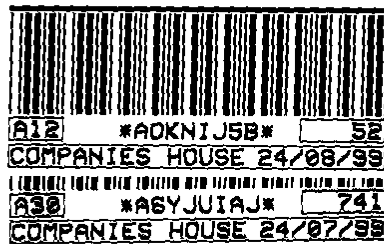


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2nd Sep.

British Insurance Brokers' Association
Memorandum of Association



COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION
(including revisions approved on 11 November 1987 to take effect from 1 January 1988)
(as emended by Special Resolutions dated 2 June 1993 and 14 July 1999)
of
BRITISH INSURANCE BROKERS' ASSOCIATION
Incorporated 1st January 1977

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1. The name of the Association is "British Insurance Brokers' Association".
2. The registered office of the Association will be situate in England.
3. The objects for which the Association is established are:
  - (A) To provide a central organisation for insurance intermediaries and generally to do all such things as from time to time may be considered calculated to safeguard the interests of the community and procure the general efficiency and proper professional conduct of the sale of insurance, with a view to ensuring for the community the existence of a class of insurance intermediaries who can be relied upon as being trustworthy and duly qualified to perform their duties.
  - (B) To collect and disseminate amongst the members information in regard to all matters relating to general insurance business wherever or to the practice, duties and obligations of individuals engaged in that business, by affording facilities for the reading of papers and by the delivery of lectures, the circulation of a journal or other publications, the formation and maintenance of a library, or otherwise.
  - (C) To enter into any discussions or negotiations with Governments, companies, firms or any other persons in regard to all matters relating to the sale of general insurance, and to assist or co-operate with any such bodies or persons on all matters of common interest which may be considered calculated to be for the benefit of members and the general public.
  - (D) To watch over the legislation affecting the sale of general insurance, and to promote, or support and assist in any legitimate manner the carrying into effect of any legislation having for its object the common good of members and the general public.
  - (E) To afford means of arbitration on, or for settling, disputes or questions between members of the Association or between members of the Association and third parties.
  - (F) To ascertain the law and practice relating to general insurance business, and to register cases for the information of members, to take steps to obtain or to assist any person to obtain legal advice upon, or the judicial determination of, any question of general importance or interest to members.
  - (G) To apply for, take out, purchase or otherwise acquire and maintain patents, trade marks, copyrights and licences and to use, develop, protect and grant licences in respect of, or otherwise turn to account, all forms of know-how and any rights or information acquired.
  - (H) To promote, participate in or otherwise engage in any scheme, venture or activity which in the opinion of the board is conducive to the furtherance of the businesses of the members of the Association.
  - (I) To invest and turn to account any moneys for the time being not required by the Association, or which it may hold from time to time, in or upon the security of any property, real or personal, of any nature whatsoever or by placing the same on deposit at any bank or in such other manner as the board shall deem appropriate.

(J) To acquire all or any part of the property, assets or liabilities of any association, society or corporation in any part of the world, whose objects are in general similar to the objects of the Association.

(K) To amalgamate, affiliate or co-operate with, or subscribe to, any association, society or corporation in any part of the world, whose objects are in general similar to the objects of the Association.

(L) To transfer all or any part of the property, assets or liabilities of the Association to any association, society or corporation with which the Association is authorised to amalgamate.

(M) To promote any other company or body for any purpose which may seem directly or indirectly calculated to benefit the Association.

(N) To support and subscribe to any charitable institute, society or club which may be for the benefit of necessitous persons involved in general insurance business, and give charitable aid to any former member or to any employee or former employee of the Association, or to any person involved in general insurance business, or to the wives, widows, children or other dependants of any such persons who may be in need of such aid, and to grant pensions or gratuities to any employees or former employees of the Association or the relations, connections or dependants of any such employees, or former employees, and for this purpose to establish and administer a pension scheme or pension fund (either contributory or non-contributory).

(O) To purchase, rent, lease, hold or otherwise acquire and dispose of any lands or buildings or any other property, real or personal, required for any purpose of the Association, and to hold, sell, lease, develop, deal with and dispose of the same in such manner as may be thought expedient.

(P) To borrow or raise money, and to issue debentures or other securities, and for the purposes of securing any debt or obligation of the Association, to mortgage and charge all or any part of the property of the Association.

