

**Articles of Association
of
Publishers Licensing Society Limited**

Company number: 01575236

(Private company limited by guarantee)

as adopted by written special resolution passed on 25th November 2014

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Company number: 01575236

The Companies Act 2006

Private company limited by guarantee

Articles of Association

of

Publishers Licensing Society Limited

(as adopted by written special resolution passed on 25th November 2014)

Part 1

Interpretation, Limitation of liability and other miscellaneous provisions

1. **Defined terms**

1.1 In these articles, unless the context requires otherwise:

"**Acts**" means the Companies Acts and every other statute, order, regulation or other subordinate legislation from time to time in force concerning companies and affecting the Society.

"**Annual Transparency Report**" means the annual report on the operations and financial performance of the Society in such form and containing such information as is required at law.

"**articles**" means the Society's articles of association as altered or varied from time to time (and "**article**" means of a provision of these articles).

"**associated company**" has the meaning set out in Section 256, CA2006.

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.

"**CA2006**" means the Companies Act 2006.

"**chairperson**" has the meaning set out in article 14.

"**chairperson of the meeting**" has the meaning set out in article 32.

"**Code of Conduct**" means the document setting out the service levels rightholders can expect of the Society and the standards it adheres to in the provision of those services, and which is published on the Society's website from time to time.

"**Companies Acts**" means the Companies Acts (as defined in Section 2, CA2006), in so far as they apply to the Society.

"**conflicted director**" has the meaning set out in article 16.

"**conflict situation**" has the meaning set out in article 16.

"**delegates**" means the delegates of the members appointed in accordance with article 25.

"**designated representative director**" means a representative director designated as such by a member in accordance with article 20.5.

"**director**" means a director of the Society, and includes any person occupying the position of director, by whatever name called.

"**distribution**" means any payment of monies which may, pursuant to the Distribution Charter, be made by the Society to rightholders and "**distributed**" and "**available for distribution**" shall have corresponding meanings.

"**Distribution Charter**" means the document setting out the general policy of the Society with respect to the distribution of amounts due to rightholders and the general policy on deductions from rights revenue and on any income arising from the investment of rights revenue, as may be varied from time to time by the Society, and which is published on the Society's website).

"**document**" includes, unless otherwise specified, any summons, notice, order, register, certificate or other legal process and includes any such document sent or supplied in electronic form.

"**electronic form**" has the meaning set out in Section 1168, CA2006.

"**Eligibility Criteria**" has the meaning given to it in article 27.2.

"**eligible director**" means a director who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the resolution in question).

"**General Terms and Conditions**" means the general terms and conditions applicable to the appointment of the Society by rightholders, as the same may be varied from time to time by the Society.

"**hard copy form**" has the meaning set out in Section 1168, CA2006.

"**holding company**" has the meaning set out in Section 1159, CA2006.

"**member**" has the meaning given in Section 112, CA2006.

"**Members' Resolution**" means:

- (a) the approval of the members or the delegates by ordinary resolution in general meeting or by written resolution;
- (b) the approval by unanimous consent in writing of the members or the delegates; or
- (c) in respect of the matters listed at articles 6.3(g), 6.3(h), 6.3(i) and 6.3(j), the approval of the Supervisory Committee.

"**Model Articles**" means the model articles for private companies limited by guarantee as set out in Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229).

"**occupational pension scheme**" has the meaning set out in Section 235(6), CA2006.

"**ordinary resolution**" has the meaning set out in Section 282, CA2006.

"**parent undertaking**" has the meaning set out in Section 1162, CA2006.

"**participate**", in relation to a directors' meeting, has the meaning set out in article 12.

"**performance**" shall have the meaning set out in the Copyright, Designs and Patents Act 1988.

"**PLSe**" means the online publisher accounts system of the Society which allows rightholders (i) to provide information to the Society for the purpose of their Publisher Account and (ii) to select certain terms and conditions of their Publisher Account.

"**proxy notice**" has the meaning set out in article 38.

"**Publisher Account**" means the contractual relationship between a rightholder and the Society whereby the rightholders grant to the Society the right to manage certain Rights, comprising the Publisher Account Documents and the information provided on PLSe.

"**Publisher Account Documentation**" means the Publisher Account Form, the General Terms and Conditions, the Distribution Charter and such other documents as may be approved as Publisher Account Documentation by the members in accordance with article 6.

"**Publisher Account Form**" means the application form for rightholders to appoint the Society, as amended from time to time;

"**relevant director**" means any director or former director.

"**relevant loss**" means any costs, charges, losses, expenses and liabilities which have been or may be incurred by a relevant director, secretary or other officer in the actual or purported execution or discharge of such person's duties or in the actual or purported exercise of such person's powers in relation to the affairs of the Society, any associated company or any pension fund (including any occupational pension scheme) or employees' share scheme of the Society or associated company.

"**representative director**" means a director nominated by a member under article 20.2, including a designated representative director.

"**rightholder**" means any person (other than a collective management organisation) that owns or controls a copyright or related right, or under an agreement for the exploitation of rights or by law is entitled to a share of the rights revenue from a copyright or related right.

"**Rights**" has the meaning given to it in article 2.1.

"**Society**" means the Publishers Licensing Society Limited.

"**Supervisory Committee**" has the meaning given to it in article 26.1.

"**special resolution**" has the meaning set out in Section 283, CA2006.

