

The Companies Acts 1985, 1989 and 2006

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

**NEW ARTICLES OF ASSOCIATION
OF
COUNCIL FOR RESPONSIBLE JEWELLERY PRACTICES LIMITED**

Incorporated 11 May 2005
Company Number: 5449042

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LLP

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THE COMPANIES ACT 1985
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and
THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY GUARANTEE
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NEW ARTICLES OF ASSOCIATION

OF
COUNCIL FOR RESPONSIBLE JEWELLERY PRACTICES LIMITED
(Adopted by Special Resolution on 7th May 2008)

DEFINITIONS AND INTERPRETATION

1.1 In these articles: -

“the Applicant” means any body or person eligible for membership in accordance with the Articles which or who wishes to be considered for membership of the Council;

“the Board” means the board of Directors of the Council, the members of which are elected or appointed in accordance with these Articles;

“the Chief Executive Officer” means the chief executive officer appointed by the Board to be responsible for the day to day operations of the Council in accordance with Article 7;

“Committee” means any committee formed by the Board in accordance with these Articles;

“the Council” means the Council for Responsible Jewellery Practices Limited;

“the Directors” means the directors of the Council elected or appointed in accordance with Article 5 of these Articles and “Director” means any of them;

“Disciplinary Action” means proceedings relating to the possible suspension or expulsion of a Member from the Council or such other sanctions as the Board may decide are permitted from time to time;

“the Executive Committee” means the committee constituted in accordance with Article 6.1 to provide operational guidance and support to the Chief Executive Officer in relation to the day to day management of the Council and to consider matters relating to Disciplinary Proceedings;

“the Finance Committee” means the committee constituted in accordance with Article 6.1 to oversee the financial affairs of the Council;

“the Founder Members” means the original subscribers to the Memorandum of Association of the Council for so long as they remain Members of the Council;

“the Members” means the Founder Members and such other persons or bodies as are admitted to membership and remain Members of the Council in accordance with these Articles and **“Member”** means any of them save that in relation to attendance at General Meetings and/or voting rights, “Member” shall be deemed to refer only to Commercial Members and Association Members as defined in Article 3;

“the Membership Committee” means the committee constituted in accordance with Article 6.1 to consider matters relating to initial membership applications;

“the Officers” means the Chairman, Vice-Chairman, Honorary Treasurer and Honorary Secretary appointed in accordance with Article 7;

“the Principles” means the principles on business, social, human rights and environmental responsibility adopted by the Council from time to time;

“the Standards Committee” means the committee constituted in accordance with Article 6.1 charged with advising on and developing the standards of behaviour to be set by the Board from time to time with regard to compliance with the Principles; and

“Sub-Committee” means any sub-committee formed by the Board in accordance with these Articles.

- 1.2 The regulations contained in Tables A and C in the Companies (Tables A to F) Regulations 1985 shall not apply to the Council and these Articles shall constitute the regulations of the Council.
- 1.3 These Articles shall be construed with reference to the provisions of the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force (**“the Act”**) and every other act for the time being in force relating to companies limited by guarantee and not having a share capital and affecting the Council.
- 1.4 The terms used in these Articles, unless the subject or context precludes such an interpretation, shall be taken as having the same respective meanings as they have when used in those Acts.
- 1.5 The headings in these Articles shall not be taken as part of the Articles, or in any way affect the interpretation or construction of these Articles.
- 1.6 Any reference in these Articles to persons includes a reference to firms, corporations or unincorporated associations and any reference to the singular includes a reference to the plural and vice versa; and any reference to the masculine includes a reference to the feminine and vice versa.
- 1.7 Reference to any act, statute or statutory provision shall include any statutory modification, amendment or re-enactment thereof and every act, order, regulation or other subordinate legislation made pursuant thereto from time to time.

OBJECTS

2. The Council is established for the purposes expressed in the Memorandum of the Council.

MEMBERSHIP

- 3.1 Membership of the Council shall be restricted to persons or bodies which fulfil the objective criteria for admission to one of the classes of Membership set out in Articles 3.2 to 3.7. below and who are prepared to commit to the Principles.

- 3.2 There shall be Commercial Members as specified in Article 3.3, and Association Members as specified in Article 3.7.
- 3.3 Commercial Membership shall be open to those persons actively involved for commercial reasons in the diamond and/or gold jewellery supply chain.
- 3.4 Commercial Members shall be divided into Member Fora each representing a particular stage or activity within the diamond and/or gold jewellery supply chain, which shall be responsible for voting for persons to represent of such stage or activity on the Board in accordance with Article 5.5 hereof and advising the Board on governance issues. The initial Commercial Member Fora shall be as follows:-
- 3.4.1 Mining;
 - 3.4.2 Gold Trading and Refining;
 - 3.4.3 Diamond Trading, Cutting and Polishing;
 - 3.4.4 Jewellery Manufacturing and Wholesale;
 - 3.4.5 Retail; and
 - 3.4.6 Service Industries (including Financial Institutions).
- 3.5 The Board may also establish, in accordance with Article 6.1 hereof Working Groups to represent the members of each Member Forum to advise the Board on technical and other non governance issues related to the relevant Forum and to represent the interests of the members of the relevant Forum generally. Unless otherwise decided by the Board, the members of such Working Groups shall be elected by the members of the Member Forum concerned.
- 3.6 Each Commercial Member, upon admission to the Council, shall be entitled to join the Member Forum which most closely represents the predominant nature of its business. Commercial Members whose business covers more than one level of the diamond and/or gold jewellery supply chain shall nonetheless select a single Member Forum to which they wish to belong. No Commercial Member may be a member of more than one Member Forum without the express consent of the Board. A Commercial Member shall have the right, by notice in writing given to the Chief Executive Officer, to move its membership to an alternative Member Forum if the nature of its business changes but no Member shall be entitled to do so more than once in any Financial Year of the Council.

