to the Secretary) and shall only vitiate the decision of the meeting on any resolution or the poll if the chairman (or the Secretary, as the case may be) decides that the same may have affected the decision of the meeting or the poll. The decision of the chairman (or the Secretary, as the case may be) shall be final and conclusive.

57 A proxy for a Member is only entitled to vote if the Member appointing him is entitled to attend and vote in general meeting and such Member is absent and the appointment of the proxy has not been revoked in accordance with these Articles. A person entitled as proxy to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member.

58 An appointment of a proxy shall be executed by or on behalf of the appointer, or (in the case of an appointment under these Articles in a form referred to below which does not require such execution) sent by or on behalf of the appointor and authenticated in such manner as the Council may determine, and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which the Council may approve (including (where applicable) for different classes of Membership or different circumstances or different methods by which an appointment may be made and sent in accordance with these Articles)):

“THE ASSOCIATION OF LAW COSTS DRAFTSMEN LIMITED

I,, of

being a Fellow or Costs-Lawyer and Member of the above-named Association, hereby appoint of

or failing him, of

as my proxy to attend and vote in my name and on my behalf at the general meeting of the Association to be held on 20.., and at any adjournment thereof.

Signed on 20..”

60 The appointment of a proxy and any authority under which it is executed and/or sent on behalf of the Member or a copy of such authority certified notarially or in some other way approved by the Council may:

60.1 in the case of an appointment by an instrument in writing in hard copy form (excluding an appointment sent by a communication using electronic means) be deposited at the Office or at such other address within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Association in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

60.2 in the case of an appointment sent by a communication using electronic means, where an address has been specified for the purpose of receiving such communications in the notice convening the meeting or in any instrument of proxy sent out by the Association in relation to the meeting or in any invitation sent or supplied in such other manner prescribed by these Articles to appoint a proxy issued by the Association in relation the meeting, be received at such address not less than 48 hours before the time for the holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

60.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as described in Article 60.1 or Article 60.2 above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

60.4 where the 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 of the meeting or to the Secretary or to any Council Member,

and an appointment of proxy which is not deposited or delivered or otherwise sent in a manner so permitted shall be invalid. Unless otherwise stated in this Article 60 and Article 61 and (unless otherwise stated) in Articles 106 to 113 (inclusive) "address" means any registered postal address and in relation to communications sent by electronic means (including documents and other information sent by electronic means) any "electronic address" (within the meaning of Section 333 of the 2006 Act) used for the purposes of receiving such communications and (unless the context otherwise admits) "sent" in a communication includes if contained in it or in an attachment to it.

61 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 Association at the Office or at such other address at which the instrument in writing making the appointment of the proxy was duly deposited or, where the appointment of the proxy was sent in a communication by electronic means, at the address at which such appointment was duly received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

- 62 An appointment of a proxy shall be deemed to give authority for that proxy to demand or join in demanding a poll and generally to act at the meeting for the Member making the appointment (including, unless the proxy appointment indicates otherwise, allowing the person appointed under it as proxy discretion as to how to vote or whether to abstain from voting on any resolution or any ancillary or procedural resolutions put to the meeting and to attend as proxy at any adjourned meeting as well as the meeting itself) but no proxy may as such speak at any meeting or adjourned meeting (save to demand or join in demanding a poll if the Member he represents is entitled to vote) unless otherwise permitted by the chairman thereof.

SINGLE MEMBER COMPANY

- 63 If and so long as the Association has only a single Member and that sole Member has taken any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Association in general meeting subject as follows in this Article. Any decision taken by such sole Member (other than by written resolution) shall be recorded in writing and delivered by that Member for entry in the Association minute book.

WRITTEN RESOLUTIONS

- 64 Subject as provided in Section 288 (2) of the 2006 Act, any resolution of the Association which may be proposed and passed in general meeting either under the Companies Acts or these Articles may be proposed and passed in the form of a written resolution in accordance with the provisions of Chapter 2 of Part 13 of the 2006 Act. In particular, subject to the foregoing, an ordinary resolution proposed in the form of a written resolution may be passed by a simple majority of eligible members entitled to vote on it who have signified agreement to it; a special resolution in the form of a written resolution may be passed by not less than 75% of the eligible members entitled to vote on it who have signified agreement to it and any such written resolution may consist of several documents in the like form each signed by

one or more eligible members by which each has signified his agreement or to which one or more eligible members has otherwise signified his agreement in writing.