"**subsidiary**" has the meaning set out in Section 1159, CA2006.

"**subsidiary undertaking**" has the meaning set out in Section 1162, CA2006.

"**work**" means a literary, dramatic, musical or artistic work or a typographical arrangement (including, without limitation, books, periodicals, newspapers, journals, articles, editorial, advertorial, poems, headings, captions and all other text; diagrams, maps, charts, forms and tables; musical compositions; layout, illustrations, photographs and other images) and all other

works in which copyright and other rights of a similar nature subsist (but excluding any audio-only or audio-visual works).

"**working day**" has the meaning set out in Section 1173, CA2006.

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods (including, where relevant, digital methods) and "written" shall be construed accordingly.

- 1.2 Unless the context otherwise requires (or unless otherwise defined or stated in these articles), words or expressions contained in these articles shall have the same meaning as in the CA2006 as in force from time to time.
- 1.3 Save as expressly provided in these Articles, the Model Articles shall not apply to the Society and these articles shall be the articles of association of the Society (to the exclusion of any other regulations set out in any statute, statutory instrument or other subordinate legislation from time to time in force).
- 1.4 References in these articles to a document or information being sent or supplied by or to a company (including the Society) shall be construed in accordance with the provisions of Section 1148(3), CA2006 and any reference to "sent" or "supplied" (or other similar term) shall be construed in accordance with the provisions of Section 1148(2), CA2006.

2. **Society's objects**

The Society's objects are, subject always to article 6:

- 2.1 To exercise and enforce, and to authorise others to exercise and enforce, on behalf of respective rightholders' certain rights of copyright and other rights of a similar nature in their works (the "**Rights**") and the remedies for breach of the Rights as subsist under the laws of countries or states which are contracting parties to the Berne Convention and/or The Agreement on Trade-Related Aspects of Intellectual Property Rights and/or the WIPO Copyright Treaty.
- 2.2 In the exercise or enforcement of Rights and remedies, to grant licences and to make (and from time to time rescind, alter or vary) arrangements and agreements relating to the following (without limitation):
 - (a) permitting the making of reprographic copies of works;
 - (b) authorising the scanning, digitisation, distribution, communication or making available to the public of works by electronic means in any form or service and/or by any media whether current or invented in the future (including making available databases relating to the works);
 - (c) such other licensing, administrative or other schemes in respect of works and which schemes may be collectively administered as provided for by statute or which would for any other reason require or benefit from collective administration;
 - (d) lending of books to the public by libraries pursuant to the Public Lending Right Act 1979 or to any statutory modification or re-enactment thereof for the time being in force, and any similar schemes operating under the laws of countries other than England and Wales;
 - (e) permitting off-air recordings of performances of works; and
 - (f) to collect and receive and give effectual discharges for all royalties, fees and monies payable under any such licences, agreements, schemes or arrangements or

otherwise in respect of those matters mentioned in this article 2.2 by all necessary actions or other proceedings and to recover such royalties, fees and other monies and to restrain and recover damages for infringement of the Rights of rightholders or of the Society on behalf of rightholders and to release, compromise or refer to arbitration any such proceedings or actions or any other disputes or differences in relation to the rights or any of them.

- 2.3 To obtain from rightholders such licences, assurances, powers of attorney or other authorities or instruments as may be deemed necessary or expedient for enabling the Society to acquire full or sufficient legal rights and authority in respect of the Rights and to exercise and enforce in its own name or otherwise all the Rights and remedies as mentioned above and to execute, sign and do all such deeds, assurances, agreements and other instruments and acts as may be deemed necessary or expedient for the purpose of the exercise or enforcement by the Society of the Rights and remedies as mentioned above.
- 2.4 To make (and from time to time alter or vary) any rules for regulating:
- (a) the manner in which the period or periods for which and the conditions under which rightholders shall authorise the Society to exercise and enforce the Rights and remedies mentioned above of the rightholders in respect of works;
 - (b) the method and proportions by and in which and the times at which the monies received by the Society in respect of licences, agreements or arrangements shall be divided or apportioned and paid among and to members and/or rightholders in accordance with the Distribution Charter or otherwise; and
 - (c) the administration of the property or business of the Society and any matters incidental thereto.
- 2.5 To distribute the monies received by the Society, after making provision for the expenses, management fees and liabilities of the Society incurred in such exercise or in otherwise carrying out the purposes and operations of the Society, among the members and/or rightholders entitled thereto in accordance with the rules in force for such distributions from time to time.
- 2.6 From time to time to borrow, raise or secure the payment of such sum or sums of money as may be deemed necessary for any purpose which may be expedient in the interests of the Society, but not so as to charge any right or interest of any rightholder in respect of its works.
- 2.7 To carry on any other trade or business whatsoever which can, in the opinion of the Board of Directors, be advantageously carried on by the Society in connection with or ancillary to any of the above business or the general business of the Society.

3. **Powers**

The Society has, subject to article 6, the power to do anything within the law which may promote or may help to promote the objects or any of them.