- 3.7 Association Membership shall be open to any trade association representing persons actively involved for commercial reasons in the diamond and/or gold jewellery supply chain. Association Members shall be Members of the Council in their own right as an association with the full right to attend and vote at relevant meetings but such membership shall not confer membership of the Council or any rights or obligations in relation thereto on the individual members of such trade association. Association Members shall together constitute the Association Members Forum. Each Association Member shall, in addition, be entitled to sit, by invitation from the Working Group(s) concerned, on such one or more of the Working Groups representing Commercial Member Fora as most directly represent the predominant nature of the business of its members. For the avoidance of doubt, no Association Member shall have the right either to vote in any election for a Director to represent any Member Forum other than the Association Members Forum or to nominate a representative of the relevant Association Member to stand for election as Director to represent such other Member Forum.
- 3.8 The Board shall have the right to establish additional Member Fora from time to time and/or to merge existing Fora and/or to add to or to subdivide the stage or activity within the supply chain or the area of interest represented by a Forum. Save as regards any special rights granted to Member Fora or as otherwise expressly provided in these Articles, Member Fora shall be regarded as Committees established by the Board pursuant to, and shall regulate their affairs in accordance with, Article 6.

Application for Membership

- 3.9 Each Applicant shall submit an application in the form prescribed by the Board from time to time ("**the Application**") and an address for service to the Council marked for the attention of the Chief Executive Officer or such other person as the Board may designate from time to time.
- 3.10 The Board may delegate to the Chief Executive Officer (or such other person) the authority to admit any applicant who has submitted a properly completed Application and who clearly complies fully with the membership criteria laid down by the Board from time to time. No Application shall be deemed properly completed unless it is accompanied by a binding commitment, signed by a duly authorised officer on behalf of the Applicant, in the form laid down by the Board from time to time to comply with the Principles. If the Chief Executive Officer (or such other person) has any doubt as to whether an Applicant meets the relevant criteria or for any other reason considers it in the best interests of the Council to seek

guidance on any matter relating to an Application, he shall submit the completed Application to the Membership Committee for consideration in accordance with procedures to be laid down by the Board from time to time.

- 3.11 At any meeting of the Membership Committee held to consider an Application in accordance with Article 3.10, if on the basis of the Application: -
- 3.11.1 a majority of those present and entitled to vote at that meeting are in favour of admitting the Applicant, the application will be deemed successful.
- 3.11.2 less than 50% of those present and entitled to vote at that meeting are in favour of admitting the Applicant: -
- i) the Membership Committee shall within such time as the Board may specify from time to time prepare a statement ("**the Statement**") to be delivered to the Board and the Applicant identifying the Membership Committee's reasons for not accepting the Application;
 - ii) the Applicant may (but need not) within such period following receipt of the Statement as the Board may lay down from time to time ("**the Response Period**") submit to the Chief Executive Officer a written response to the Statement ("**the Response**") or withdraw the Application in writing and upon receipt by the Chief Executive Officer of the Applicant's notice to withdraw the Application the Applicant's membership application shall lapse and the Council shall take no further steps in relation thereto.
 - iii) except where the Applicant's membership application has lapsed, upon the earlier of receipt of the Response or expiry of the Response Period, the Chief Executive Officer shall request that the Directors vote on the Application at the next following meeting of the Board. The notice of the meeting shall have attached a copy of the Application, the Statement and the Response (if any); and
 - iv) if, on the basis of the Application, the Statement and the Response (if any), a simple majority of the Directors present in person or by proxy at that Board meeting are in favour of admitting the Applicant, the Application shall be deemed successful; if, on the basis of the Application, the Statement and Response (if any), a simple majority are against admission of the Applicant, the Application shall be deemed unsuccessful. The Applicant shall have the rights of appeal set out in Article 3.17.

Subscriptions

- 3.12.1 Every Commercial Member shall pay to the funds of the Council an annual subscription at such times and according to such scales as shall from time to time be determined by the Board and the Board shall have the right from time to time to make additional calls on the Commercial Members for such amount and according to such scales as they deem necessary to fund expenditure incurred or to be incurred in relation to specific projects implemented or to be implemented by the Council. Where the Board make additional calls on the Commercial Members they shall notify the Commercial Members of the project or projects for which the additional funds are required.
- 3.12.2 Every Association Member shall pay to the funds of the Council an annual subscription at such times and in such sum or as shall from time to time be determined by the Board.
- 3.12.3 For the sole purpose of calculating the annual subscription (or any other levy or payment) due from it, each Commercial Member or applicant for Commercial Membership shall be obliged to give the Chief Executive Officer (or such other person as the Board may designate) such information as the Board may reasonably require. Such information shall be treated as confidential to the Commercial Member or Applicant concerned and shall not be used other than for the purposes set out in this Article nor disclosed to any person other than such officers or employees of the Council who need to know the same for such purposes or where legally required to be disclosed by any court or relevant authority.
- 3.12.4 Subscriptions shall be due no later than 30 days following the date of an invoice to be sent to each Applicant following acceptance of its application for Membership pursuant to Clause 3.11 and, thereafter, unless otherwise decided by the Board pursuant to Article 3.12.7 on the first day of each subsequent financial year of the Council.
- 3.12.5 The Financial Year of the Council shall, unless otherwise determined by the Board, commence on 1 January.
- 3.12.6 The first subscription for a Commercial or Association Member accepted for Membership during a financial year shall be one twelfth of the relevant annual subscription for such Member multiplied by the number of months unexpired in that financial year of the Council on the day of acceptance for membership (for which purpose part of a month shall be treated as a month).

- 3.12.7 The Board may, from time to time, require the Commercial Members and/or Association Members to make an interim payment to the funds of the Council in respect of the anticipated annual subscription for a particular year. In the event that the total interim payments paid by such Members in a given year exceed the annual subscription (as subsequently determined by the Directors) for that year, the excess sum paid by each such Member may be repaid to them or deducted from future subscriptions as the Board in their absolute discretion shall elect; and where the Board have made additional calls on such Members to fund expenditure for a specific project and the expenditure incurred on that project is less than the total sum called for by the Board in relation to that project, the excess sum may be repaid to the relevant Members in proportion to each such Member's contribution or deducted from future subscriptions as the Board in their absolute discretion shall elect.
- 3.12.8 If at any time the sums collected by way of annual subscriptions in any year exceed the expenditure required by the Council any surplus may, at the absolute discretion of the Board, be applied to discharge the debts of the Council (if any), carried forward to fund future expenditure or used to reduce the levels of future membership subscriptions.

