

ARTICLES OF ASSOCIATION

OF

THE NFRN MUTUAL LIMITED

(A Company limited by Guarantee)

Adopted on 29<sup>th</sup> July 2014

**DEFINITIONS AND INTERPRETATION**

1. In these Articles:-

*'the 1985 Act'* means the Companies Act 1985.

*'the 2006 Act'* means the Companies Act 2006.

*'these Articles'* mean these Articles of Association in their current form or as altered from time to time by special resolution.

*'the Board'* means the Board of Directors for the time being of *the Mutual*.

*"Cover"* means the matters which are the subject of the discretionary indemnity given by *the Mutual* to each *Member* as set out in the Rules and the *Member's* Certificate of Entry issued under *the Rules*.

*'Director'* means a duly appointed director of *the Mutual*.

*'Family Member'* means the spouse, civil partner, widow or widower, children (including step and adopted children) and grandchildren of a *Member* or any other relative of a *Member* as *the Board* may agree.

*'the Federation'* means the National Federation of Retail Newsagents having its registered office at Yeoman House, Sekforde Street, London, EC1R 0HD or at such other place as the National Council of the Federation shall decide.

*'Federation Director'* means a *Director* who is also a member of *the Federation* and who meets the requirements of *the Mutual Declaration Form*.

*'Manager'* means a person appointed as such in accordance with Article 30 of *these Articles*.

*'Member'* means

- (a) A *Retailer* or retired *Retailer* entered on *the Mutual's* Register of Members and receiving *Cover* from the *Mutual*;
- (b) any other natural person linked with the retail sector and a *Family Member* of such person who in the opinion of *the Board* is eligible for Membership and who is entered on *the Mutual's* Register of Members and is receiving *Cover* from the *Mutual*;
- (c) *the Federation* following its admission as a *Member*;
- (d) a *Trade Body*.

'*Member's Representative*' means in respect of a *Member* who is not a natural person, an individual nominated by such *Member* who is named in the Certificate of **Entry** and is duly authorised by the *Member* to receive statutory and other notices and documents from *the Mutual*, to vote at any General Meeting on behalf of the *Member*, to communicate with and give instructions to *the Mutual*, and to provide a valid receipt for any payments which may be made by *the Mutual* to the *Member*.

'*Memorandum of Association*' means the memorandum of association from time to time of *the Mutual*.

'*the Mutual*' means The NFRN Mutual Limited.

'*the Mutual Declaration Form*' means the form prepared by the *Mutual* regarding the current business interests of the *Retailer* or *Trade Body*.

'*Retailer*' shall mean any person who is a member of *the Federation* in accordance with the rules of *the Federation* (and shall be deemed to also include honorary members and associate members of *the Federation*), a *Family Member* or employee of such person and such other retailers or businesses deemed (at the discretion of *the Board*) to be eligible to join *the Mutual*.

'*the Rules*' means the document issued in accordance with Article 31 of *these Articles*.

'*the Seal*' means the common seal of *the Mutual* and includes any official seal of *the Mutual*.

'*Secretary*' means any person appointed to perform the duties of a secretary of *the Mutual*.

'*the Statutes*' means *the 1985 Act*, *the 2006 Act* and every other statute, including any orders, regulations, rules or other subordinate legislation made under it, for the time being in force concerning companies and affecting the *Mutual*.

'*Trade Body*' means a member-owned association deemed (at the discretion of *the Board*) to be eligible to join *the Mutual*.

'*working day*' means any day which is not a Saturday or Sunday or public holiday in the United Kingdom.

Any reference to an Article is a reference to an Article in *these Articles*.

The Regulations contained in Table C forming part of the Companies (Tables A - F) Regulations 1985 and any statutory modification or re-enactment thereof shall not apply to the *Mutual*.

In *these Articles*, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) the word *Directors* in the context of the exercise of any power contained in *these Articles* includes any committee consisting of one or more *Directors*, any *Director* holding executive office and any *Manager* or agent of *the Mutual* to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under *these Articles* or under another delegation of the power.

'*Writing*' means written or produced by any substitute for writing, or partly written and partly so produced and includes references to any method for representing or reproducing words in a legible and non-transitory form whether sent or supplied in electronic form or otherwise.

Words importing persons shall include individuals, partnerships, corporations and mutuals.

Words importing the masculine shall include the feminine.

Words importing the singular shall include the plural and vice versa.