4. **Liability of members**

- 4.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Society in the event of its being wound up while it is a member or within one year after it ceases to be a member, for:
- (a) payment of the Society's debts and liabilities contracted before it ceases to be a member;
 - (b) payment of the costs, charges and expenses of winding up; and

- (c) adjustment of the rights of the contributories among themselves.
- 4.2 On the winding up or dissolution of the Society:
- (a) the rights and authorities granted to the Society by rightholders shall cease and revert to the rightholders (or their successors in title as notified to the Society) who granted those rights and authorities to the Society or to the respective estates of those rightholders;
 - (b) sums available for distribution at the date of such winding up shall be distributed in accordance with the rules; and
 - (c) the surplus assets of the Society (if any) shall be divided among those persons who are members at the time of such winding up in equal shares.

Part 2

Directors and Secretary - Directors' powers and responsibilities

5. Directors' general authority and powers

- 5.1 Subject to these articles and in particular article 6, the directors are responsible for the management of the Society's business, for which purpose they may exercise all the powers of the Society.
- 5.2 All monies received by the Society from the grant of licences or otherwise shall, subject to article 5.3 below, be distributed or dealt with by the board of directors in accordance with the Distribution Charter.
- 5.3 Before making any distribution to rightholders, the directors may, subject to article 6:
- (a) pay or provide for all the expenses and outgoings of the Society and for the repayment of loans raised by the Society and the interest (if any) thereon;
 - (b) pay any remuneration or benefits to any person at any time in the employment of the Society and the families and dependants of any such person and contribute to any pension or similar fund which may be established for the benefit of any such employees; and
 - (c) set aside such sum as it thinks necessary as a reserve fund to meet contingencies and to invest the sums set aside and deal with and vary such investments.
- 5.4 The directors may, subject to article 6, make (and from time to time alter, delete and add to) rules which may deal with the following matters (without limitation):
- (a) the terms and conditions of the Publisher Account Documentation, the Code of Conduct, PLSe and any other procedures that are relevant to the contractual relationship between rightholders and the Society;
 - (c) the form of proxy approved for general meetings;
 - (d) the forms of licence to be granted to such bodies as may be appropriate. The board of directors may enter into contractual arrangements with any appropriate and suitable organisation being an organisation properly authorised and constituted for such purpose for it to grant the licences determined by the directors, to enforce such licences, to collect the appropriate fees under such licences and distribute them in accordance with the procedures agreed by the directors;

- (e) the payments to be made by such bodies for such licences, differentiating (if necessary) between different categories of licences;
 - (f) in cases where objections are raised or where doubts exist, the procedure for arbitration in front of the relevant tribunal or mediator;
 - (g) accounting procedures relating to the fees collected from licensed bodies;
 - (h) the method and frequency of distribution to and calculation of entitlement of rightholders;
 - (i) how unclaimed payments are to be dealt with; and
 - (j) whether legal proceedings may be commenced without the sanction of the board.
6. **Members' power**
- 6.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.
- 6.3 The following matters shall not be carried out without the approval of a Members' Resolution:
- (a) the adoption of or any amendment to the Code of Conduct;
 - (b) the adoption of or any amendment to the Distribution Charter;
 - (c) the adoption of or any amendment to the Publisher Account Documentation or PLSe, where such change could constitute a change to the Society's general policy as to (i) the distribution of amounts due to rightholders or (ii) the deductions from rights revenue and from any income arising from the investment of rights revenue;
 - (d) the adoption of or any amendment to the general investment policy with regard to (i) rights revenue and (ii) any income arising from the investment of rights revenue;
 - (e) the adoption of or any amendment to the general policy on the use of non-distributable amounts;
 - (f) the use of non-distributable amounts;
 - (g) the adoption of or any amendment to the risk management policy;
 - (h) the approval of any acquisition, sale or hypothecation of immovable property;
 - (i) the approval of mergers and alliances, the setting-up of subsidiaries, and the acquisition of other entities or shares or rights in other entities;
 - (j) the approval of taking out loans, granting loans or providing security for loans;
 - (k) any terms and conditions governing membership of the Society;
 - (l) the appointment and removal of the auditor;
 - (m) the approval of the Annual Transparency Report; and

- (n) the approval of remuneration and other benefits of directors including without limitation pensions benefits and severance pay.

7. **Directors may delegate**

7.1 Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles:

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

as they think fit (including whether any such delegation shall be made either collaterally with or to the exclusion of the powers otherwise conferred on the directors under these articles).

7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

8. **Committees**

8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these articles which govern the taking of decisions by directors.

8.2 The directors may make rules of procedure for all or any committees which prevail over rules derived from these articles if they are not consistent with them.

8.3 Committees to whom the directors delegate any of their powers may include one or more co-opted persons other than directors on whom voting rights may be conferred as members of the committee, provided that the number of co-opted members of the committee shall be less than one-half of the total number of members of the committee and so that no resolution of the committee shall be effective unless a majority of the members of the committee voting on the resolution are directors.

9. **Directors to take decisions collectively**

The general rule about decision-making by directors is that any decision of the directors must be either a majority decision (if necessary determined by a casting vote in accordance with article 15 below) at a meeting or a decision taken in accordance with article 10.

10. **Unanimous decisions**

10.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means they share a common view on a matter.

10.2 Such a decision may take the form of a resolution in writing where each eligible director has signed one or more copies of it or to which each eligible director has otherwise indicated agreement in writing.

10.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at a directors' meeting held to discuss the matter in question.

11. **Calling a directors' meeting**

11.1 Any director, including the Chief Executive Officer appointed by the directors from time to time, may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Society secretary (if any) to give such notice.