Resignation of Membership

- 3.13 Any Member, having paid all money due from it to the Council, may resign its membership on giving one month's notice in writing to the Chief Executive Officer of his or its intention so to do.

Avoidance of Membership by Bankruptcy etc.

- 3.14 If any Member of the Council shall: -
- 3.14.1 offer to make any arrangement with or for the benefit of its creditors or commit any act of bankruptcy or insolvency or being a limited company has an administrator or a receiver or an administrative receiver appointed or an analogous appointment shall be made in relation to the whole or any part of its undertaking property or assets or any order shall be made or resolution be passed or analogous proceedings be taken for the winding up of the Member (save for the purpose of reconstruction or amalgamation without insolvency); or
- 3.14.2 being a Commercial Member, cease to derive a significant proportion of its business from, or being an Association Member cease to represent predominantly businesses engaged in, the diamond and/or gold jewellery supply chain; or

- 3.14.3 fail to pay its subscription or any other sum payable to the Council for three calendar months after the same shall have become due

that Member shall immediately cease to be a Member of the Council.

Disciplinary Action against Members

- 3.15 If any Member ("**the Accused Member**") shall be accused of
- 3.15.1 failing to a material degree to comply with any minimum standards of behaviour set by the Board from time to time with regard to compliance with the Principles ;
 - 3.15.2 failing to take such steps as may be required to remedy any failure to comply with such minimum standards following an adverse finding by an external monitoring body accredited by the Council;
 - 3.15.3 failing to cooperate with an external monitoring body accredited by the Council;
 - 3.15.4 committing any breach of confidentiality;
 - 3.15.5 knowingly providing false information to the Council or any external monitoring body accredited by the Council;
 - 3.15.6 acting in a manner which breaches or may cause the Council to be in material breach of the Anti Trust Policy and Rules adopted by the Council from time to time; or
 - 3.15.7 otherwise engaging in any dishonourable, improper or unprofessional conduct or conduct which might bring the Council into disrepute

on grounds which the Executive Committee, after investigation, shall by a three-quarters majority of those Members present and entitled to vote deem sufficiently proven to justify taking Disciplinary Action against the Accused Member, the Executive Committee shall direct the Chief Executive Officer to prepare and provide to the Accused Member a written statement of objections ("**the Objections**") of its reasons for objecting to the conduct of the Accused Member. The vote conducted pursuant to this Article shall be by way of secret ballot.

- 3.16 Where in the view of a three quarters majority of the Executive Committee present in person or by proxy and entitled to vote on the issue, the continued participation of the Member concerned may cause significant damage to the interests of the Council or bring the Council into material disrepute, the Executive Committee may suspend the rights of Membership of the Accused Member during the course of such disciplinary proceedings in accordance with procedures to be laid down by the Board;
- 3.17 Members of the Executive Committee who are officers or employees of the Accused Member or of any member of the Member Forum to which the Accused Member belongs shall be entitled to speak but not to vote on any matter related to Disciplinary Action against the Accused Member.
- 3.18 The Accused Member may (but need not) within such period following the receipt of the Objections as the Board may specify (**“the Objections Response Period”**) submit to the Chief Executive Officer a written response to the Objections (**“the Objections Response”**);
- 3.19 Upon the earlier of receipt of the Objections Response or expiry of the Objections Response Period, the Executive Committee shall request the Directors to convene a meeting of the Board to consider and vote on the proposed Disciplinary Action against the Accused Member; the notice of the meeting shall have attached a copy of the Objections and the Objections Response (if any); and
- 3.19.1 at that Board meeting: -
- (i) the quorum shall be not less than four Directors (not more than one of whom shall be a member of the Executive Committee and none of whom shall be members of any Member Forum to which the Accused Member belongs) present in person or by proxy;
 - (ii) the Accused Member and the chairman of the Executive Committee may make oral representations based on the Objections and the Objections Response; and
 - (iii) all Directors present in person or by proxy (except any Director which is an employee or officer of the Accused Member or of any Member that belongs to any Member Forum to which the Accused Member belongs) shall be entitled to vote on a resolution to take Disciplinary Action against the Accused Member (**“the Disciplinary Resolution”**). The

voting shall be by secret ballot and the Disciplinary Resolution shall require, to be passed, three-quarters of the Directors present and entitled to vote;

- 3.19.2 upon the passing of a resolution to expel or suspend an Accused Member that Member shall immediately forfeit his or its interest and privileges in the Council and will cease to be entitled to any benefits of membership but he or it shall remain liable to pay any calls or other money outstanding at the date of expulsion or suspension.

Rights of Appeal

- 3.20 Any person whose membership application was rejected by the Council or any Member subject to Disciplinary Action in accordance with article 3.19 shall, for the period of three months from notification by the Council of the relevant decision, have the right to refer any dispute arising out of or in connection with his or its unsuccessful membership application or Disciplinary Action (as the case may be) for final resolution by arbitration under the rules of the Chartered Institute of Arbitrators from time to time ("**the Rules**"), and these Rules are deemed to be incorporated by reference into this Article. The arbitral tribunal shall consist of a sole arbitrator to be appointed by the President for the time being of the Chartered Institute of Arbitrators.

Rights of Members

- 3.21 Membership and/or any or all of the rights of each Member shall be personal, and shall not be capable of transfer or transmission by his or its own act or by operation of law and shall cease on the dissolution of a corporate Member or death in the case of an individual.
- 3.22 No person whose membership has ceased shall be entitled to claim a return of any money paid to the Council by way of subscription levy or donation or shall cease to be liable to pay any money otherwise payable to the Council in relation to its period of membership.
- 3.23 Every Commercial and Association Member may from time to time by notice to the Chief Executive Officer authorise a director or senior executive of such Member to act as that Member's representative at meetings of the Council and may, at any time, revoke such authority and authorise another person to be its representative. Such representative shall be entitled to exercise the same powers on behalf of the Member he represents as the Member could exercise if it were an individual Member of the Council. Upon a Member ceasing to be a Member at any time, any such authority shall be deemed revoked. Upon a

representative's appointment being, or being deemed, revoked, he shall cease to be a member of any Committee or Sub Committee of the Council of which, at the time of revocation, he is a member. Every such Member may also, from time to time by notice to the Chief Executive Officer appoint another director or senior executive of the Member to act as its alternate representative in the absence of the principal representative appointed pursuant to this Article.