COUNCIL MEMBERS

- 65 Unless otherwise determined by ordinary resolution of the Association, the number of the Council Members (including the Officers) shall not be less than four or more than twenty.
- 66 Council Members are, for the purposes of the Companies Acts, directors (as defined in the 2006 Act) of the Association and any provisions which make reference to directors (as so defined) shall, subject as provided in these Articles, apply. For the avoidance of doubt, Officers are Council Members.

ALTERNATE DIRECTORS

- 67 Any Council Member (other than an alternate director) may appoint any other Council Member willing to act to be an alternate director for such Council Member and may remove such person as alternate director appointed.
- 68 An alternate director shall be entitled to receive notice of all meetings of the Council and of all meetings of committees of the Council of which his appointor is a member, to attend and (if his appointor was entitled) vote at any such meeting at which the Council Member appointing him is not present and generally to perform all the functions of his appointor as a Council Member in his absence but shall not be entitled (subject as follows in this Article) to receive any remuneration from the Association for his services as an alternate director, save that he may be paid by the Association such part (if any) of the proper and reasonable remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Association from time to time direct. An alternate director shall be entitled at any meeting of the Council or committee of the Council to one vote for every Council Member he represents on any resolution on which his appointor is entitled to vote in addition to his own vote (if any) as a Council Member, but he shall count as only one for the purposes of determining whether a quorum is present. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom unless he has provided an address within the United Kingdom for service of notices on him.
- 69 An alternate director shall cease immediately to be an alternate director for his appointor if his appointor ceases to be a Council Member.

70 Save as provided in Article 69 an appointment or removal of an alternate director shall be by notice in writing to the Association signed by the Council Member making or revoking the appointment or in any other manner approved by the Council.

71 Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a Council Member (and accordingly a director as referred to in Article 66) and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Council Member appointing him.

POWERS OF THE COUNCIL

72 The activities and business of the Association shall be managed by the Council which 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, and as are not by the Companies Acts or by these Articles or by any direction given by special resolution of the Association required to be exercised or done by the Association in general meeting. No alteration of the Memorandum of Association or these Articles and no such direction shall invalidate any prior act of the Council which would have been valid if such 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 Council by these Articles and a meeting of the Council at which a quorum is present may exercise all powers exercisable by the Council.

DELEGATION OF COUNCIL'S POWERS

73 The Council may delegate any of its powers to committees consisting of such Council Member or Council Members as it thinks fit, and any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it from time to time by the Council. Any such delegation may be made subject to any conditions the Council may impose, either collaterally with or to the exclusion of its own powers, and may be revoked or altered. Subject to any such conditions or regulations, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Council so far as applicable and (subject to the foregoing) so far as the same shall be governed by the Bye-Laws.

74 The Council may, by power of attorney or otherwise, appoint any person to be the agent of the Association, or (subject to these Articles) otherwise delegate powers and/or their exercise on behalf of the Association to any person, for such purposes and on such conditions as it determines, including authority for the agent or such other person to delegate all or any of his powers.

APPOINTMENT AND RETIREMENT OF COUNCIL MEMBERS

- 75 No person shall be appointed as a Council Member unless he is a Costs Lawyer and a Member and such person is not disqualified from acting by Article 80. Subject to the foregoing eligibility to hold office as a Council Member shall in so far as not provided for in these Articles be as set by the Bye-Laws. No Council Member shall be obliged automatically to step down or retire by rotation at any general meeting and/or offer himself up for election or re-election. Cessation as a Council Member shall also (unless otherwise provided in these Articles or the terms of appointment) result in cessation, if applicable, of any office held by him as an Officer.
- 76 The Council may at any time and from time to time appoint a person who is eligible and willing to act to be a Council Member or appoint a Council Member to be an Officer, either to fill a vacancy or, in the case of the former, as an additional Council Member, provided that the appointment does not cause the number of Council Members to exceed any number fixed by or in accordance with these Articles or (subject to the foregoing) the Bye-Laws as the maximum number of Council Members.
- 77 The Association may by ordinary resolution appoint a person who is eligible and willing to act to be a Council Member, either to fill a vacancy or as an additional Council Member. A Council Member may be removed by an ordinary resolution of the Association of which special notice has been given as provided in Article 81 or shall otherwise cease to be a Council Member as provided in Article 79 or Article 80.
- 78 A resolution for the removal or appointment of two or more persons as Council Members by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void. Otherwise any resolutions for the removal or appointment of Council Members to be moved at any general meeting shall be moved in relation to each removal or appointment separately.
- 79 Subject to the provisions of these Articles, the appointment or removal of a Council Member shall be carried out in accordance with the Bye-Laws.