11.2 Notice of any directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

11.3 Save as provided otherwise in these articles, notice of a directors' meeting must be given to each director, but need not be in writing.

11.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting.

12. **Participation in directors' meetings**

12.1 Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with these articles; and
- (b) they can each communicate orally (including by means of telephone, video conference or other audio or audio-visual link or any other form of telecommunication) to the others any information or opinions they have on any particular item of the business of the meeting.

12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other, provided that all persons participating in the meeting can hear each other.

12.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

13. **Quorum for directors' meetings**

13.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.2 Subject to circumstances in which one or more conflicts of interest (as explained in Section 175(6), CA2006) have arisen and subject to article 16.5, the quorum for the transaction of the business of the directors' may be fixed from time to time by a decision of the directors and unless otherwise so fixed it shall (save as provided in article 13.3 or any other provision of these articles) be 3, comprised of directors nominated by at least 3 of the members.

13.3 In relation to any meeting (or part of any meeting) held pursuant to article 16.1, the quorum for such meeting (or the part thereof dealing with the authorisation pursuant to article 16.1 shall be two eligible directors, unless there is only one eligible director in which case the quorum shall be one eligible director.

13.4 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the members to appoint further directors.

14. **Chairing of directors' meetings**

14.1 The directors may, subject to article 20.7, appoint a director to chair their meetings.

14.2 The person so appointed for the time being is known as the chairperson.

14.3 The directors may terminate the chairperson's appointment at any time.

14.4 If the chairperson is unwilling to chair a directors' meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start or, if at any time during the meeting, the chairperson ceases to be a participating director, the participating directors must appoint one of themselves to chair it (or chair such part of it in relation to which the chairperson ceases to be a participating director, as the case may be).

15. **Casting vote**

At a meeting of the directors (or any part thereof), the chairperson or other director appointed to chair the meeting pursuant to article 14.4 shall have a casting vote in respect of any proposal where the number of votes for and against are equal.

16. **Authorisation and reporting of conflicts of interest**

16.1 Subject to and in accordance with the CA2006:

- (a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director (the "**conflicted director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Society (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Society could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**conflict situation**");
- (b) any authorisation given in accordance with this article 16:
 - (i) may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, informing a conflicted director of decisions to exclude the conflicted director and any other interested director from certain directors' meetings, withholding from that director certain board papers or other papers and/or denying that director access to certain confidential Society information) relevant to a conflict situation and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
 - (ii) shall be effective only if:
 - (A) any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting either the conflicted director or any other interested director; and

- (B) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted director and without counting the votes of any other interested director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted); and
 - (c) in considering any request for authorisation in respect of a conflict situation, the directors shall be entitled to exclude the conflicted director from any meeting or other discussion (whether oral or written) concerning the authorisation of such conflict situation and they shall also be entitled to withhold from such conflicted director any board papers or other papers concerning the authorisation of such conflict situation.
- 16.2 If any conflict situation is authorised or otherwise permitted under these articles, the conflicted director:
- (a) shall not be required to disclose to the Society (including the directors or any committee) any confidential information relating to such conflict situation which that director obtains or has obtained otherwise than in that director's capacity as a director of the Society, if to make such disclosure would give rise to a breach of obligation or confidence owed by that director to another person in relation to such matter, office, employment or position;
 - (b) shall be entitled to attend or be absent from all or any meetings of the directors (or any committee) at which anything relating to such conflict situation will or may be discussed; and
 - (c) shall be entitled to make such arrangements as that director thinks fit to receive or not to receive documents or information (including, without limitation, board papers (or those of any committee of it)) relating to any such conflict,
- and in so doing, such conflicted director shall not be in breach of any general duty owed to the Society pursuant to Sections 171 to 177 (inclusive) CA2006, and the provisions of this article 16 shall be without prejudice to any equitable principle or rule of law which may excuse the conflicted director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these articles.
- 16.3 For the purposes of this article 16, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on the Society), connected with a director shall be treated as an interest of the director.
- 16.4 If the Society has or may have any claim or right against a member or any associated company of that member or if any claim is brought, threatened or asserted by a member or an associated company of that member against the Society, no director appointed by such member shall be entitled to:
- (a) vote on any resolution relating to such matter or attend, speak or be counted in the quorum at any meeting of the directors or any committee of the directors to the extent considering or discussing any such matter; or
 - (b) access or to receive or see copies of any board papers (including any agenda, board minutes and draft minutes) or other papers or legal advice provided to the Society in connection with any such matter.
- 16.5 The quorum at any meeting of the directors or a committee of the directors, to the extent considering and voting on any resolution in relation to which a director is not entitled to vote by virtue of article 16.4, shall be reduced to any two eligible directors comprised of one director

nominated by each of at least two members and the eligible directors shall exercise all the powers of the Society in relation to the matter in question.

16.6 Any conflict situation that arises as a result of any director being a director or employee of a member or an associated company of any member or otherwise owing any duty to any such person shall, without prejudice to articles 16.4 and 16.5, be disclosed by the director in the Register of Interests of the Society and deemed noted and authorised at any future meeting of the directors for the purposes of section 185 CA2006.