GENERAL MEETINGS

4.1 All general meetings other than annual general meetings shall be called general meetings.

Annual General Meetings

4.2 The Council 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.

Convening General Meetings

4.3.1 The Directors may call general meetings whenever they think fit and shall forthwith upon a requisition made in writing to the Directors by:

- (i) Members representing not less than 10%; or
- (ii) where more than 12 months have elapsed since the end of the last general meeting at which called pursuant to this Article 4.3 or in relation to which any Members of the Council had rights with respect to the circulation of a resolution no less extensive than they would have had if the meeting had been so called at their request, Members representing not less than 5%

of the total voting rights at meetings of all Members at the date of the requisition proceed to convene a general meeting.

4.3.2 Any such requisition shall express the object of the meeting proposed to be called, and shall be left at the registered office of the Council addressed to the Honorary Secretary.

4.3.3 On receipt of such requisition the Directors shall proceed to convene a general meeting; if the Directors do not proceed to convene the meeting within 21 days from the date of the

requisition, the requisitionists or any other Members may themselves convene such a meeting.

Notice of Meetings

- 4.4.1 At least 14 days' notice of every general meeting shall be given. The notice shall specify the place and the day and hour of meeting and in case of special business, the general nature of such business and, in the case of an annual general meeting shall specify the meeting as such.
- 4.4.2 A general meeting may be called by shorter notice if it is so agreed by Members together representing not less than 90% of the total voting rights at that meeting of all the Members.
- 4.4.3 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

Business

- 4.5.1 No business shall be transacted at any meeting unless a quorum is present.
- 4.5.3 A Director shall, notwithstanding that he is not a Member, be entitled to receive notices of and attend and speak at any general meeting of the Council.

Copy of Proceedings to be sent to Members

- 4.6 A copy of the minutes of all annual general meetings shall be sent to each Member.

Quorum and Chairman

- 4.7.1 At every general meeting, any two Members whether present in person or by proxy entitled to attend and vote at general meetings shall form a quorum.
- 4.7.2 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting:-
- (i) if convened upon the requisition of the Members shall be dissolved; or
 - (ii) if convened otherwise than upon the requisition of Members, shall stand adjourned until the same day in the next week at the same time and place, or such other day, time and place as the Directors may determine, and if at the adjourned meeting a

quorum is not present or ceases to be present then the Member or Members present shall be a quorum.

- 4.7.3 The Chairman or in his absence some other Director nominated by the Members and willing to act shall preside as chairman of the meeting and, if there is only one Director present and willing to act, he shall be chairman.

Adjournment

- 4.8.1 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.
- 4.8.2 No business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 4.8.3 When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted, but otherwise it shall not be necessary to give any such notice.

Voting

- 4.9.1. At every general meeting, each Member shall, save in respect of such matters in respect of which special voting arrangements are provided in these Articles, have one vote. Except in the cases otherwise specifically provided for by these Articles, all questions shall be decided by a majority of the Members present and voting whether in person or by proxy on a show of hands. The chairman of the meeting, in case of equality, shall have a second or casting vote
- 4.9.2 Unless otherwise agreed by the Board, no Member shall be entitled to vote at any general meeting:
- (i) unless all moneys presently payable by that Member to the Council have been paid;
or
 - (ii) if he is, at the time of the general meeting, an Accused Member.

- 4.9.3 Except where these Articles specify otherwise, a resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on a declaration of the result, a poll is duly demanded.
- 4.9.4 A poll may be demanded by:
- (i) the Chairman;
 - (ii) at least two Members having the right to vote at the meeting; or
 - (iii) by a Member or Members representing not less than one tenth of the total voting rights of all Members having the right to vote at the meeting
- 4.9.5 A demand for a poll by a person as proxy for a Member shall be the same as a demand by the Member.
- 4.9.6 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 4.9.7 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 4.9.8 A poll shall be taken as the chairman may direct and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll.
- 4.9.9 The result of the poll (unless it was held at an adjourned meeting) shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 4.9.10 No poll shall be demanded on the election of a chairman or on a question of adjournment.
- 4.9.11 A poll shall be taken either forthwith or at such time and place as the chairman directs, not being more than 30 days after the poll is demanded.
- 4.9.12 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than a question on which the poll is demanded.

4.9.13 If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made.

4.9.14 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded, but in any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

Resolutions in Writing

4.10.1 A resolution in writing executed by:

- (i) in the case of a resolution to be passed as an ordinary resolution, a simple majority; and
- (ii) in the case of a resolution to be passed as a special resolution, a 75% majority

of all Members entitled to receive notice of and attend and vote at a general meeting or by their duly appointed proxies or attorneys shall be valid and effectual as if it had been passed at a general meeting of the Council duly convened and held.

4.10.2 Any such resolution in writing may be contained in one document or in several documents in the same terms each executed by one or more of the Members or their proxies or attorneys and execution in the case of a body corporate which is a Member shall be sufficient if made by a director thereof or by its duly authorised representative.

Proxies

4.11.1 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may otherwise approve):

“I/We, , of

being a Member/Members of the above named Council, hereby appoint

or failing him

of _____ as my/our proxy

to vote in my/our name(s) and on my/our behalf at the [Annual] General Meeting of the Council to be held on _____ 20____

and at any adjournment thereof.

Signed _____ 20____ .”

4.11.2 Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may otherwise approve).

“I/We, _____, of _____

being a Member/Members of the above named Council, hereby appoint

_____ of _____ or failing him

_____ of _____ as my/our proxy

to vote in my/our name(s) and on my/our behalf at the [Annual] General Meeting of the Council to be held on _____ 20____

and at any adjournment thereof.

Signed _____ 20____

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 for/against

Resolution No. 2 -for/against

(Strike out whichever is not desired)

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed _____ 20 ____ .”