## **BUSINESS**

2. The business of *the Mutual* shall consist of all the matters and things set forth in the *Memorandum of Association* or any of them and shall be conducted under the control of *the Board* according to the terms of *these Articles* and *the Rules*.

## **MEMBERS**

3. The Subscribers to the *Memorandum of Association* shall be the first *Members of the Mutual*.
4. *The Board* shall prescribe from time to time, in its absolute discretion, the categories of individuals and entities who may be eligible for membership of *the Mutual*.
5. All applicants for membership of *the Mutual* shall provide to *the Mutual*, in such form as may be required by *the Board*, details of their eligibility for membership of *the Mutual*.
6. If *the Board* is satisfied that the applicant is eligible for membership it may, in its sole and absolute discretion, admit the applicant to membership and the name of the applicant will be entered on the Register of Members. *The Board* is not obliged to give reasons for any refusal to admit any applicant to membership.
7. Membership shall be personal to the *Member* concerned and is not transferable.
8. Subject to the provisions relating to withdrawal of entry in *the Rules*, a *Member* may resign membership on giving one month's notice in writing to *the Mutual*.
9. A *Member* shall cease to be a *Member* immediately upon any of the following events occurring:-
  - (a) the dissolution of the *Member*;
  - (b) the *Member* being declared bankrupt;
  - (c) a resolution being passed or an order made for the winding up of the *Member* other than for the purposes of reorganisation;
  - (d) the *Member* making any composition or arrangement with its creditors; or
  - (e) a receiver, manager, or administrator being appointed over the assets or undertaking of the *Member*;
  - (f) the death of the *Member*

provided always that such *Member* shall be and remain liable to pay to the Mutual all such calls, contributions and moneys as under *these Articles* or *the Rules* such *Member* is expressed to be liable to pay.

## **BOARD OF DIRECTORS**

10. Subject to Articles 11.1 and 11.2, *the Board* shall consist of a maximum of nine *Directors* and a minimum of three *Directors*.
- 11.1 Each *Director* nominated by a *Member* which is not a natural person must be and remain, whilst holding office, a member or officer of that *Member* except that the *Mutual* may appoint or elect to

*the Board* one non-executive *Director* at any time who need not be a member or officer of a *Member* or a *Member*.

11.2 No less than five *Directors* shall be *Federation Directors*.

12.1 The retirement of *Directors*

12.1.1 Subject to Article 12.1.2, at every Annual General Meeting one-third of the *Directors* who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one *Director* who is subject to retirement by rotation, he shall retire.

12.1.2 The *Directors* to retire by rotation shall be those who have been longest in office since their last election or re-election, but as between persons who became or were last re-elected *Directors* on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

12.1.3 A retiring *Director* shall retain office until the conclusion of the meeting at which that *Director* retires.

12.2 The appointment of *Directors*

Subject to Article 12.2.6 and 12.2.7, *the Mutual* in general meeting may by ordinary resolution appoint *Directors* in accordance with the procedure below:

12.2.1 A nomination shall be in writing, signed by a proposer and a seconder (who shall both be *Members* or *Member's Representatives*) and by the nominee. The nomination must be made to the Chairman and supported by at least three *Directors*. In the case of a candidate to be a *Federation Director* such person must also fulfil the requirements of the *Mutual Declaration Form*. The nomination and the *Mutual Declaration Form* shall be lodged with the *Secretary* at least fourteen (14) days before the general meeting at which the nomination is contemplated. Each *Member* or *Member's Representative* shall be entitled to propose only one (1) nomination and second only one (1) nomination.

12.2.2 An alphabetical list of the candidates' names, also showing the names of the proposers and seconders, shall be sent to *Members* or *Member's Representatives* (as appropriate) with the notice of the relevant general meeting.

12.2.3 Balloting lists shall be prepared containing the names of the candidates in alphabetical order.

12.2.4 At the meeting each *Member* or *Member's Representative* shall be entitled to vote for any such number of the candidates as does not exceed the number of vacancies in person or by proxy.

12.2.5 If there be an insufficient number of candidates nominated, the *Directors* may provide candidates to fill the vacancies.

12.2.6 Subject to Articles 11.1 and 11.2, the *Directors* may, at any time and from time to time, appoint any person as a *Director*, either to fill a casual vacancy or as an addition to *the Board*, but so that the total number of *Directors* shall not at any time exceed the maximum number for the time being fixed. *The Board* shall notify the Membership of such an appointment. Any *Director* so appointed shall hold office only until the next Annual General Meeting but shall then stand for re-election.