16.7 Each director shall make an annual individual statement in writing that shall be put before the members in general meeting containing the following information:

- (a) any interests in the Society;
- (b) any remuneration or benefits (including pensions and benefits in kind) received in the preceding financial year from the Society;
- (c) any amounts received in the preceding financial year as a rightholder; and
- (d) any actual or potential conflict between any personal interests and those of the Society or between any obligations owed to the Society and any duty owed to any other natural or legal person.

17. **Directors may have interests and vote and count for quorum**

17.1 Provided permitted by the Acts and provided that a director has disclosed to the other directors the nature and extent of that director's interest pursuant to Section 177 or 182 CA2006, or otherwise pursuant to these articles (as the case may be), that director:

- (a) may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the Society or in which the Society is otherwise interested and may hold any other office or position of profit under the Society (except that of auditor or of auditor of a subsidiary of the Society) in addition to the office of director and may act in a professional capacity for the Society and in any such case on such terms as to remuneration and otherwise as the directors may agree either in addition to or in lieu of any remuneration provided for by any other article;
- (b) may be a member, director, or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any subsidiary and subsidiary undertaking of the Society or any parent undertaking of the Society and any of such parent undertaking's subsidiaries or subsidiary undertakings or any other body corporate promoted by the Society or in which the Society is otherwise interested; and
- (c) shall not be liable to account to the Society for any dividend, profit, remuneration, superannuation payment or other benefit which derives from:
 - (i) any matter, office, employment or position which relates to a conflict situation authorised in accordance with article 16; or
 - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this article,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, superannuation payment or other benefit authorised in accordance with article 16 or permitted

pursuant to paragraphs (a) and (b) of this article and the receipt of any such dividend, profit, remuneration, superannuation payment or other benefit so authorised or permitted shall not constitute a breach of duty not to accept benefits from third parties as set out in Section 176, CA2006.

- 17.2 For the avoidance of doubt, a director may be or become subject to one or more conflict situations as a result of any matter referred to in paragraph (b) of article 17.1 without requiring authorisation under the provisions of article 16 provided it is deemed authorised under article 16.6 or the director has declared, as soon as reasonably practicable, the nature and extent of any interest in the conflict situation. The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185, CA2006 shall be applied (with any necessary modifications) in respect of any such declaration.
- 17.3 Subject to Section 175(6), CA2006 and save as otherwise provided in these articles, a director may vote at any meeting of the directors or any meeting of any committee of which that director is a member on any resolution and a director may participate in the transaction of the business of the directors and count in the quorum at any such meeting of the directors or meeting of any committee of which that director is a member notwithstanding that it concerns or relates in any way to a matter in which that director has directly or indirectly any kind of interest or duty. This article does not affect any obligation of a director to disclose any such interest, whether pursuant to Section 177, CA2006, Section 182, CA2006 or otherwise.
- 17.4 Subject to article 17.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairperson whose ruling in relation to any director other than the chairperson is to be final and conclusive (except in a case where the nature or extent of any interest of the director has not been fairly disclosed).
- 17.5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairperson, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 17.6 For the purposes of this article 17, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on the Society), connected with a director shall be treated as an interest of the director.

18. **Records of decisions to be kept**

The directors must ensure that the Society keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

19. **Directors' discretion to make further rules**

Subject to these articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

20. **Methods of appointing directors**

20.1 The number of directors of the Society shall be not less than three.

20.2 Every member shall be entitled to nominate the following number of directors:

- (a) from the date of becoming a member (the "**Joining Date**") until the first anniversary of the Joining Date, one director;

- (b) from and including the first anniversary of the Joining Date until the second anniversary of the Joining Date, at least one but no more than two directors in aggregate and including, for the avoidance of doubt, any director nominated in a prior period who remains in office; and
- (c) from and including the second anniversary of the Joining Date, at least one but no more than three directors in aggregate and including, for the avoidance of doubt, any director nominated in a prior period who remains in office.

The members may by ordinary resolution resolve that the requirements as to length of membership in article 20.2 be dis-applied in respect of a new member.

- 20.3 The process for nomination of directors shall be determined by rules proposed from time to time by the board of directors and approved by the Society in general meeting.
- 20.4 Each member may request a general meeting to consider and if thought fit approve the removal of any director nominated by it from office, such removal to take effect immediately following the passing of the resolution for his removal or at such later date as may be specified by the members.
- 20.5 Each member may designate one of the directors nominated by it as its designated representative director.
- 20.6 Each representative director shall retire on the fourth anniversary of the date of that director's appointment as a director and may be reappointed. If reappointed, a director shall retire on the fourth anniversary of reappointment. Save for any designated representative director, a representative director shall not be reappointed more than once.
- 20.7 The members may resolve to appoint a paid chairperson, independent of any appointment by the members. Such chairperson shall be appointed for a term of three years, and may be re-appointed for no more than one further term of three years. At the expiry of that second consecutive term in office, the chairperson may be re-appointed but only after a break of at least one year.
- 20.8 The members may resolve to remove from office a chairperson appointed under article 20.7 above at any time.
- 20.9 The members may appoint such number of executive directors as they see fit. An executive director appointed under this article shall not be subject to retirement by rotation.