DISQUALIFICATION AND REMOVAL OF COUNCIL MEMBERS

- 80 The office of a Council Member, including any office held by him as an Officer, shall be vacated if:

- 80.1 a bankruptcy order is made against him or he makes any arrangement or composition with his creditors;
- 80.2 by reason of mental disorder, illness or injury he becomes incapable of managing and administering his own affairs;
- 80.3 he ceases to be a member of the Association;
- 80.4 by notice in writing to the Association he resigns his office as Council Member (without prejudice to the legal rights of the Association if such notice is given in breach of his terms of appointment to any office held as an Officer) or if he is required under the terms of appointment to any office held by him as Officer to resign as a Council Member in the event of cessation as an Officer and he fails to do so;
- 80.5 any order is made against him under the Insolvency Act 1986 or The Company Directors Disqualification Act 1986 or he is otherwise prohibited in law from being a director; or
- 80.6 he is removed from office as a Council Member by an ordinary resolution of the Association duly passed on the basis stated in Article 81.
- 81 In accordance with the provisions of Section 168 of the 2006 Act and subject as provided in Article 78 the Association may by ordinary resolution of which special notice has been given remove any Council Member from office before the expiration of his period of office, and may by ordinary resolution appoint another eligible person in his place.

REMUNERATION OF COUNCIL MEMBERS

- 82 Council Members shall be entitled to such remuneration as the Council may determine from time to time to be reasonable and proper and, unless such determination provides otherwise, the remuneration shall be deemed to accrue from day to day. Subject to these Articles such remuneration may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or for any death, sickness or disability benefits to or in respect of a Council Member.

COUNCIL MEMBERS' EXPENSES

- 83 Council Members may be paid all travelling, hotel and other out of pocket expenses properly incurred by them in connection with their attendance at meetings of the Council or committees of the Council or general meetings or class meetings of the Association or otherwise in connection with the discharge of their duties.

COUNCIL MEMBERS' INTERESTS

- 84 Subject to any requisite declaration of interest in accordance with Section 177 or 182 of the 2006 Act and these Articles and to compliance with other relevant provisions on directors' duties and/or conflicts of interest or duty in Sections 171 to 176 (inclusive) of the 2006 Act and in these Articles:
- 84.1 a Council Member may vote on any resolution notwithstanding that it in any way concerns or relates to a matter (including any contract, transaction or arrangement with the Association or in which the Association is otherwise interested (directly or indirectly)) in which he is interested (irrespective of the kind of interest) (directly or indirectly) and be counted in the quorum present at any meeting of the Council or committee of the Council at which any such matter (including any such contract, transaction or arrangement aforesaid) is proposed or considered, and if he shall so vote, his vote shall be counted;
- 84.2 the Council Member shall not, by reason of his office, be liable to account to the Association for any remuneration or other payment or other benefit which he derives from any matter, office, position or employment which relates to any Conflict Situation (as defined in Article 94) or any other matter in respect of which he has declared his interest in accordance with this Article 84;
- 84.3 no contract, transaction or arrangement or any other matter shall be avoided on the grounds of the Council Member having any interest in the Conflict Situation or any other matter in respect of which he has declared his interest in accordance with this Article 84 or receiving any such remuneration, payment or other benefit; and
- 84.4 the receipt of any such remuneration, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176 of the 2006 Act.

For the purposes of this Article and the following Article 85, an interest of a person who is connected with a Council Member for any purpose of the 2006 Act shall be treated as an interest of the Council Member.

In the event of a conflict between this Article 84 and any of Articles 93 to 95 (inclusive) it is agreed Articles 93 to 95 (inclusive) shall more particularly apply when there is a conflict of interest or duty. In particular Articles 93 to 95 (inclusive) shall apply to any conflict within the meaning of Section 175 of the 2006 Act.

- 85 For the purposes of Article 84:

- 85.1 a general notice given to the Council that a Council Member is to be regarded as having an interest of the nature and extent specified in the notice in which a specified body corporate or firm or in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Council Member has an interest of the nature and extent so specified. This may, for example, be a disclosure of the holding of any office, position or employment or any interest of any kind whatsoever in any contract, transaction or arrangement with the Association or in which the Association is interested (directly or indirectly) or in any other subject matter; and
- 85.2 an interest of which a Council Member has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