12.2.7 During any ballot, poll, show of hands or other form of vote on a resolution to

appoint or remove a *Director* who is a *Federation Director*, the *Members* shall be entitled to one vote each except for each *Federation Director* who shall be entitled to a number of votes equal to ten (10) times the total number of *Members* of the *Mutual*.

## **DIRECTORS**

13. Subject to Article 12.2.7, *the Mutual* may by ordinary resolution, of which special notice has been given in accordance with *the 2006 Act*:
  - (a) remove any *Director* from office; or
  - (b) appoint as a *Director* any person who has consented to act in accordance with Article 12.2.
14. The remuneration (if any) of the *Directors* shall from time to time be determined by *the Mutual* in general meeting and that remuneration (if any) shall be deemed to accrue from day to day.
15. The *Directors* may be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the *Directors* or any committee of the *Directors* or general meetings of *the Mutual* or in connection with the business of *the Mutual*.
- 16.1. The office of *Director* shall become vacant if the *Director*:
  - (a) ceases to be a *Director* by virtue of section 168 of *the 2006 Act*;
  - (b) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - (c) resigns his or her office by notice in writing to the *Mutual*;
  - (d) is removed from office pursuant to *these Articles*;
  - (e) ceases to be a *Member*;
  - (f) ceases to be associated with a *Member* subject only to Article 11.1 above; or
  - (g) has absented himself or herself (such absence not being absence with leave or by arrangement with the *Directors* on the affairs of *the Mutual*) from three (3) consecutive meetings of the *Directors* and the *Directors* resolve that his or her office should be vacated.
- 16.2. The office of *Director* shall become vacant if the *Member* who/which nominated the *Director* ceases to be a *Member*.

## **POWERS AND DUTIES OF DIRECTORS**

17. The business of *the Mutual* shall be managed by the *Directors* who may pay all expenses incurred in promoting *the Mutual* and may exercise all of the powers of *the Mutual* which are not by *the Statutes* or by *these Articles* required to be exercised by *the Mutual* in general meeting. Without prejudice to the generality of the foregoing, *the Board* shall, in accordance with *the Rules*, determine the contributions to be paid by each *Member* in respect of each Financial Year (as defined in *the Rules*). The *Members'* contributions shall constitute the funds of *the Mutual*. *The Board* shall consider all claims made by *Members* under *the Rules* and may, in its sole and absolute discretion and in accordance with *the Rules*, grant from the funds of *the Mutual* to any such *Member* an indemnity wholly or in part in respect of the claim made by such *Member*.

18. The *Directors* may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit; two *Directors* may at any time and the *Secretary* shall on the requisition of two *Directors* summon a meeting of the *Directors*.
19. Providing always that at least two *Directors* present at a meeting of *Directors* are *Federation Directors* and until otherwise determined by the *Directors*, three *Directors* shall form a quorum for a meeting of *Directors*.
20. A meeting of *Directors* may be held by telephone or teleconference or in any other way the *Directors* think fit.
21. Questions arising at a meeting of the *Directors* shall be decided by a majority of votes of *Directors* present and voting and any such decision shall for all purposes be deemed a decision of the *Directors*, and on any equality of votes the chairman of the meeting, in addition to his or her deliberative vote (if any), has a casting vote.
22. In the event of a vacancy or vacancies in the office of a *Director* or offices of *Directors*, the remaining *Directors* may act, but if the number of remaining *Directors* is not sufficient to constitute a quorum at a meeting of *Directors* they or he may act only for the purpose of increasing the number of *Directors* to a number sufficient to constitute such a quorum or of convening a general meeting of *the Mutual*.
23. The *Directors* may delegate any of their powers to a committee or committees consisting of one or more *Directors* and other persons as they think fit and may revoke such delegation.
24. A committee shall exercise the powers delegated to it in accordance with any directions of the *Directors* and power so exercised shall be deemed to have been exercised by the *Directors*.
25. The proceedings of any committees shall be conducted in the same manner as meetings of the *Directors*.
26. The *Directors* and any committee of *the Board* may elect one of their number as a chairman of their meetings and may determine the period for which he or she is to hold office; if no such chairman is elected or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the meeting or is unwilling to act, those present shall elect one of their number to be a chairman of the meeting.
27. A resolution in writing signed by each of the *Directors* for the time being entitled to receive notice of a meeting of the *Directors* or by all members of a committee for the time being duly convened and held shall be valid and effectual as a resolution passed at a meeting of the *Directors*, or as the case may be, of such committee and such resolution may consist of several documents in like form each signed by one or more *Directors*.
28. All acts done by any meeting of the *Directors* or of a committee of *Directors* or by any person acting as a *Director* are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be *Director* or a member of the committee or to act as a *Director* or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified, to be a *Director* or to be a member of the committee.
29. The *Directors* shall cause minutes to be made of all proceedings of general meetings of the *Mutual*, of meetings of the *Directors* and of any committees of *the Board* and of the attendances thereat and of all appointments of officers made by the *Directors*. Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.
30. *The Board* may appoint independent *Managers* to manage any or all aspects of the business of *the Mutual* on such terms, including the payment of remuneration to the *Managers*, as they think fit.