21. **Termination of director's appointment**

- 21.1 The Society may, by ordinary resolution of which special notice has been given in accordance with section 168 of CA2006, remove any director before the expiration of that director's period of office notwithstanding anything in these articles or in any agreement between the Society and such director.
- 21.2 A person ceases to be a director as soon as:
 - (a) the member by which that director was appointed chooses to terminate that director's term of office;
 - (b) the member by which that director was appointed becomes insolvent or is placed into administration;
 - (c) that person ceases to be a director by virtue of any provision of the CA2006 or is prohibited from being a director by law;
 - (d) a bankruptcy order is made against that person;

- (e) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (f) a registered medical practitioner who is treating that person gives a written opinion to the Society stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (g) notification is received by the Society from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (h) that person has, for more than three consecutive meetings, been absent without permission of the directors from meetings of the directors held during that period and the directors make a decision that that person's office be vacated.

22. **Directors' remuneration**

22.1 Directors may undertake any services for the Society that the directors decide.

22.2 Directors are entitled to such remuneration as the members determine:

- (a) for their services to the Society as directors; and
- (b) for any other service which they undertake for the Society.

22.3 Subject to these articles, a director's remuneration may:

- (a) take any form; and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

22.4 Unless the members decide otherwise, directors' remuneration accrues from day to day.

22.5 Unless the members decide otherwise, directors are not accountable to the Society for any remuneration which they receive as directors or other officers or employees of the Society's subsidiaries or of any other body corporate in which the Society is interested.

23. **Directors' expenses**

23.1 The Society may pay any reasonable expenses which the directors and the Society secretary (if any) properly incur in connection with their attendance at (or returning from):

- (a) meetings of directors or committees of directors; or
- (b) general meetings,

or otherwise in connection with the business of the Society, the exercise of their powers and the discharge of their duties and responsibilities in relation to the Society.

24. **Secretary**

The directors may appoint any person who is willing to act as the secretary of the Society on such terms (including, but not limited to, term of office and remuneration) and subject to such conditions as they may think fit and from time to time remove such person and, if the directors determine, appoint a replacement secretary of the Society, in each case by a decision of the directors.

25. **Delegates**

- 25.1 Every member shall be entitled to appoint such number of delegates as equals the number of representative directors appointed by it.
- 25.2 Each member may remove any delegate nominated by it from office, such removal to take effect immediately upon receipt by the Society of a written notice to that effect, or at such later date as may be specified in the notice.
- 25.3 Each delegate shall retire on the fourth anniversary of the date of that delegate's appointment and, subject to article 25.4, may be re-appointed for no more than one further term of four years.
- 25.4 A delegate may also be a representative director. A delegate who is a designated representative director shall not be subject to a limit on the number of terms of four years that may be served as a delegate.
- 25.5 The rules in Part 4 of these articles relating to the decision making of members shall apply with such changes as necessary to the decision making of delegates, save that all matters shall be decided on a poll by reference to the number of votes attributable to the members appointing the delegates.
- 25.6 The delegates shall be entitled to exercise all of the powers of the member appointing them with respect to the Society under these articles, to the extent that it is lawful to do so, save that:
- (a) the delegates may not approve any amendments to these articles; and
 - (b) the members may from time to time impose restrictions on the exercise by the delegates of their powers; any such restrictions shall apply to all delegates equally and shall be made by special resolution of the members in general meeting.
- 25.7 The entitlement of the delegates to exercise the powers of the member appointing them shall be exercised collectively on behalf of that member.
- 25.8 Any delegate may request that any matter that is tabled for resolution by the delegates be referred to a meeting of the members.

26. **Supervisory Function**

- 26.1 The members shall establish a supervisory function that shall be referred to as the "**Supervisory Committee**" that shall continuously monitor the activities and the performance of the duties of the persons who manage the business of the Society. The Supervisory Committee shall consist of the delegates and, where the chairperson appointed under article 20.7 is a non-executive director, the chairperson.
- 26.2 The Supervisory Committee shall meet quarterly and shall report annually on its activities to the members in general meeting.
- 26.3 The Supervisory Committee shall be responsible for the reviewing the general performance of those directors who are involved in the management of the business of the Society and may, subject to article 6.3, consider and approve remuneration and other benefits of directors including without limitation pensions benefits and severance pay.

Part 3

Members - Becoming and ceasing to be a member

27. Applications for membership

27.1 The first members shall be:

- (a) The Publishers Association;
- (b) The Association of Learned and Professional Society Publishers; and
- (c) The Professional Publishers Association Limited (formerly the Periodical Publishers Association Limited).

27.2 Persons eligible for membership are entities who:

- (a) represent rightholders of works in which copyright or like or similar rights subsist under the laws of countries or states which are contracting parties to the Berne Convention or the WIPO Copyright Treaty; and
- (b) are a recognised trade association, properly established and registered as a body corporate under the laws of a member state of the European Union; and
- (c) are trading solvently and can be reasonably expected to continue to do so for at least 12 months; and
- (d) meet such further eligibility criteria for membership approved by the members and published from time to time on the Society's website

(the "**Eligibility Criteria**").

27.3 Any eligible person may apply to become a member of the Society. Such application must be made in writing signed on behalf of the applicant. The directors may require an applicant to supply such evidence as they deem appropriate to establish that the applicant meets the Eligibility Criteria.

27.4 The directors may accept or reject the application, and if they reject the application, they shall set out the reasons for refusal.

27.5 No organisation may be elected as a member by the directors, or otherwise admitted to membership, unless it has fulfilled the Eligibility Criteria, save that the directors may (at their discretion) admit to membership any organisation which has not fulfilled the Eligibility Criteria provided that the directors are satisfied that there are special circumstances in view of which it would be in the interests of the Society for that organisation to be admitted.