PROCEEDINGS OF THE COUNCIL

- 86 Subject to the provisions of these Articles the Council shall 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 by the Council, four shall be a quorum for the transaction of business by the Council. A Council Member shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote. Unless otherwise stated in these Articles questions arising at any Council meeting shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote in addition to any vote he has as a Council Member and (if applicable) as an alternate director (except when such second or casting vote would be in respect of any matter on which he is not eligible to vote as a Council Member or (if applicable) as an alternate director).
- 87 The Council Members for the time being may act notwithstanding any vacancy in their body; provided always that in case the Council Members shall at any time be or be reduced in number to less than the minimum number prescribed by or in accordance with these Articles or (if different) for such quorum referred to above, it shall be lawful for them to act as the Council for the purpose of admitting persons to Membership, filling up vacancies in their body, or of summoning a general meeting, but not for any other purpose.
- 88 A Council Member may at any time, and on the request of a Council Member the Secretary shall, summon a meeting of the Council by notice served upon all the Council Members. A Council Member who is absent from the United Kingdom shall

not be entitled to notice of a meeting unless he has provided an address within the United Kingdom for service of notices on him.

- 89 The Chairman of the Association for the time being shall be entitled to preside at all meetings of the Council at which he shall be present. If at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting or he is unwilling to preside, the Council Members present shall choose one of their number to be chairman of the meeting.
- 90 All acts bona fide done by any meeting of the Council or of any committee of the Council, or by any person acting as a Council Member, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Council Member or person acting as aforesaid, or that they or any of them were disqualified or that they or any of them was not entitled to vote on the matter in question, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Council Member and to vote. Nothing in this Article 90 is intended to override a requirement for a quorum at any such meeting or sufficient votes to pass any relevant resolution at any such meeting except in so far as the meeting would be quorate and/or sufficient votes cast without any such Council Member or person acting as aforesaid not entitled to be included.
- 91 The Council shall cause proper minutes to be made of all appointments of Officers made by the Association in accordance with these Articles and (subject to the foregoing) the Bye-Laws and of all appointments made by the Council and of the proceedings of all meetings of the Association and of meetings of any class of Membership and of the Council and of committees of the Council and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any future proof of the facts therein stated.
- 92 Except a resolution to suspend or terminate to be passed in accordance with Article 23.3 (and Article 25) which envisages a meeting, a resolution of the Council or of any committee of the Council may be passed as a written resolution signed by all the Council Members or members of any committee of the Council who are entitled to receive notice of a meeting of the Council or of such committee and to vote on such resolution or to which each such eligible Council Member or member of such committee of the Council has otherwise signified agreement in writing 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 and may consist of several documents in

the like form, each signed by one or more Council Members to signify agreement or to which one or more such eligible persons has otherwise signified his agreement in writing but a resolution signed by an alternate director or to which an alternate director has otherwise signified agreement in writing need not also be signed by his appointor or require such appointor to otherwise signify his agreement in writing and, if it is signed by a Council Member or such Council Member has otherwise signified his agreement in writing (being a Council Member who has appointed an alternate director), it need not be signed by the alternate director in that capacity or require such alternate director to otherwise signify agreement in writing in that capacity. Furthermore except a resolution to suspend or terminate to be passed in accordance with Article 23.3 (and Article 25) which envisages a meeting, a unanimous decision taken by all such eligible Council Members or members of any such committee or by their respective alternate directors by other means (other than in a meeting or as a written resolution) shall be as valid and effectual as if it has been passed at a meeting of the Council or of such committee duly convened and constituted.

- 93 Save as otherwise provided by these Articles, a Council Member shall not vote at a meeting of the Council or of a committee of the Council on any resolution concerning a matter in which he has (directly or indirectly) an interest or duty which is material and which conflicts or may conflict with the interests of the Association unless he has complied with the notification requirement in Article 84 and his interest or duty arises only because the case falls within one or more of the following Articles:
- 93.1 his interest arises by virtue of the fact he or a connected person is a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested (directly or indirectly) in, any company or other body corporate promoted by the Association or in which the Association is otherwise interested (directly or indirectly);
- 93.2 (without prejudice to Article 93.1) his interest arises by virtue of the fact he or a connected person is a designated member or other member in a management or administrative role of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested (directly or indirectly) in, any limited liability partnership promoted by the Association or in which the Association is otherwise interested (directly or indirectly);
- 93.3 (without prejudice to Articles 93.1 to 93.2 (inclusive)) his interest arises by virtue of the fact he or a connected person is a partner, officer or other member in a management or administrative role of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested (directly or indirectly) in, any

general partnership or firm, limited liability partnership or company or other body corporate or is a sole practitioner in private practice on his own account and the business of which is providing legal services and/or non-legal services normally provided by a business or practice of Costs Lawyer(s) and/or which is expressly permitted by the Bye Laws;