4.11.3 The instrument appointing a proxy and any other authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board (**“the Proxy”**) may be deposited at the Council’s registered office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of Proxy sent out by the Council 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 and an instrument of Proxy which is not deposited or delivered in the manner so permitted shall be invalid; except that:-

- (i) in the case of a poll taken more than 48 hours after it is demanded, the Proxy shall also be valid if it is deposited as specified after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (ii) where the poll is not taken forthwith but is taken not more than 48 hours after it is demanded, the Proxy shall also be valid if it is delivered to the chairman or to the secretary or to any director at the meeting at which the poll is demanded.

General Meetings at More than One Place

4.12 The Board may resolve, notwithstanding the specification in the notice of the place of the general meeting (**“the Principal Place”**) at which the chairman of the meeting shall preside, to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The Members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that Members attending at all the meeting places are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the Principal Place and any satellite

meeting place; and

- (c) be heard and seen by all other persons so present in the same way.

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the Principal Place.

Orderly Conduct

- 4.13 Each Director shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

Security Arrangements

- 4.14 The Board and, at any general meeting, the chairman of the meeting, may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of the meeting, are entitled to refuse entry to, or eject from such meeting with such reasonable force as may be necessary, any person who refuses to comply with these arrangements, requirements or restrictions or any such other reasonable arrangements, requirements or restrictions as are imposed at any meeting.

DIRECTORS

- 5.1 The management of the Council shall be entrusted to the Board of the Council which shall be made up of the Directors elected or appointed pursuant to this Article 5.
- 5.2 Without prejudice to the generality of 5.1 above, the Board may:-
- 5.2.1 make alter and revoke rules and bye-laws so long as such rules or bye-laws are not inconsistent with these Articles;

- 5.2.2 generally exercise all such powers of the Council as are not by these Articles or by statute required to be exercised by the Council in general meeting, subject nevertheless to the regulations of these Articles, to the provisions of the statutes and to such regulations (being not inconsistent with the above regulations or provisions), as may be prescribed by the Council in general meeting.
- 5.3 The maximum number of Directors (excluding any Director sitting ex-officio) shall be 35.
- 5.4 In the period up to the Fifth Annual General Meeting following the adoption of these Articles, each Founder Member shall be entitled to appoint a Director to the Board who shall be a director or senior employee of that Founder Member (or such other person as the Directors in their absolute discretion may approve) and to remove that Director and appoint another director in his place. Upon a Founder Member ceasing to be a Member of the Council, the Director appointed by such Founder Member shall cease to be a Director.
- 5.5 With effect from the first Annual General Meeting to take place following the adoption of these Articles, each of the Commercial Member Fora established pursuant to Article 3.4 and the Association Member Forum established pursuant to Article 3.7 shall be entitled to elect two Directors (“**Member Forum Directors**”) up to the fifth Annual General Meeting following the date of adoption of these Articles at which fifth Annual General Meeting the number of Member Forum Directors entitled to be elected by each Member Forum shall be increased to three. For the purposes of this Article, each Member of a Commercial Member Forum shall be entitled to vote for that number of candidates standing for election as is equal to the number of vacancies for the Member Forum of which it is a member. If the number of candidates within the relevant Member Forum exceeds the number of vacancies, the candidates appointed shall be those who have received the highest number of votes. In the event of an equality of votes, the winner shall be determined by lot. Directors elected as Member Forum Directors are elected in their personal capacity and not as a representative of any Member by whom they are employed and such Member shall not have the right to nominate a replacement if such Director vacates office for any reason. Such Directors shall, nonetheless, automatically vacate office if they are no longer (or no longer an officer of or employed by) a Member within the relevant Member Forum and in such case, the relevant Member Forum shall be entitled to vote for a replacement in accordance with this Article 5.5 for the remainder of the term of such Member Forum Director provided however, that the Director vacating office shall be entitled to put himself forward for re-election.

- 5.6 Directors appointed pursuant to Article 5.4 (“**Founder Member Directors**”) shall remain in office until the fifth Annual General Meeting following the adoption of these Articles at which time one half (or where, at such time there is an odd number of Founder Member Directors in office, one half plus one) of such Founder Member Directors (to be selected by the Founder Members only) shall remain in office and the remainder of the Founder Member Directors shall retire from office. Such selection, unless the Founder Members otherwise agree between themselves shall be by secret ballot. Thereafter, at the sixth Annual General Meeting following the adoption of these Articles and every subsequent Annual General Meeting one third of the Founder Member Directors (or if their number is not three or a multiple of three, the number nearest to one third) shall retire from office and the resulting vacancies shall be filled by Directors elected by the Founder Members only. Such remaining Founder Member Directors shall remain in office until the tenth Annual General Meeting following the adoption of these Articles at which time they shall retire from office. Founder Member Directors retiring at either the fifth or tenth Annual General Meeting following the adoption of these Articles pursuant to this Article 5.6 shall not be replaced and the Directors retiring shall not be eligible for re-election as Founder Member Directors but the individual Directors concerned shall be eligible for election as a Member Forum Director in accordance with the procedures established pursuant to Article 5.5.
- 5.7 At the second Annual General Meeting following the adoption of these Articles and every subsequent Annual General Meeting one Member Forum Director from each Member Forum shall retire from office and the resulting vacancies shall be filled by one Member Forum Director elected by each Member Forum in accordance with Article 5.5. The Directors to retire by rotation shall be those who have been in office longest since their last appointment or re-appointment but, as between persons who became or were reappointed Directors on the same day, those to retire shall (unless they shall otherwise agree among themselves) be determined by lot. No Director shall unless otherwise agreed by the Board, be eligible to remain a Director for more than six consecutive years.
- 5.8 The Directors need not be Members. The Directors shall be entitled to attend all Executive Committee Meetings, other committee meetings, general meetings and meetings of any subcommittees provided however that notice need not be provided of Committee or subcommittee meetings to any Director unless he has requested that such notice be given to him or the Board has so directed.