31. *The Board* shall make *Rules* from time to time prescribing:
- (a) the form of application for admission to membership of *the Mutual*;
  - (b) the nature and extent of the *Cover* provided by *the Mutual* to *Members* and extended to members or affiliates of a *Trade Body* under the *Rules* and the exclusions therefrom provided that all such *Cover* shall be available on a discretionary basis only; such discretion to be exercised by *the Board* or, if so delegated by *the Board*, by a committee or the *Managers*;
  - (c) the basis upon which claims from eligible persons shall be considered by *the Board*;
  - (d) the amounts of contributions to *the Mutual* to be paid from time to time;
  - (e) the obligations of *the Mutual* and the *Members* in respect of claims; and
  - (f) such other matters incidental to the activities of *the Mutual* as the *Directors* think fit; and

*the Board* may alter *the Rules* from time to time as the *Directors* consider appropriate provided always that such alterations to *the Rules* shall not take effect until either (i) the beginning of the next Financial Year (as defined in *the Rules*) or (ii) the *Members* approve the alterations by passing a resolution in general meeting, such resolution requiring two-thirds (2/3) of the votes cast to be cast in favour in order to be passed, whichever shall first occur.

#### **GENERAL MEETING**

32. A general meeting may be convened:
- (a) by any person upon the authority of a resolution of the *Directors*; or
  - (b) upon the requisition of *Members* representing not less than one fifth of the total voting rights of the *Members* having at that date the right to vote at general meetings.
33. A notice of a general meeting (including an annual general meeting) must give at least fourteen (14) days' notice and otherwise be given in accordance with *the Statutes*.
34. No business may be transacted at any general meeting unless a quorum of *Members* is present at the time when the meeting proceeds to business.
35. Three *Members* constitute a quorum of *Members*.
36. If a quorum is not present within half an hour from the time appointed for a meeting:
- (a) where the meeting was convened by a *Member* or upon the requisition of *Members*, the meeting shall be dissolved; or
  - (b) in any other case:-
    - (i) the meeting stands adjourned to the same day in the next week at the same time and place or to such other day and place as the *Directors* may determine;
    - (ii) and if at the adjourned meeting a quorum is not present within half an hour from the time fixed for the meeting then subject to any requirement of law the *Members* present shall be a quorum.
37. If the *Directors* have elected one of their number to be chairman of their meetings, that person shall preside as chairman at every general meeting of *the Mutual*; otherwise, or if that person is not present within 15 minutes after the appointed time of the meeting or is unwilling to act, the *Members*

and *Members' Representatives* present shall elect one of their number to be chairman of the general meeting.

38. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
39. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting, but otherwise it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
40. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded.
41. A poll may be demanded:
  - (a) by the chairman; or
  - (b) by any *Member, Member's Representative or proxy,*and any demand for a poll may be withdrawn if
  - (a) the poll has not yet been taken and
  - (b) the chairman consents to the withdrawal.
42. A declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of *the Mutual* is conclusive evidence of the fact, without proof of the number or proportion of the votes recorded for or against the resolution.
43. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
44. 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 has, in addition to his or her deliberative vote (if any), a casting vote.
45. At a general meeting:
  - (a) each *Member* may only be represented in person or by its *Member's Representative* or a duly appointed proxy;
  - (b) each *Member* shall have one vote, both on a poll and on a show of hands.
46. No person shall be appointed to be a proxy unless he/she is a *Member*, or a member or officer of a *Member*, or a *Director*. The instrument appointing such a proxy ("proxy notice"):
  - (a) shall be in writing and, if the appointment is made by a *Member* who is not a natural person, under seal or under the hand of an officer duly authorised;
  - (b) shall be deemed to confer authority to demand or join in demanding a poll;

- (c) shall be in such form as may be specified by *the Mutual*.
- (d) shall not be treated as valid unless the instrument and the power of attorney or other authority under which the proxy notice is signed or a notarially certified copy of that power or authority is or are deposited with *the Mutual* in accordance with the requirements of Article 47.