- 93.4 the resolution relates to the giving to him or a connected person of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him or such connected person for the benefit of, the Association or any of its subsidiaries;
- 93.5 the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Association or any of its subsidiaries for which the Council Member has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- 93.6 his interest arises by virtue of him or a connected person being, or intending to become, a Member or any change of class of Membership or by virtue of him or a connected person subscribing or agreeing to subscribe for any shares, debentures or other securities of any of the Association's subsidiaries, or by virtue of him or a connected person being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by any of such subsidiaries for subscription, purchase or exchange;
- 93.7 the resolution relates in any way to a retirement benefits scheme in respect of the Association or a subsidiary of the Association which has been approved, or is conditional upon approval, by HM Revenue & Customs for taxation purposes and under which retirement benefits are available to employees and directors or former employees and directors of the Association or a subsidiary and such scheme does not provide special benefits for directors or former directors;
- 93.8 (except as provided in Articles 93.1 to 93.7 (inclusive) and Article 93.9) the interest is authorised or expressly permitted by these Articles; or
- 93.9 (except as provided in Articles 93.1 to 93.8 (inclusive)) the interest relates to any matter or situation but the interest or the matter or situation is approved and/or any conflict situation resolved by the Council or by ordinary resolution of the Association or (if required by the Companies Acts) special resolution of the Association.

If the Council Member is entitled to vote and exercises that vote the vote shall be counted and he shall also be entitled to be counted in the quorum at any such meeting.

Any conflict situation to which this Article 93 and/or Section 175 of the 2006 Act applies may be resolved as stated above or in any of the following Articles 94 and 95.

For the purposes of this Article and the following Articles 94 and 95, an interest of a person who is connected with a Council Member for any purpose of the 2006 Act shall be treated as an interest of the Council Member.

- 94 Subject to and in accordance with the 2006 Act:
- 94.1 the Council may authorise any matter or situation in which a Council Member (the "Conflicted Council Member") has, or can have, an interest (direct or indirect) that conflicts, or possibly may conflict, with the interests of the Association (including (without limitation) in relation to the exploitation of any property, information or opportunity, whether or not the Association could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (including (without limitation) a conflict of interest or duty within Article 66) (the "Conflict Situation");
- 94.2 any authorisation given in accordance with Article 94.1 may be made on such terms and subject to such conditions and/or limitations as the Council may, in their absolute discretion, determine (including (without limitation) excluding the Conflicted Council Member and any other interested Council Member or alternate director from certain meetings of the Council or of committees of the Council, withholding from him or them certain Council or other papers and/or denying him or them access to certain confidential information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
- 94.3 in considering any request for authorisation in respect of a Conflict Situation, the Council shall be entitled to exclude the Conflicted Council Member or his alternate director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Council Member or his alternate director any Council or other papers concerning the authorisation of such Conflict Situation. This is in addition to any prohibition (if entitled to attend) from voting on authorisation of such Conflict Situation.
- 94.4 If any Conflict Situation is authorised or otherwise permitted under these Articles, the Conflicted Council Member (for long as he reasonably believes such Conflict Situation subsists):

94.4.1 shall not be required to disclose to the Association (including the Council or any committee of the Council) any confidential information relating to such Conflict Situation which he obtains or has obtained otherwise than in his capacity as a Council Member, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position;

94.4.2 shall be entitled to attend or absent himself from all or any meetings of the Council or of any committee of the Council at which anything relating to such Conflict Situation will or may be discussed; and

94.4.3 shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including (without limitation) Council papers or those of any committee of the Council) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in doing so, such Conflicted Council Member shall not be in breach of any general duty he owes to the Association pursuant to Sections 171 to 177 inclusive of the 2006 Act and the provisions of this Article 94 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Council Member from disclosing information or attending meetings or receiving documents or information, in circumstances when such disclosure, attendance or receipt would otherwise be required by these Articles.

94.5 Where a Conflict Situation has been authorised or is otherwise permitted under these Articles:

94.5.1 the Conflicted Council Member shall not, by reason of his office, be liable to account to the Association for any remuneration or other payment or other benefit which he derives from any matter, office, position or employment which relates to such Conflict Situation;

94.5.2 no contract, transaction or arrangement or any other matter shall be avoided on the grounds of the Conflicted Council Member having any interest in the Conflict Situation or receiving any such remuneration, payment or other benefit; and

94.5.3 the receipt of any such remuneration, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176 of the 2006 Act;

provided the Conflicted Council Member has disclosed the nature and extent of his interest in the Conflict Situation in accordance with Article 84.