28. Termination of membership

28.1 A member may withdraw from membership of the Society by giving three months' notice to the Society in writing.

28.2 Membership is not transferable without the prior written permission of the Society.

28.3 A member's membership ceases if and when that member ceases to be eligible for membership under article 27.2 above.

- 28.4 A member's membership terminates when that member (in the case of an unincorporated association) ceases to exist or (in the case of a limited company) is liquidated (other than voluntary liquidation for the purposes of reconstruction or amalgamation) or ceases to trade.

Part 4

Decision-making by Members - Organisation of General Meetings

29. **Notice of general meetings**

- 29.1 A general meeting of the Society (other than an adjourned meeting) shall be called by notice of at least 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at that meeting of all the members.
- 29.2 Every notice convening a general meeting shall specify:
- (a) the place, the date and the time of the meeting;
 - (b) the general nature of the business to be dealt with at the meeting;
 - (c) if the meeting is convened to consider a special resolution, the text of the resolution and intention to propose the resolution as a special resolution; and
 - (d) with reasonable prominence, that a member is entitled to appoint another person (who does not have to be a member) as proxy to exercise all or any rights of that member to attend, speak and vote at the meeting.
- 29.3 The notice shall be given to the members (other than any who under the provisions of these articles or otherwise are not entitled to receive notice from the Society), to the directors and to the auditors and if more than one for the time being, to each of them.
- 29.4 Subject to the provisions of these articles, notice of a general meeting of the Society may be given:
- (a) in hard copy form; or
 - (b) in electronic form,
- or partly by one such means and partly by another and the provisions of article 40 (Society communications) shall apply accordingly.
- 29.5 The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person or persons entitled to receive the same shall not invalidate the proceedings at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.
- 29.6 A general meeting shall be convened at least once in each calendar year.

30. **Attendance and speaking at general meetings**

30.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

30.2 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

30.3 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

30.4 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

31. **Quorum for general meetings**

A quorum shall be formed when representatives of at least three members are present in person or by proxy. If there are less than three members at the relevant time, the quorum shall be at least one representative of each member, present in person or by proxy.

32. **Chairing general meetings**

32.1 If the directors have appointed a chairperson, the chairperson shall chair general meetings if present and willing to do so unless the members wish to appoint an alternative chair as the first business of the meeting.

32.2 If the directors have not appointed a chairperson, or if the chairperson is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

- (a) the directors present; or
- (b) (if no directors are present), the meeting

must appoint a director or member (which may include any proxy appointed by a member) to chair the meeting, and the appointment of the chairperson of the meeting must be the first business of the meeting.

32.3 The person chairing a meeting in accordance with this article is referred to as "the chairperson of the meeting".

33. **Attendance and speaking by directors and non-members**

33.1 Directors may attend and speak at general meetings, whether or not they are members.

33.2 The chairperson of the meeting may permit other persons who are not members of the Society to attend and speak at a general meeting.

34. **Adjournment**

34.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum or if during a meeting a quorum ceases to be present, the chairperson of the meeting must adjourn it.

34.2 The chairperson of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
 - (b) it appears to the chairperson of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 34.3 The chairperson of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 34.4 When adjourning a general meeting, the chairperson of the meeting must:
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 34.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Society must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- (a) to the same persons to whom notice of the Society's general meetings is required to be given; and
 - (b) containing the same information which such notice is required to contain.
- 34.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.
- 34.7 If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting (or if, during the meeting, a quorum ceases to be present), the meeting shall be dissolved.
35. **Voting: general**
- 35.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.
- 35.2 Subject to the provisions of the CA2006, on a vote on a resolution on a show of hands at a meeting, each member present in person has one vote. On a poll each member present in person or by proxy shall have one vote.
36. **Errors and disputes**
- 36.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 36.2 Any such objection must be referred to the chairperson of the meeting whose decision is final and conclusive.
37. **Demanding a poll and procedure on a poll**
- Model Article 30 shall apply to the Society.

38. **Proxy notices**
- 38.1 Model Article 31 (1) shall apply to the Society.
- 38.2 The Society may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 38.3 Proxy notices shall specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 38.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, provided that such discretion is exercised in a manner that is consistent with the instructions given in the proxy; and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself, but not any separate or subsequent meeting convened for the same purpose.
- 38.5 Model Article 32 shall apply to the Society.
39. **Amendments to Resolutions**
- Model Article 33 shall apply to the Society.