(Q) To apply, petition for or promote any Act of Parliament, Royal Charter, or other authority with a view to the attainment of the above objects or any of them.

(R) To purchase directors' and officers' liability insurance on behalf of any directors and officers of the Association.

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

Provided that the objects of the Association shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

4. The income and property of the Association shall be applied solely towards the promotion of its objects as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Association.
5. The liability of the members is limited.
6. Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up during the time that he is a member, or within one year afterwards, 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 £1.

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**COMPANIES ACT 1985**  
**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION**  
**(Adopted on 14 July 1999)**  
**of**  
**BRITISH INSURANCE BROKERS' ASSOCIATION**

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**INTERPRETATION**

1. In these Articles:

- "The Act" means the Companies Act 1985
- "The Association" means British Insurance Brokers' Association
- "Company" in the context of membership means any body corporate (wherever incorporated)
- "The board" means the board of directors for the time being of the Association
- "Insurance business" means insurance business of any of the classes specified in schedules 1 and 2 to the Insurance Companies Act 1982
- "Lloyd's brokers" means sole proprietors, firms or companies accepted as such by the Council of Lloyd's
- "The office" means the registered office of the Association
- "Representative" means any person nominated by a member to act as its representative to the Association in accordance with Article 8
- "Secretary" means any person appointed by the board to perform the duties of the secretary of the Association
- "These Articles" means the Articles of Association and any regulations made thereunder from time to time in force
- "Month" means calendar month
- "In writing" means written, printed, lithographed or photographically copied, or partly one and partly another, and other modes or representing or reproducing words in a visible form

Words importing the singular number only shall include the plural number, and vice versa.  
Words importing the masculine gender only shall include the feminine gender.  
Words importing persons shall include bodies of persons whether incorporated or unincorporated.

Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Association shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

**MEMBERS**

2. The Association is registered with an unlimited number of members.
3. Subject to the provisions of these Articles membership of the Association shall be open to:
  - (a) Any business (whether or not incorporated and however constituted) operating as an independent intermediary of insurance business;
  - (b) Such other businesses qualified under the membership regulations laid down by the board from time to time.All admissions to membership shall be at the absolute discretion of the board.
4. All applications for membership shall be made in writing in such form as the board shall from time to time prescribe and shall be accompanied by such application fee as may be required by the board. Applicants shall provide such information as the board shall require in order to consider the application.
5. The board shall be entitled from time to time to make regulations ("the membership regulations") governing the requirements, qualifications and conditions on which members shall be admitted to and remain in membership.

6. It shall be the duty of every member to give such information as the board may from time to time require in connection with that member's business.
7. Membership of the Association shall cease forthwith:
  - (a) On a member submitting his resignation in writing to the Secretary;
  - (b) On non-payment of subscription as provided by Article 14.2;
  - (c) If a member shall fail to comply with any provisions of these Articles or of the membership or other regulations made hereunder.
  - (d) If it shall be resolved by the board that a member shall cease to be a member, provided that no such resolution shall be effective unless it is passed by a meeting of the board at which the member shall have been given reasonable opportunity to speak on his own behalf.

#### **MEMBERS' REPRESENTATIVES**

8. In order to exercise any of the rights of membership of the Association, a member is required to nominate a person to act as its representative to the Association and to the regions thereof. A member may revoke a nomination and nominate another representative in his place. A member shall give all information that may be required by the board regarding such representative.
9. All nominations and revocations shall be effective only upon being notified in writing to the secretary. Upon receipt by the secretary of any revocation, such person shall ipso facto cease to be a representative of such member, and any person nominated in his place shall be and become the representative.