- 95 The Association may by ordinary resolution or (if required by the Companies Acts) by special resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles, or (if applicable) the application of Section 175 of the 2006 Act, prohibiting a Council Member from voting at a meeting of the Council or of a committee of the Council or otherwise resolve a conflict situation or any other matter involving a Council Member which would prohibit him from voting and if he shall vote his vote shall be counted and if he is entitled to vote he shall also be entitled to be counted in the quorum at any such meeting.
- 96 Where proposals are under consideration concerning the appointment of two or more Council Members to offices, positions or employments with any company or other body corporate or general partnership or firm or limited liability partnership in which the Association is interested the proposals may be divided and considered in relation to each Council Member separately and (provided he is not for another reason precluded from voting) each of the Council Members concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment (unless in his respect of his own appointment he is authorised to do so under Article 93 or Article 94 or Article 95).
- 97 If a question arises at a meeting of the Council or of a committee of the Council as to the right of a Council Member 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 Council Member other than himself shall be final and conclusive.
- 98 Any Council Member or his alternate director may participate in a meeting of the Council, or of a committee of the Council of which the Council Member is a member, by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other throughout the meeting and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the 2006 Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

OFFICERS

- 99 The Officers of the Association shall be those persons who hold the offices of Chairman, Vice-Chairman, Secretary and Treasurer and (if applicable) such other offices of the Association created in accordance with these Articles and (subject to the foregoing) the Bye-Laws. Each such person must be a Council Member and, subject to the foregoing, eligibility to hold office as an Officer shall in so far as not provided for in these Articles be as set by the Bye-Laws. Without prejudice to the provisions of Article 80, the office of an Officer but not his office as Council Member (except when the terms of appointment also provide for resignation as a Council Member and he fails to do so as stated in Article 80.4), shall be vacated if:
- 99.1 by notice in writing to the Association he resigns his office as an Officer (without prejudice to the legal rights of the Association if such notice is given in breach of his terms of appointment to any such office held as an Officer); or
- 99.2 he is removed from office as an Officer by the Council in accordance with Article 100.
- 100 The Council may at any time and from time to time remove an Officer from his office as Officer by notice in writing but such notice in writing shall be given in accordance with any period of notice requirement under the terms of appointment to such office.

SECRETARY

- 101 The Secretary shall be appointed in accordance with these Articles and (subject to the foregoing) the Bye-Laws. For the avoidance of doubt, the person holding the office of Secretary of the Association does not also need to be appointed and hold office as company secretary of the Association while he holds office as Secretary, but if he has also been appointed and holds office as company secretary of the Association then when he resigns or is removed from office as Secretary he shall be deemed to have resigned or have been removed from office as the company secretary of the Association. Subject to the foregoing the Council may appoint any person as Secretary and/or as company secretary of the Association or as a joint, assistant or deputy and may remove any person so appointed. If any company secretary ceases in office for any reason nothing in these Articles shall require the Association to appoint any other person as company secretary and if at any time the Association has no company secretary these Articles shall be construed accordingly.

THE SEAL

- 102 The Association is not obliged to have a Seal. If it does have a Seal then the Seal shall not be affixed to any instrument except by the authority of a resolution of the Council or committee of the Council. Subject to the foregoing the Council may determine who shall sign any instrument to which the Seal is affixed and, unless otherwise so determined, it shall be affixed in the presence of at least two Council Members, and such Council Members 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.
- 103 Subject to the provisions of the 2006 Act a document signed by two Council Members and expressed (in whatever form of words) to be executed by the Association shall have the same effect as if executed under the Seal. Furthermore Article 102 and this Article 103 are not intended to exclude any other manner of execution of any document by the Association permitted in accordance with the 2006 Act including of a deed by a Council Member in the presence of a witness or under hand (whether or not in the presence of a witness) on the Association's behalf.
- 104 If the Association has a Seal then the Association may exercise the powers conferred by Section 49 of the 2006 Act with regard to having an official seal for use abroad, and such powers shall be vested in the Council.

ACCOUNTS

- 105 The Council may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Association or any of them shall be open to the inspection of the Members not being Council Members, and no Member (not being a Council Member) or other person shall have any right of inspecting any accounts or books or documents of the Association except as stated in these Articles or conferred by statute or authorised by the Council or by the Association by ordinary resolution in general meeting.