47. The documents referred to in Article 46 shall be deposited at *the Mutual's* registered office from time to time not less than 24 hours before the meeting to which the proxy relates. In calculating the period mentioned in this Article, the *Directors* may specify, in any case, that no account shall be taken of any part of a day that is not a working day.

48. A vote given in accordance with a proxy notice is valid notwithstanding the revocation of the proxy notice (or of the authority under which the instrument was executed) or of the power under which it was signed if no intimation in writing of the revocation has been received by *the Mutual* at its registered office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

#### **DIRECTORS' INTERESTS**

49. Subject to the provisions of *the Statutes* and the *Director* declaring his interest in accordance with *these Articles* and *the Statutes*, no *Director* or proposed or intending *Director* shall be disqualified by his office from contracting with *the Mutual*, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any *Director* is in any way interested be liable to be avoided, nor shall any *Director* who is so interested be liable to account to *the Mutual* or the *Members* for any remuneration, profit or other benefit realised by the contract by reason of the *Director* holding that office or of the fiduciary relationship thereby established.

50. A *Director* may hold any other office or place of profit with *the Mutual* (except that of auditor) in conjunction with his office of *Director* for such period (subject to the provisions of *the Statutes*) and upon such other terms as *the Board* may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as *the Board* may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other Article.

51. If a situation arises in which a *Director* has, or can have, an interest that conflicts, or possibly may conflict, with the interests of *the Mutual* (a '*relevant situation*') *the Board* may, for the purposes of section 175 of the 2006 Act, resolve to authorise:

- (a) if a *relevant situation* arises from the appointment or proposed appointment of a person as a *Director*, the appointment of the *Director* and the *relevant situation*, subject to any limits or conditions which *the Board* may determine;
- (b) if the *relevant situation* arises in circumstances other than as set out in paragraph (a) of this Article, the *relevant situation* and the continuing performance by the *Director* of his duties, subject to any limits or conditions which *the Board* may determine,

and any such authorisation will be subject only to any limits or conditions which *the Board* expressly imposes.

52. The interested *Director*, and any other *Director* with a similar interest, cannot vote, or be counted in the quorum, on a resolution to authorise his interest under Article 51.

53. Any reference in Article 51 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

54. Any limits or conditions determined by *the Board* under Article 51 may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
- (a) whether the interested *Director(s)* may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the *relevant situation*;
  - (b) the exclusion of the interested *Director(s)* from all information and discussion by *the Mutual* of the *relevant situation*; and
  - (c) the imposition of a specific duty of confidentiality for any confidential information of *the Mutual* relating to the *relevant situation*.
55. An interested *Director* must act in accordance with any limits or obligations imposed by *the Board* under Article 51.
56. Subject to Article 52, any authorisation under Article 51 shall be dealt with in the same way as any other matter that may be decided by *the Board* under these Articles.
57. Any authorisation of a *relevant situation* given by *the Board* under Article 51 may provide that, where the interested *Director* obtains (other than through his position as a *Director*) information that is confidential to a third party, he will not be obliged to disclose it to *the Mutual* or to use it in relation to *the Mutual's* affairs in circumstances where to do so would amount to a breach of that confidence.
58. Whilst there is a *relevant situation*, the general duties which the interested *Director* owes to *the Mutual* under sections 171 to 177 of *the 2006 Act* will not be infringed if he:
- (a) absents himself from meetings of *the Board* or from the discussion of any matter at a meeting relating to the *relevant situation*; and/or
  - (b) makes arrangements for papers to be received and read by a professional adviser on his behalf which may relate to the *relevant situation*; and/or
  - (c) behaves in any other way authorised by any guidance which may be issued by *the Board* from time to time.
59. Subject to the provisions of *the Statutes*, a *Director* may vote on any contract or arrangement in which he is interested and on any matter arising therefrom and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration, provided that a *Director* shall not be entitled to attend and vote at any meeting of the *Directors* in respect of any claim made pursuant to *the Rules*:
- a) by that *Director* or
  - b) by any *Member* with whom the said *Director* is associated or
  - c) which concerns any member or affiliate of a *Trade Body* with whom the said *Director* is associated.
60. Any *Director* or member of a committee of the *Directors* may participate in a meeting of *the Board* or such committee by means of conference, telephone or similar communications equipment whereby all participating in the meeting can hear each other and participation in such a meeting in this manner shall be deemed to constitute presence in person at such meeting.