#### **SUBSCRIPTIONS**

10. Each member shall pay by way of entrance fee and annual subscription such amounts (if any) as may be determined from time to time by the board in respect of each member provided that the board shall be entitled in its absolute discretion to charge different amounts (if any) by way of entrance fees of subscription from different members. The board can determine that one entrance fee or one subscription in each year shall be payable in respect of member companies having a common holding company and of the holding company.
- 11.1 If for any year the accounts of the Association show an excess of expenditure over income the board may in its absolute discretion resolve that every member who has been a member for any part of that year shall be called upon to pay by way of additional subscription for that year such sum as may be necessary, with all other similar sums, to reimburse the Association in respect of such excess of expenditure over income and each person, whether then a member or a former member liable under this Article, shall pay such additional subscription within 21 days after notice requiring such payment shall have been given to him. No member shall be entitled to dispute the amount or liability to pay the amount of additional subscription and the board shall be entitled in its absolute discretion to call upon different members to pay different amounts by way of additional subscriptions. Provided that the board in exercising its discretion may have regard to any scale of subscriptions payable by different members.
- 11.2 Unless the context otherwise requires the word "subscription" shall include any additional subscription payable under this Article.
12. The board shall from time to time determine the times and manner of payment of subscriptions and shall be entitled to make provision for payment of an appropriate part of any subscription where, in the year of admission, membership is not held for the full year for which such subscription is payable.
13. Applicants for membership shall pay their entrance fee and first subscription (if any) on election and they shall not become members or have their names entered on the register of members until such entrance fee and first subscription (if any) have been paid.
14. Without prejudice to the provisions of Article 35:
- 14.1 If after the commencement of any financial year of the Association any member shall fail to pay any subscription within twenty-one days after being finally requested so to do the member shall not be entitled to be represented at any general meetings of the Association or at meeting of any region and

pending payment all such members shall stand suspended from all rights and privileges of membership.

- 14.2 Notwithstanding the provisions of Article 14.1 any member whose subscription shall not be paid within three months of the commencement of the financial year for which the subscription is due, or in the case of an additional subscription payable under Article 11 within three months after notice requiring payment has been given to the member, shall, unless the Board shall decide before the expiration of such period, ipso facto, cease to be a member of the Association and his name shall thereupon be removed from the register of members;
15. A member who ceases to be a member at any time and who is indebted to the Association for any subscription, or becomes indebted for any additional subscription under Article 11.1, shall remain liable to pay the same to the Association notwithstanding that he shall have ceased to be a member of the Association.

#### **GENERAL MEETINGS**

16. The Association shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Association and that of the next. The Annual General Meeting shall be held at such a time and place as the board shall appoint.
17. All general meetings other than annual general meetings shall be called extraordinary general meetings.
18. The board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitions, as provided by section 368 of the Act.

#### **NOTICE OF GENERAL MEETINGS**

19. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least. Any other meeting of the Association shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is given, and shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business. Notice shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Association.
20. Notice of every general meeting of the Association shall be given to:
- (a) Every member except those who (having no registered address within the United Kingdom) have not supplied to the Association an address within the United Kingdom for the giving of notice to them;
  - (b) The auditor for the time being of the Association; and
  - (c) Every board member.
- No other person shall be entitled to receive notices of general meetings.

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

21. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the board and auditors, reports of the elections of members to the board, and the appointment of, and the fixing of the remuneration of, the auditors.
22. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall consist of not less than six representatives who are entitled to vote at the meeting and are present in person.
23. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case, the representatives present in person shall be a quorum.

24. The chairman of the Association shall preside as chairman at every general meeting of the Association; or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the chairman elect, if any, shall be chairman of the meeting and, failing him, the board members present shall elect one of their number to be chairman of the meeting.
25. If at any meeting no board member is willing to act as chairman, or if no board member is present within fifteen minutes from the time appointed for holding the meeting, the representatives present shall elect one of their number to be chairman of the meeting.
26. The chairman of the meeting may, with the consent of any meeting at which quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give notice of an adjournment or of the business transacted at an adjourned meeting.
27. At any general meeting a resolution put to the vote at 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:
- (a) By the chairman; or
  - (b) By not less than five members present and entitled to vote thereat; or
  - (c) By any members present in person and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting.
- Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of the fact without proof of number or proportion of the votes recorded in favour of or against such resolution.
28. If a poll is demanded any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
29. A poll may not be demanded on the election of a chairman, or on a question of adjournment.
30. The demand for a poll may be withdrawn.
31. Except as provided in Article 29 if a poll be demanded, it shall be taken at such time and place and in such manner as the chairman of the meeting shall direct, with the exception that the Association will not conduct a postal ballot. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
32. 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.