NOTICES

- 106 Subject to the provisions of the Companies Acts, any document or information required or authorised to be sent or supplied by the Association to any Member or any other person pursuant to these Articles and/or the Companies Acts, may be sent or supplied in hard copy form, in electronic form or by means of a website or in any other way in which documents or information may be sent or supplied by the Association pursuant to the Companies Acts, provided that notices of meetings of the Council (or any committee of the Council) need not be in writing. The provisions of

the 2006 Act which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these Articles, by making it available on a website.

- 107 The Association may send or supply any document or information to a Member either personally, or by post in a prepaid envelope addressed to the Member at his registered address in the Register of Members or at his address for service, or by leaving it at that address or any other address for the time being notified to the Association by the Member for the purpose, or by sending or supplying it using electronic means to an electronic address for the time being notified to the Association by the Member for the purpose, or by any other means authorised in writing by the Member concerned. A Member whose registered address is not within the United Kingdom and who gives the Association an address within the United Kingdom to which documents or information may be sent or supplied to him or gives an electronic address to which documents or information may be sent or supplied using electronic means, shall be entitled to have documents or information sent or supplied to him at that address, but otherwise no such Member shall be entitled to receive any document or information from the Association.
- 108 It is agreed that:
- 108.1 If, on at least 2 consecutive occasions, the Association has attempted to send any document or information by electronic means to an address specified (or deemed specified) for the purpose and a delivery failure (or other similar) notification has been received by the Association, the Association thereafter shall, send documents or information in hard copy form or electronic form (but not by electronic means) to such Member at his registered address or address for service within the United Kingdom (whether by hand, by post or by leaving it or them at such address), in which case the provisions of Article 108.2 shall apply.
- 108.2 If on 3 consecutive occasions documents or information have been sent or supplied to any Member at his registered address or address for the service of such documents or information in the United Kingdom but have been returned undelivered, such Member shall not thereafter be entitled to receive any documents or information from the Association until he shall have communicated with the Association and supplied in writing a new registered address or address within the United Kingdom for the service of documents or information or an electronic address to which documents or information may be sent or supplied using electronic means.

- 109 Any Member present in person or by proxy at a general meeting shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.
- 110 Any document or information, addressed to a Member (or other person to whom such notice, document or information is required or authorised to be sent or supplied pursuant to these Articles, the Companies Acts or otherwise) at his registered address or address for service in the United Kingdom (or electronic address, as the case may be) shall:
- 110.1 if hand delivered or left at a registered address or other address for service in the United Kingdom, be deemed to have been served or delivered on the day on which it was so delivered or left;
- 110.2 if sent or supplied by post (whether in hard copy form or in electronic form), be deemed to have been received at the expiration of 24 hours after the envelope was posted if sent by first class post and at the expiration of 48 hours after the envelope was posted if sent by second class post;
- 110.3 if sent or supplied by electronic means (other than by means of website), be deemed to have been received (if sent or supplied between the hours of 9 a.m. and 5 p.m. on a Business Day) at the time it was sent or supplied, or (if sent or supplied at any other time) at 9 a.m. on the next following Business Day; and
- 110.4 if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 111 In calculating a period of hours for the purpose of Article 110, account shall be taken of any part of a day that is not a Business Day.
- 112 Subject to Article 109 in proving such service or delivery it shall be sufficient to prove that the envelope containing the document or information was properly addressed and put into the post in a prepaid envelope with the relevant postal class or, in the case of a document or information sent or supplied by electronic means, that it was sent or supplied in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators entitled "Electronic Communications with Shareholders 2007" (as such guidance is amended or updated from time to time).

- 113 The Association shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of Articles 110 to 112 (inclusive) shall apply regardless of any document or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure.

WINDING UP AND DISSOLUTION

- 114 The Association is a private company limited by guarantee and liability of Members is limited. Every Member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Association 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, such amount as may be required not exceeding £5. It is agreed that in the event of a conflict between Clause 6 of the Memorandum of Association and this Article 114 that this Article 114 shall apply.
- 115 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 among the Members, but shall be given or transferred to some other charitable institution or institutions 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, such institution or institutions to be determined by the Members at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object.

INDEMNITY

- 116 Subject to the provisions of Section 232 of the 2006 Act (and exceptions within Sections 233 to 235 (inclusive) of the 2006 Act) (but without prejudice to any indemnity to which a Permitted Person may otherwise be lawfully entitled), every Permitted Person shall be entitled to be indemnified out of the assets of the Association against all costs, charges, expenses, losses or liabilities which he may sustain or incur as a Council Member or officer or auditor of the Association or any subsidiary of the Association (including any company that is a trustee of an occupational pension scheme (as defined in Section 235 (6) of the 2006 Act)) in or about the actual or purported execution and/or discharge of the duties of his office or

otherwise relating thereto including 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 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 relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Association or such subsidiary.