#### **SECRETARY**

61. The *Secretary* for the time being of *the Mutual* holds office upon such terms and conditions, as to

remuneration and otherwise, as the *Directors* determine.

#### **SEAL**

62. *The Seal* shall be used only by the authority of the *Directors*, and every document to which *the Seal* is affixed shall be signed by a *Director* and countersigned by a *Director* or the *Secretary*.

#### **ACCOUNTS**

63. The accounting records shall be kept at the registered office of the Mutual or, subject to *the Statutes*, at such other place or places as *the Board* thinks fit, and shall always be open to the inspection of the officers of the Mutual. *The Board* shall from time to time determine whether and to what extent and at what times and places and under what condition or regulations the accounting records and other documents of *the Mutual* or any of them will be open to the inspection of *Members* or *Members' Representatives* and no *Member* or *Member's Representative* shall have the right of inspecting any documents of *the Mutual* except as provided by law or authorised by *the Board* or by *the Mutual* in general meeting.

#### **AUDITORS**

- 64.1 *The Mutual* shall at each Annual General Meeting appoint auditors to hold office until the next Annual General Meeting. Their duties will be regulated in accordance with *the Statutes*.
- 64.2 Auditors shall be deemed re-appointed pursuant to the provisions of *the Statutes* in the event that auditors are not appointed under Article 64.1.
- 64.3 Auditors may be appointed as otherwise required in accordance with the provisions of *the Statutes*.

#### **INDEMNITY**

- 65.
- (a) Subject to paragraph (b) of this Article, a relevant officer of *the Mutual* shall be indemnified out of *the Mutual's* assets against any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to *the Mutual* or any other liability incurred by that officer as an officer of *the Mutual*.
  - (b) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of *the Statutes* or by any other provision of law.
  - (c) In this Article a '*relevant officer*' means any *Director*, former *Director*, *Manager* or other officer of *the Mutual* (but not its auditor).
66. The *Directors* may exercise all the powers of *the Mutual* to purchase and maintain for any *Director*, auditor, officer, *Manager* or any other person, insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.

#### **MEANS OF COMMUNICATION TO BE USED**

- 67.
- (a) Subject to *these Articles* and *the Rules*, anything sent or supplied by or to *the Mutual* under *these Articles* may be sent or supplied in any way in which *the Statutes* provide for documents or information which are authorised or required by any provision of *the Statutes* to be sent or supplied by or to *the Mutual*.
  - (b) Subject to *these Articles*, any notice or document to be sent or supplied to a *Director* in connection with the taking of decisions by *the Board* may also be sent or supplied by the means by which that *Director* has asked to be sent or supplied with such notices or

documents for the time being.

- (c) A *Director* may agree with *the Mutual* that notices or documents sent to that *Director* in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **WINDING UP**

68. In the event of the winding up of *the Mutual*, after its liabilities have been satisfied, the remaining assets of *the Mutual* shall be distributed by reference to the Liquidation Proportion of each eligible *Member*, calculated as follows:

- (a) The Liquidation Proportion of each eligible *Member* shall be a fraction (a) the numerator of which is the sum obtained by aggregating the amount of the Contributions calculated in accordance with *the Rules* paid by such *Member* for the Financial Year (as defined in *the Rules*) in which the winding up is commenced or if earlier the last Financial Year of the *Mutual* in respect of which *the Mutual* issued any Certificates of Entry under *the Rules* ('the Last Financial Year') and (to the extent applicable) for the four preceding Financial Years and (b) the denominator of which is the sum obtained by aggregating the sum obtained pursuant to (a) hereof in respect of all eligible *Members* (such fraction being expressed as a percentage to two decimal places).
- (b) A *Member* shall be an eligible *Member* and entitled to participate in a distribution to be made pursuant to this Article 68 if it was a *Member of the Mutual* during the Last Financial Year or at any time during the four preceding Financial Years.