#### **VOTING AT GENERAL MEETINGS**

- 33.1 The chairman of the Association if not otherwise entitled shall have one vote.
- 33.2 On a show of hands, each representative present in person shall be entitled to one vote.
- 33.3 Upon a poll, there shall be exercisable in respect of each member one vote for each £1,000 of subscription or part thereof payable in the calendar year in which the vote is cast, excluding any additional subscription as per Article 11.1. In the absence of manifest error, the decision of the chairman of the meeting on the number of votes a member may cast shall be conclusive.
- 33.4 Except as provided in this Article, no member of the Association shall have a vote.
34. On a poll votes may be given by proxy. In order to be valid, proxies must be submitted by not later than 48 hours before the meeting. The form of proxy shall be determined by the board from time to time.

35. No member shall be entitled to vote at any general meeting of the Association or at any meeting of a region or in any ballot unless all monies presently payable by the member have been paid to the Association. The decision of the chairman of the meeting shall be conclusive as to whether a member is so entitled to vote.

#### **MEMBERS ACTING BY REPRESENTATIVE AT GENERAL MEETINGS**

36. A member shall be invited to nominate a person to act as its representative in the manner provided in section 375 of the Act. Such representative shall have the right on behalf of the member to attend general meetings of the Association and, if so qualified, vote thereat, and generally exercise all rights of membership on behalf of the member. A member may from time to time revoke the nomination of such representative, and nominate another representative in his place. All such nominations and revocations shall be made in writing to the secretary.

#### **REGIONS AND REGIONAL COMMITTEES**

37. The board shall establish membership regions and may amend the boundaries of any particular region.
- 38.1 Every member who only carries on business from one office shall belong to and be a member of the region in which that office is situated.
- 38.2 Any member who carries on business from more than one office shall be deemed to be a member of each region within which each such office is situated.
- 38.3 In the event of any question concerning the region or regions to which a member is attached, the decision of the board shall be final and binding.
39. Notwithstanding the provisions of these Articles the board may agree with a member that he shall be a member of a particular region whether or not he carries on business from an office in that region.
40. A member shall be required to nominate a representative to act on his behalf in order to exercise all rights of membership in each region to which he is attached. A member may from time to time revoke any nomination and nominate another representative in his place. All nominations and revocations shall be made in writing to the secretary.
41. Each region shall have a regional committee.
42. Members of a regional committee must be nominated representatives of members attached to such region.
43. Except as per Article 45, the board has power to make regulations from time to time in respect of all matters affecting or appertaining to regions or regional committees and shall be entitled to decide all matters affecting or appertaining to regions or regional committees. Without prejudice to the generality of the foregoing such regulations may govern the powers, functions and procedures of regions and regional committees and of meetings thereof and the constitution of regional committees and the election, appointment and removal of regional committee members. No such regulations under this Article shall be inconsistent with any provisions of these Articles.

#### **CONSTITUENCIES**

44. The board shall establish membership constituencies. Except in the case of the Lloyd's region, which shall not be so allocated, the board shall allocate each region to belong to one constituency.

#### **LLOYD'S BROKERS**

- 45.1 Notwithstanding any other provisions of these Articles, Lloyd's brokers who are members of the Association shall constitute a region in themselves ("the Lloyds region") and, subject to the provisions of Article 39, shall be members of that region wherever their office or offices may be situated.
- 45.2 The regional committee for the Lloyd's region shall be called the Lloyd's Insurance Brokers' Committee (LIBC).



- 45.3 Except insofar as the individual rights of membership of any member of the Association may be affected, LIBC shall deal with all matters on behalf of the Association specifically affecting Lloyd's brokers.
- 45.4 Notwithstanding any of the provisions of these Articles, LIBC shall have power to make regulations from time to time governing the constitution, the election and removal of LIBC members and the procedures for meetings of LIBC and any sub-committee thereof. Such regulations so far as possible shall be consistent with the provisions relating to the regions and regional committees.
- 45.5 The provisions of this Article may not be varied, whether or not the Association is being wound up, without consent in writing of three-fourths of the members of the Lloyd's region or without the sanction of a resolution passed at a separate meeting of the members of the Lloyd's region. For the purposes of this Article members of the Lloyd's region shall be deemed to constitute a separate class of membership of the Association and to every separate meeting aforesaid the provisions of these Articles relating to general meetings and voting thereat shall apply *mutatis mutandis*, but so that the necessary quorum shall be *ten* members of the Lloyd's region present in person at the meeting and so that any three members of the Lloyd's region present in person at the meeting may demand a poll.