- 117 Subject to the provisions of Section 232 of the 2006 Act (and exceptions within Sections 233 to 235 (inclusive) of the 2006 Act) the Association may purchase and maintain for any Permitted Person insurance against any liability which by virtue of any rule of law would otherwise attach to any such person in or arising out of their respective duties to the Association or any subsidiary of the Association or in relation to the affairs of the Association or such subsidiary and in particular in respect of any negligence, default, breach of duty or breach of trust in relation to the affairs of the Association or such subsidiary.

**RELATIONSHIP WITH MEMORANDUM OF ASSOCIATION
AND DELEGATION OF REGULATORY FUNCTIONS
TO THE REGULATORY BODY**

- 118 The Association's objects and powers are set out or referred to in Article 3. In the event of a conflict between the Memorandum of Association (and in particular the objects and powers and restrictions set out in Clause 3 of the Memorandum of Association) and these Articles, these Articles shall prevail.
- 119 Nothing in the Memorandum of Association or these Articles shall override any legal requirement in the Companies Acts or in the Legal Services Act which cannot be excluded or varied in law. Subject to the foregoing and to the extent to which Clause 3 of the Memorandum of Association or these Articles would conflict with the legal requirements in the Legal Services Act on separation and/or independence of any regulatory and representative aspects of the business of the Association it is agreed:
- 119.1 The Association shall have power to delegate in whole or in part the Regulatory Functions to the Regulatory Body, or (as the case may be) to confirm or otherwise approve such a delegation, with effect prior to, on or after the date of adoption of these Articles and on such terms and conditions as the Council may think fit to approve provided that such terms and conditions shall respect the Principle of Regulatory Independence. Such delegation may include a transfer or licence of tangible or intangible property and/or a secondment of Council Members or officers or

employees of the Association and any other facilities and arrangements between the Association and such third party on such terms and conditions as may be approved by the Council provided that any such secondment shall not be to the regulatory board of the Regulatory Body and any such secondment and such facilities and such arrangements shall respect the Principle of Regulatory Independence;

- 119.2 If and to the extent to which the Legal Services Act would require the approval of the Legal Services Board, or any successor body or authority performing the same or materially the same functions, to any such delegation or any aspect under Article 119.1 the Council may exercise such powers conditional on such approval or otherwise give conditional approval.
- 119.3 If and to the extent to which the Companies Acts would require the approval of the Members, or (if different) of the Members entitled to vote in general meeting, to any such delegation or any aspect under Article 119.1 the Council may exercise such powers conditional on such approval or otherwise give conditional approval.
- 120 For the avoidance of doubt the objects and powers of the Association and restrictions set out or referred to in Article 3 shall be construed and in so far as not expressly stated to be the case take effect subject to any such delegation approved under Article 119.
- 121 Nothing in the Memorandum of Association or these Articles shall constitute an appointment of the Association or any Council Member or officer or auditor of the Association as a director, officer or auditor of the Regulatory Body or constitute the Association or any such Council Member or officer or auditor of the Association a director or shadow director or designated member or member (or any equivalent to a shadow director) of the Regulatory Body.
- 122 Nothing in the Memorandum of Association or these Articles shall constitute a relevant transfer within the meaning of TUPE or the transfer of any terms of engagement of any Council Member or officer or auditor. If any such delegation approved under Article 119 would constitute a relevant transfer within the meaning of TUPE the Council shall ensure the Association complies with TUPE.
- 123 No Member has any right, title or interest in the business and property of the Association except to the extent expressly entitled by law in a winding up or any right, title or interest in the business and property of the Regulatory Body.
- 124 Nothing in Articles 119 to 123 (inclusive) is intended to invalidate a delegation of Regulatory Functions to a Regulatory Body made prior to the adoption of these

Articles in accordance with the Legal Services Act or which is made, confirmed or otherwise approved on or after adoption of these Articles in accordance with the Legal Services Act but expressed as taking effect prior to such adoption. Subject to the foregoing Articles 119 to 123 (inclusive) shall apply to any such delegation or any subsequent delegation.

- 125 Subject to the foregoing the Council may authorise such other acts or things as they consider necessary to give effect to the delegation of the Regulatory Functions or any aspect including if necessary the amendment of the Bye-Laws as it thinks fit and rescission of any Code of Conduct previously made by the Association.