Part 5

Administrative Arrangements

40. **Society communications**
- 40.1 Subject to the provisions of the Acts (and save as otherwise provided in these articles), any document or information required or authorised to be sent or supplied by the Society to any member or any other person (including a director) pursuant to these articles, the Companies Acts or any other rules or regulations to which the Society may be subject, may be sent or supplied in hard copy form, in electronic form or in any other way in which documents or information may be sent or supplied by the Society pursuant to the Companies Acts.
- 40.2 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors 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.
- 40.3 The provisions of the CA2006 which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these articles or any other rules or regulations to which the Society may be subject, by making it available on a website.
- 40.4 The Society may send or supply any document or information to a member or any other person (including a director) pursuant to these articles, the Companies Acts or any other rules or regulations to which the Society may be subject, either personally, or by post in a prepaid envelope addressed to the member (or such other person) at its registered address or address for service, or by leaving it at that address or any other address for the time being notified to the Society by the member (or such other person) for the purpose, or by sending or supplying it using

- electronic means to an electronic address for the time being notified to the Society by the member (or such other person) for the purpose, or by any other means authorised in writing by the member (or such other person) concerned.
- 40.5 A member whose registered address is not within the United Kingdom and who gives the Society an address within the United Kingdom to which documents or information may be sent or supplied to it, or gives an electronic address to which documents or information may be sent or supplied using electronic means, shall be entitled to have documents or information sent or supplied to it at that address, but otherwise no such member shall be entitled to receive any document or information from the Society.
- 40.6 If on at least two consecutive occasions, the Society has attempted to send any document or information by electronic means to any address specified (or deemed specified) for the purpose and a delivery failure (or other similar) notification has been received by the Society, the Society thereafter shall send documents or information in hard copy form or electronic form (but not by electronic means) to such member at its registered address or address for service within the United Kingdom (whether by hand, by post or by leaving it or them at such address), in which case the provisions of article 40.7 shall apply.
- 40.7 If on three consecutive occasions, documents or information have been sent or supplied to any member at its registered address or address for service of such documents or information in the United Kingdom but have been returned undelivered, such member shall not thereafter be entitled to receive any documents or information from the Society until it shall have communicated with the Society and supplied in writing a new registered address or address within the United Kingdom for the service of documents or information or an electronic address to which documents or information may be sent or supplied using electronic means.
- 40.8 Any member present, in person or by proxy, at any meeting of the Society shall be deemed to have received due notice of such meeting and, where requisite, of the purpose for which such meeting was called.
- 40.9 Save as provided otherwise in these articles, any document or information addressed to a member (or other person to whom such document or information is required or authorised to be sent pursuant to these articles, the Companies Acts or otherwise) at its registered address or address for service (in the case of a member, in the United Kingdom) or electronic address, as the case may be, shall:
- (a) if hand delivered or left at a registered address or other address for service (in the case of a member, in the United Kingdom), be deemed to have been served or delivered on the day on which it was so delivered or left;
 - (b) if sent or supplied by post be deemed to have been received at the expiration of 48 hours after the envelope was posted;
 - (c) if sent or supplied by electronic means (other than by means of a website), be deemed to have been received (if sent or supplied between the hours of 9 a.m. and 5 p.m. on a working day) at the time it was sent, or (if sent or supplied at any other time) at 9 a.m. on the next following working day; and
 - (d) if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 40.10 In calculating a period of hours for the purpose of article 40.9, no account shall be taken of any part of a day that is not a working day.

- 40.11 A director may agree with the Society that 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 those set out in article 40.9.
- 40.12 Subject to article 40.7, in providing such service or delivery it shall be sufficient to prove that the envelope containing the document or information was properly addressed and put into the post in a prepaid envelope or, in the case of a document or information sent or supplied by electronic means, that it was sent or supplied in accordance with the guidance issued by the Institute of Chartered Secretaries and Administrators entitled "Electronic Communications with Shareholders 2007" (as such guidance is amended or updated from time to time).
- 40.13 The Society shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of article 40.8 to article 40.11 (inclusive) shall apply regardless of any document or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure.
41. **Society seals**
- 41.1 Any common seal may only be used by the authority of the directors or a committee of the directors.
- 41.2 The directors may decide by what means and in what form any common seal is to be used.
- 41.3 Unless otherwise decided by the directors, if the Society has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 41.4 For the purposes of this article, an authorised person is:
- (a) any director of the Society;
 - (b) the Society secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.
42. **No right to inspect accounts and other records**
- Except as provided by law or authorised by the directors or an ordinary resolution of the Society, no person is entitled to inspect any of the Society's accounting or other records or documents merely by virtue of being a member.
43. **Provision for employees on cessation of business**
- The directors may decide to make provision for the benefit of persons employed or formerly employed by the Society or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Society or that subsidiary.
44. **Indemnity and Funds**
- 44.1 Subject to article 44.2 (but otherwise to the fullest extent permitted by law) and without prejudice to any indemnity to which a relevant director may otherwise be entitled):
- (a) a relevant director, secretary or other officer (other than any person engaged as auditor) of the Society or an associated company shall be indemnified out of the Society's assets

against all or any part of any costs, charges, losses, expenses and liabilities incurred by that director secretary or other officer:

- (i) in the actual or purported exercise of that director's powers in relation to the affairs of the Society or associated company; and
 - (ii) in connection with the activities of the Society or an associated company in its capacity as a trustee of an occupational pension scheme; and
- (b) a relevant director, secretary or other officer (other than any person engaged as auditor) of the Society or any holding company shall be provided with funds to meet any expenditure incurred by that director as provided in Section 205 and/or Section 206, CA2006 (or enable that director to avoid incurring any such expenditure).

44.2 This article does not authorise any indemnity or provision of funds which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law, including (but not limited to) where any loss occurred as a result of a relevant director's, secretary's or other officer's wilful neglect or default.

45. **Insurance**

Subject to the provisions of the CA2006, the directors may in their absolute discretion decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any relevant director secretary or other officer (other than any person engaged as auditor) of the Society or associated company in respect of all or any part of any relevant loss.