#### **CONSTITUTION OF THE BOARD**

46. The Board shall consist of the following:
- (a) The chairman;
  - (b) The chairman elect (if any);
  - (c) Up to one member selected by each of the constituencies referred to in Article 44;
  - (d) Up to two members selected by each of the Business Interest Committees referred to in Article 74;
  - (e) Up to two members selected by LIBC;
  - (f) The chairman of the finance committee;
  - (g) Up to two members co-opted pursuant to Article 48.

#### **SELECTION OF BOARD MEMBERS**

- 47.1 The board shall from time to time make regulations governing the procedure for the selection of a board member by each constituency or of board members by each business interest committee or LIBC and for the filling of casual vacancies in such memberships. No such regulations shall be inconsistent with any provisions of these Articles.
- 47.2 To be eligible for selection by a constituency, by a business interest committee or by LIBC as a board member a person must be a nominated representative of a member. In the case of a person to be selected by a constituency, a person must also have been a member for a period or periods of not less than one year of a regional committee of a region in that constituency.
48. The board shall have power from time to time to co-opt not more than two persons to be board members. Persons appointed to the board under the provisions of this Article need not be nominated representatives of members. Persons appointed under this Article shall hold office during such time as the board shall decide but the board shall review all such appointments annually at its first meeting after the annual general meeting in each year.
49. In the event that any doubt or question shall arise as to the eligibility of any person to be a board member under the provisions of these Articles, or as to whether any person is due to retire under the provisions of these Articles, or on the interpretation of any regulation made pursuant to these Articles, or if there is any matter of dispute relevant to the selection of any board member under such regulations, then the matter shall be referred to the chairman of the Association or, in his absence, the chairman elect, if any, who shall decide the matter in accordance with the principles set out in the Articles and whose decision shall be final and binding upon the Association and all persons interested therein.

#### **PERIOD OF OFFICE OF BOARD MEMBERS**

- 50.1 Except in the case of casual vacancies, a board member selected pursuant to Article 47 shall take office as on and from the termination of the annual general meeting held following his selection and shall, subject to the provisions of this Article or unless he ceases to hold office earlier in accordance with any provision of these Articles, hold office as such for a period until the termination of the second annual general meeting held following his taking up office.

50.2 No board member selected by a constituency, by a business interest committee or by LIBC shall serve in that capacity for more than two consecutive periods of office following his first taking up office under this Article. A board member having served for the period defined in Article 50.1 shall forthwith retire from the board and be eligible for re-election once and thereafter shall not be eligible to hold office after a second period in any of such capacities referred to in this paragraph except and until the termination of the annual general meeting next following his retirement at the end of such second period.

50.3 In determining how long any board member has been in office for the purposes of this Article, a member appointed to fill a casual vacancy shall have ignored his service from his appointment until the termination of the next annual general meeting.

#### **DISQUALIFICATION OF BOARD MEMBERS**

51. The office of a board member shall be vacated if the board member:
- (a) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (b) Becomes prohibited from being a board member by reason of any order made under the Company Directors Disqualification Act 1986; or
  - (c) In the opinion of the board becomes incapable by reason of mental disorder of discharging his duties as a board member; or
  - (d) Resigns his office by notice in writing to the Association; or
  - (e) Is directly or indirectly interested in any contract with the Association and fails to declare the nature of his interest in manner required by section 317 of the Act; or
  - (f) Ceases to be qualified either under Article 47 or if the firm or company of which he is the nominated representative ceases to be a member of the Association; or
  - (g) Is removed from office by a resolution of the board approved by three-quarters of those attending and voting at a meeting of the board specially convened for the purpose and at which the board member in question has been given reasonable opportunity of speaking on his behalf. The board member in question shall not be entitled to vote on such resolution.