- 5.9 A person may be appointed a Director notwithstanding that he shall have attained the age of seventy years or any other age and no Director shall be liable to vacate office by reason of his attaining that or any other age, nor shall special notice be required of any resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such resolution relates.
- 5.10 Subject to Article 5.11 below, the Council may, by ordinary resolution, appoint another person in place of a Director removed from office by resolution of a general meeting in accordance with the Act.
- 5.11 The Board may appoint a person who is willing to act as a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with Article 5.3 above as the maximum number of Directors for the time being in force. Voting upon any Director intended to fill a vacancy for a Director elected by any Member Forum shall be limited to the members of such Member Forum unless the Members in General Meeting shall decide otherwise.
- 5.12 No person shall be appointed a Director at any general meeting unless:
- 5.12.1 he is recommended by the Board; or
- 5.12.2 not less than 14 and nor more than 35 clear days before the date appointed for the General Meeting, notice signed by a Member qualified to vote at the General Meeting has been given to the Council of the intention to propose the person for appointment together with a notice signed by that person of his willingness to be appointed.
- 5.13 Subject to the provisions of the Act and these Articles, the Board may appoint one or more of the Directors to any executive office in the employment of the Council or provide for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Board determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Council.

- 5.14 The office of a Director shall be vacated in any of the following events:-
- 5.14.1 if he resigns his office by notice in writing to the Council;
 - 5.14.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - 5.14.3 if he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Care and Treatment) (Scotland) Act 2003, or an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - 5.14.4 if he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director;
 - 5.14.5 if, having been appointed as a Director by virtue of being an Officer in accordance with Article 7, he ceases to be an Officer;
 - 5.14.6 if having been appointed by a Founder Member he ceases to be an employee of that Founder Member unless otherwise agreed by the Board;
 - 5.14.7 if required to do so by a written notice agreed by a majority in number of the Members.
 - 5.14.8 in the circumstances provided in Articles 5.6 or 5.7

Proceedings of Directors

- 5.15.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit.
- 5.15.2 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed it shall be five persons and a meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Board hereunder.

- 5.15.3 Unless otherwise decided by the Board any decision shall be taken by simple majority. In the case of any equality, the Chairman shall have a casting vote.
- 5.15.4 A resolution in writing executed by not less than two thirds of the Directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of directors duly convened and held provided that all Directors have been provided with a copy of the resolution and that the number signing shall not be less than any relevant quorum. Such resolution may be contained in one document or in several documents in the same terms each executed by one or more Directors.
- 5.15.5 A Director who is in any way either directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Council:-
- (i) shall declare the nature of his interest at a meeting of the directors in accordance with section 317 of the Act;
 - (ii) subject to such disclosure, shall be entitled to vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.
- 5.15.6 Subject to Article 5.15.5, a Director shall avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Council unless:
- (i) he has declared his interest at a meeting of the directors; and
 - (ii) the matter has been authorised by the directors.

Authorisation by the directors shall only be effective if any requirement as to the quorum at which the matter is considered is met without counting the Director in question or any other interested Director and the matter has been agreed to without their voting or would have been agreed to if their votes had not been counted.

- 5.16 The Directors shall make a report to every annual general meeting.

- 5.17 All acts bona fide done by any meeting of the Board or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid or that any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Board.
- 5.18 No alteration of the Memorandum or Articles of the Council and no direction given by the Council by Special Resolution shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

Alternate Directors

- 5.19 Any Director (other than an Alternate Director) may appoint another director or any other person who is an employee of the Member of which the Director is an officer or employee approved by resolution of the Directors in their absolute discretion and willing to act to be an Alternate Director and remove from office an Alternate Director so appointed by him.
- 5.20 An Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors which is appointed as a Member to attend and vote any such meeting at which the Directors appointing him is not personally present and generally to perform all functions of his appointor as a Director in his absence. Unless otherwise determined by the Council in General Meeting by Ordinary Resolution, an Alternate Director shall not be entitled as such to receive any remuneration from the Council save that he may be paid by the Council such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Council from time to time direct.
- 5.21 A Director may act as an Alternate Director to represent more than one Director and an Alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director who he represents in addition to his own vote (if any) as a Director, but he shall count only as one for the purpose of determining whether a quorum is present.
- 5.22 An Alternate Director shall continue to act as an Alternate Director if his appointor ceases to be a Director until such time as a replacement is elected (in the case of a Member Forum Director) or appointed (in the case of a Founder Member Director) but shall thereupon cease to be an Alternate Director provided, however, that if his appointor is a Founder Member

Director retiring from office at the fifth or tenth Annual General Meeting following the adoption of these Articles in accordance with Article 5.6 or ceasing to be a Director by reason of the Founder Member concerned ceasing to be a Member pursuant to Article 5.4, the Alternate Director shall cease to act as an Alternate Director forthwith. If a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an Alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

- 5.23 Any appointment or removal of an Alternate Director shall be by notice to the Council signed by the Director making or revoking the appointment or in any other manner approved by the Board.
- 5.24 Save as otherwise provided in the Articles, an Alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed the agent of the Director appointing him.

COMMITTEES, SUB-COMMITTEES AND FORA

- 6.1 The Council shall have such Committees (including, initially and without limitation to its powers under this Article, an Executive Committee, a Finance Committee, a Standards Committee, and a Membership Committee) Working Groups and Sub-Committees (each a “Committee”) as the Board may from time to time decide.
- 6.2 The Board may delegate to each of the Committees such powers (subject to the control of the Board) as it may from time to time decide.
- 6.3 Whilst subject to the overall guidance of the Board in relation to the external policy of the Council, each Committee shall be responsible for the business of the Council within its terms of reference and shall (unless otherwise determined by the Board) be entitled to act without prior reference to the Board in relation to those matters.
- 6.4 The members of the Executive Committee and the Finance Committee shall be appointed by the Board. The Chairmen of the Finance Committee, the Standards Committee and the Membership Committee shall, however, be members, ex officio, of the Executive Committee. Each other Committee shall (unless the Board shall determine otherwise) determine its own membership subject to the consent of the Board. Members of Committees

need not be Directors and, if the Committee concerned shall so decide, may include Stakeholders and non Members.