52. The Association may by ordinary resolution, of which special notice has been given in accordance with section 379 of the Act, remove any board member notwithstanding anything in these Articles or in any agreement between the Association and such board member. Such removal shall be without prejudice to any claim such board member may have for damages for breach of any contract of service between him and the Association. Section 293 of the Act shall not apply to the Association.

#### **POWERS AND DUTIES OF THE BOARD**

53. The business of the Association shall be managed by the board, who may exercise all such powers of the Association as are not, by the Act or by these Articles, required to be exercised by the Association in general meeting, subject nevertheless to the provisions of the Act or these Articles, and to such regulations, not being inconsistent with the aforesaid provisions, as may be prescribed by the Association in General Meeting; but no regulation made by the Association in general meeting shall invalidate any prior act of the board which would have been valid if that regulation had not been made.

54. The board may from time to time and at any time by power of attorney appoint any one or more of their body to act as attorney or attorneys of the Association for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the board under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the board may think fit and may also authorise such attorney to delegate all or any of the powers, authorities and discretion vested in him.

55. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Association, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the board shall from time to time by resolution determine.

56. The board may exercise all the powers of the Association to borrow money, to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Association.
57. Once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified auditor or auditors.
58. The board shall cause accounting records to be kept in accordance with sections 221-222 of the Act.
59. All acts done by any meeting of the board or of a committee of the board or by any person acting as a member of the board or a committee, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a board member or committee member.
60. The board shall cause minutes to be made in books provided for that purpose:
  - (a) Of all appointments of officers made by the board;
  - (b) Of the names of those present at each meeting of the board and of any committee of the board;
  - (c) Of all resolutions and proceedings at all meetings of the Association, and of the board, and of committees of the board.

#### **PROCEEDINGS OF THE BOARD**

61. The board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit provided that the board shall seek to arrange not less than four meetings of the board in any one-year. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. The chairman or three board members may, and the secretary on the requisition of three board members shall, at any time, summon a meeting of the board. It shall not be necessary to give notice of a meeting of the board to any member for the time being absent from the United Kingdom. At least four days' notice of a meeting of the board shall be given, except in cases of emergency.
62. The quorum for the transaction of the business of the board shall be fixed from time to time by the board but shall not be less than four and shall exclude those co-opted under the provisions of Article 48. The board may act notwithstanding a vacancy in its membership.
63. A board member shall not vote in respect of any contract in which he is interested or any matter arising therefrom, and if he does so vote his vote shall not be counted.
64. A resolution in writing signed by all the board or committee members, as the case may be, for the time being entitled to receive notice of a meeting of the board or a committee, shall be as valid and effectual as if it had been passed at a meeting of the board or committee duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the board or committee members for the time being entitled to receive notice of a meeting of the board or committee.

#### **CHAIRMAN AND CHAIRMAN ELECT**

- 65.1 The board shall from time to time elect a chairman of the board who shall also be the chairman of the Association. The board may also elect a chairman elect of the board. Subject to the provisions of this Article, the chairman and chairman elect shall each hold office from the termination of the annual general meeting following their election until the termination of the next following annual general meeting and shall then retire. The board may re-elect a retiring chairman or chairman elect to hold office in that capacity for a further period of office until the termination of the annual general meeting following his taking up office upon re-election and he shall then retire. The chairman or chairman elect may be re-elected up to three times in this way but following his retirement after the fourth period of office he shall not be eligible to take office in that capacity until after the termination of the next following annual general meeting.
- 65.2 Neither the chairman nor the chairman elect need be a current board member. If the chairman or chairman elect is not a board member on election, he shall then become a member upon election.

- 65.3 Where a vacancy occurs in the office of chairman or chairman elect the board shall elect another person to be chairman or chairman elect as the case may be to hold office for the remainder of the predecessor's period of office and such period shall not be counted against any further period of election under this Article.
- 65.4 Forthwith on the chairman of the finance committee or a board member selected by a constituency or business interest committee being elected to be chairman or chairman elect a casual vacancy shall arise in such former position.
- 65.5 The chairman and chairman elect shall be ex officio members of all committees of the board.
66. If at any meeting the chairman is not present within five minutes of the time appointed for holding the same, the chairman elect shall be chairman of the meeting and if the chairman elect is not present the board members present may elect one of their number to be chairman of the meeting.

#### **PRESIDENT AND VICE-PRESIDENTS**

67. There may be a president of the Association who may be appointed from time to time by the board and shall hold office during such time as the board shall from time to time decide.
68. Whether or not there is a president for the time being there may be one or more vice-presidents of the Association who may be appointed from time to time by the board and shall hold office during such period as the board shall from time to time decide.
69. Any person may be appointed as and be president or a vice-president although not a representative of a member of the Association. The president or vice-president shall not by reason only of his being appointed president or vice-president be a member of the Association or a representative or liable to pay any entrance fee or annual subscription or entitled to any of the rights of a member. The president or any vice-president may, however, attend general meetings of the Association but shall not by virtue of that office be entitled to vote thereat.

#### **OFFICERS**

70. The board shall appoint a secretary and shall have power to appoint such other officers and employees as it may think fit for such terms, at such remuneration and upon such conditions as it may think fit.

#### **COMMITTEES**

71. The board may delegate any of its powers to committees consisting of such person or persons as it thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the board.
72. The board shall from time to time make regulations (either generally or in relation to any particular committee of the board) concerning all matters relating to committees of the board, including without prejudice to the generality of the foregoing their respective powers, duties, constitutions and proceedings for their meetings including the quorum therefor, voting thereat and appointment of chairmen, and the delegation of their powers and functions to sub-committees. No regulations under this Article shall be inconsistent with any other provisions of these Articles.

#### **FINANCE COMMITTEE**

- 73.1 Notwithstanding the provisions of Article 71 the board may constitute a finance committee as a committee of the board consisting of such person or persons as the board may think fit to undertake responsibilities in relation to such financial and other matters relating to the Association as the board may delegate to it.
- 73.2 The board shall appoint the chairman of the finance committee to hold office during such time as the board shall from time to time decide.

#### **BUSINESS INTEREST COMMITTEES**

- 74.1 Notwithstanding the provisions of Article 71 the board may constitute business interest committees as committees of the board to undertake such responsibilities in relation to that business interest sector as the board may from time to time delegate to it.

- 74.2 Business interest committees shall consist of such person or persons as may be elected to that committee pursuant to the constitution of the appropriate business interest sector. All such constitutions and amendments thereto shall be required to be approved by the board. Each business interest committee shall in the exercise of the powers delegated to it conform to any regulations that may be imposed on it by the board.
- 74.3 For the purpose of these Articles a business interest sector shall be identified as being such part of the business of an insurance broker as the board in its absolute discretion may determine.
- 74.4 For the avoidance of doubt the business of Lloyd's brokers shall be a business interest sector and LIBC shall deal with all matters on behalf of the Association specifically affecting such business interest sector in accordance with Article 45. LIBC shall not be a business interest committee and the board shall not be entitled to constitute such a committee in respect of the business interest sector of Lloyd's brokers.

#### **NOTICES**

- 75.1 A notice may be given by the Association to any member by sending it by post to him or to his registered address or to the address, if any, within the United Kingdom supplied by him to the Association for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice by first-class post, and to have been effected in the case of a notice of a meeting at the expiration of twenty-four hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of first-class post.
- 75.2 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.

#### **INDEMNITY**

- 76.1 Subject to the provisions of the Act but without prejudice to any indemnity to which the board member or other officer may otherwise be entitled every board member or other officer of the Association shall be indemnified out of the assets of the Association against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether civil or criminal, which relates to anything done or omitted by him as an officer or employee of the Association and, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application on 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.
- 76.2 The Association may purchase and maintain for any board member or other officer of the Association insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Association.

#### **WINDING-UP**

77. 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 of the Association, but shall be given or transferred to some other institution or institutions, not formed or carrying on business for profit having objects similar to the objects of the Association, to be determined by the members of the Association at or before the time of dissolution, and if and so far as effect cannot be given to the aforesaid provision, then to some charitable object.

#### **TRANSITIONAL ARTICLE**

78. The chairman, chairman elect and members of the board, and officers and members of regional committees, committees of the board and business interest committees shall continue in office until their existing term of office shall expire.

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