- 6.5 Each Committee may appoint and delegate powers to one or more sub-committees as it may think fit.
- 6.6.1 Each Committee shall have a chairman who, unless the Board shall determine otherwise, shall be elected annually by the members of the Committee by ballot. Any member of the Committee or the Board may nominate a chairman.
- 6.6.2 A nominee shall not be required to be a member of the Committee.
- 6.6.3 Save in exceptional circumstances as determined by the Board, the chairman of a Committee may not stand for election or be elected as chairman if he has been chairman for the preceding three years.
- 6.6.4 A Committee may appoint a deputy chairman but shall not be required to do so. Any such appointment shall be made in such manner as the Committee may determine. Deputy chairman shall be eligible to stand for election as chairman if nominated in accordance with paragraph 6.6.3 of this Article.
- 6.6.5 A Committee shall have power to act notwithstanding any vacancy in the office of chairman.
- 6.7 The provisions of Article 6.6 shall apply to each Sub-Committee.
- 6.8 The Board may from time to time establish and vary bye laws and orders for procedures for Committees.
- 6.9 The Member Fora shall be entitled to make representations to the Board either individually (in relation to the interests of the Members represented by such Forum) or collectively through a committee established to represent all such Member Fora.
- 6.10 The Board shall make bye-laws for each Member Forum but so that each Member Forum may elect its own chairman and committee with power for that committee to appoint and delegate powers to Working Groups and sub-committees. Whilst subject to the overall guidance and control of the Board, each Member Forum, through its elected committee,

shall be responsible (in relation only to the particular stage or activity within the diamond and/or gold jewellery supply chain with which it is concerned) for assisting the Council as to its policy in relation to such stage and shall be entitled, through its elected Committee, to be consulted on matters where it takes such responsibility.

6.11 Save insofar as the Board may otherwise determine, the provisions of Articles 5.17 and 5.18 shall apply to every Committee and Member Forum with substitution of references to the Committee or Member Forum (as applicable) to references to the Board but subject thereto, every Committee and Member Forum may meet together for the despatch of business, adjourn or otherwise regulate its business as it may think fit.

6.11.1 Each Member, any of whose officers or employees is a member of the Board or any Committee or Member Forum of the Council or who otherwise provides assistance to the Council agrees that:

- (a) copyright in and to any materials created by such officer or employee (whether alone or jointly) of such Member, solely in the course of providing assistance to the Council shall vest in the Council, on the basis that, insofar as the copyright material discloses any know-how proprietary to such Member, the Member also, so far as is within its power, licences to the Council the non-exclusive right to use such of that know-how as is required to enable the Council to exploit the copyright in such material.
- (b) in the case of all pre-existing materials created by such Member or its officers or employees and provided to the Council in the course of assistance to the Council, then, save if and to the extent that the Member concerned expressly places any restriction on the use of such materials by or on behalf of the Council at the time of their provision by notice in writing to the Council, and insofar as the Member owns the copyright in such material, it hereby grants to the Council a non-exclusive licence to exploit the copyright in such material worldwide throughout the term of protection for the purposes of the Council including, without limitation, the right to license such material to others. The Council shall not be bound to give a credit of any kind or nature to the authors in such material.
- (c) It will, if specifically so requested by the Council, take such steps as it, acting reasonably, considers appropriate at the Council's expense to procure that each such officer or employee shall irrevocably and unconditionally waive any and all moral

rights in materials created on behalf of or provided to the Council to the extent permitted by law.

(d) It will, at the Council's expense, sign and execute all such documents and deeds as the Council may reasonably require and take such other steps as it, acting reasonably, considers appropriate to give effect to the provisions of this Article 6.11.1.

(e) It will, whilst it is a Member and after its membership comes to an end, keep confidential all material with which it comes into contact through its position as a Member save to the extent that disclosure of such material is required by law or by the requirements of any court of competent jurisdiction or the rules of any recognised stock exchange or relevant regulatory authority.

6.11.2 Nothing in these Articles shall act so as to grant or require any Member to grant any licence or other right in respect of any proprietary right or intellectual property except to the extent expressly provided in Article 6.11.1.

6.11.3 References in this Article to the officers or employees of a Member may include any person who is an officer or employee of any company which is a holding company of the Member or a subsidiary of the Member or of any such holding company and references to Member shall be construed accordingly.

6.12 Stakeholder status shall be open, at the discretion of the Board, to governmental and non-governmental organisations and other interested persons that wish to enter into dialogue with the Council and to assist the Council in attaining its objects. Stakeholders shall be entitled to make their views known to the Council through co-option onto a relevant Committee or otherwise as the Board may decide from time to time but shall, otherwise, be entitled to attend meetings of the Council or of its Committees by invitation only and shall not be entitled to vote at any such meeting.

THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND OFFICERS

7.1 The Officers of the Council shall consist of the Chairman, Vice Chairman, Honorary Treasurer and Honorary Secretary appointed in accordance with this Article 7.

7.2 The Officers shall be elected every two years by the Council at the Annual General Meeting by a simple majority decided by secret ballot. The Officers shall hold office until the second

following Annual General Meeting when they shall retire from office. The Officers shall then be eligible for re-election, save that, other than in exceptional circumstances as determined by the Board, no person shall be eligible for re-election as Chairman if he would, as a result, be Chairman for more than four consecutive years.

- 7.2.1 No person shall be elected as Chairman other than a person nominated as such by the Board.
- 7.2.2 A person shall not be elected as Chairman unless he shall have received valid votes from not less than one half of the Members entitled to vote and voting in the election.
- 7.2.3 If the person nominated by the Board shall not be elected as Chairman, the Board shall nominate an alternative candidate for election.
- 7.3 Only persons who are employees or representatives of a Commercial or Association Member shall be entitled to be Officers. Each such Member shall be entitled to nominate an employee or representative for election but such Member may nominate only one employee or representative for election at any one time. Officers are elected in their personal capacity and not as representatives of a Member and, if an Officer vacates office for any reason during his term, the vacancy shall be filled by the Board in accordance with Article 7.5 and not by nomination by the Member concerned. In the event of an Officer ceasing to be an employee or representative of the nominating Member, that employee or representative shall not be required to vacate the office to which he was elected if he is employed (or offered employment to take effect following any restriction period) by or appointed as representative by another Member.
- 7.4 Each Officer shall, if not already a Director, become a Director of the Council ex-officio for so long as he shall hold such office.
- 7.5 In the event of a vacancy occurring in any of the offices between one annual general meeting and another, the Board may appoint an employee or representative of a Member to fill the vacancy; but the person so appointed shall hold office only until the next following annual general meeting.
- 7.6 Notice of the annual general meeting shall include a list of all nominations for the above offices.

- 7.7 The Board may appoint a Chief Executive Officer of the Council and determine his terms of employment. The Board shall determine the powers, duties and responsibilities of the Chief Executive Officer which shall be communicated to him in writing, but, subject thereto, he shall have responsibility for the day to day management of the Council.
- 7.8 Any appointment of the Chief Executive Officer shall be terminable if the Board shall vote by a simple majority to dismiss him but without prejudice to any claim to damages for breach of the contract of service between the Chief Executive Officer and the Council.
- 7.9 The Honorary Secretary shall serve as secretary to the Board and of such Committees and Sub-Committees as the Board may determine.
- 7.10 Anything required or authorised to be done by the Honorary Secretary may, if the office is vacant, or for any other reason as the Honorary Secretary is not capable of acting, be done by any assistant or deputy secretary or if there is none such, by any Officer of the Council authorised generally or specially in that behalf by the Board.

EXECUTION OF DOCUMENTS

- 8.1 Where the Act so permits, any instrument signed by one Director and the Honorary Secretary or by two Directors and expressed to be executed by the Council as a deed shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.
- 8.2 If the Council has a seal, it shall only be used with the authority of the Directors or of a Committee of Directors. The Council may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

MINUTES

9. Minutes of the proceedings of every general meeting of the Council and of every meeting of the Directors, or any Committee or Member Forum shall be recorded in a minute book or books to be kept for that purpose, and be signed by the chairman of that or the next following meeting, and such minutes when so recorded and signed shall be receivable in evidence of the proceedings therein recorded without further proof.

BORROWING POWERS

10. The Directors may exercise all the powers of the Council to borrow money without limit as to amount and upon such terms and in such manner as they think fit and grant any mortgage, charge or standard security over its undertaking, property and uncalled capital or any part thereof and to issue debentures whether outright or as security for any debt, liability or obligation of the Council or any third party.

REMUNERATION AND EXPENSES

11. Directors who hold an executive office shall be entitled to such remuneration and payment of expenses for their services as is provided for in their service agreement with the Council. All other Directors and other members of any Committee may, at the discretion of the Board where the Board considers that exceptional circumstances apply:
- (i) be paid all travelling, hotel and other expense properly incurred by them in connection with their attendance at meetings of Directors or Committees, general meetings, or separate meetings of the holders of debentures of the Council or otherwise in connection with the discharge of their duties or responsibilities;
 - (ii) otherwise receive such remuneration as the Board may determine in respect of any special services performed for the benefit of the Council.

GRATUITIES AND PENSIONS

12. The Directors may exercise the powers of the Council conferred by its Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

NOTICES

- 13.1 A notice may be served by the Council upon any Member either personally or by sending it through the post in a prepaid letter addressed to him or it at his or its address; or by facsimile or electronic mail to his or its facsimile number or e-mail address notified to the Council from time to time in accordance with Article 15.
- 13.2 Any notice, if served by post shall be deemed to have been served at the time when the letter containing the notice would be delivered in the ordinary course of post, and a certificate

signed by the Chief Executive Officer or the person employed by him to post such notice shall be conclusive evidence of the notice having been duly posted. Any notice, if served by facsimile or e-mail shall be deemed to have been served on the same day as sending. In the case of facsimiles, a transmission report generated by the sender's facsimile machine recording a message from the recipient's facsimile machine, confirming that the facsimile was sent to the number notified pursuant to Article 15 and confirming that all pages were successfully transmitted shall be conclusive evidence of the notice having been duly delivered.

ACCOUNTS

- 14.1 The Board shall cause accounting records to be kept in accordance with the Act.
- 14.2 The accounting records shall be kept at the Registered Office or, subject to the Act, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the members of the Board.
- 14.3 The Board shall 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 Council or any of them shall be open to the inspection of Members who are not members of the Board. No Member shall have any right of inspecting any account or book or document of the Council except as conferred by law or authorised by the Board, or by the Council in General Meeting.
- 14.4 The Board shall from time to time, in accordance with the Act, cause to be prepared and to be laid before the Council in general meeting such financial statements and reports as are required and shall cause the report of the Auditors to be read in general meeting and to be open to inspection in accordance with the Act.
- 14.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Council in general meeting, together with a copy of the Auditors' report and the report of the Board, shall, not less than twenty-one days before the date of the meeting, be sent to every Commercial and Association Member, the Auditors, and the holders (if any) of debentures of the Council, provided that these documents need not be sent to any person of whose address the Council is not aware, or to more than one of the joint holders (if any) of any debenture of the Council, and the accidental omission to send any such document to any Member shall not invalidate the proceedings at the meeting.

MEMBERS ADDRESSES

15. Every Member shall from time to time notify the Chief Executive Officer of a place of business or residence as his or its address and such place shall, for the purposes of the Act and these articles, be deemed his or its address. Every Member may from time to time also notify the Council of a facsimile number and/or e-mail address as his or its address and such notification shall be taken to be an agreement by that Member that any notice required to be served in writing for the purposes of the Act and these articles shall be duly served if sent by facsimile or e-mail as the case may be to such address.

INDEMNITY AND INSURANCE

- 16.1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Council (other than any person (whether an officer or not) engaged by the Council as auditor) shall be indemnified out of the Council's assets against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Council's affairs.
- 16.2 Subject to the provisions and so far as may be consistent with the Act, but without prejudice to the provisions of Article 16.1 or any other protection from liability to which such person may otherwise be entitled, the Council may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Council or in relation to its affairs.

MEETINGS BY TELEPHONE

- 17 Any person entitled to be present at a meeting of the Board or of a Committee shall be deemed to be present and may validly participate in the meeting through the medium of conference telephone or other form of communication equipment provided that all persons participating in the meeting are able to hear and speak or otherwise receive and respond in real time to communications of each other throughout such meeting. A person so participating

shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and entitled to vote. Subject to the Act, all business transacted in such manner by the Directors or a Committee shall for the purposes of these Articles be deemed to be valid and effectively transacted at a meeting of the Directors or a Committee notwithstanding that fewer than two Directors or alternate directors or the relevant number of Committee members are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.