

Company N°: 02884568

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

- of -

THE EQUITY RELEASE COUNCIL

(as incorporated on 4 January 1994 and adopted by Special Resolution on 10/10/22)

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PART 1: INTERPRETATION, FUNCTION, AND LIMITATION OF LIABILITY

1. DEFINED TERMS

In the articles, unless the context requires otherwise:

"**Act**" means the Companies Act 2006;

"**articles**" means the company's articles of association;

"**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;

"**Chair**" means the person appointed by the directors as Chair from time to time;

"**chair of the meeting**" has the meanings given in article 34;

"**Companies Acts**" means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the company;

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

"**document**" includes, unless otherwise specified, any document sent or supplied in electronic form;

"**electronic form**" has the meaning given in section 1168 of the Act;

"**member**" has the meaning given in section 112 of the Act;

"**member in good standing**" means a member whose membership fees are not overdue for payment and who has not been declared by the directors or any other authorised person(s) on behalf of the company to be at the relevant time currently in breach of the articles or any rules, by-laws or code of conduct of the company;

"**Model Articles**" means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended;

"**ordinary resolution**" has the meaning given in section 282 of the Act;

"**participate**", in relation to a directors' meeting, has the meaning given in article 13;

"**proxy notice**" has the meaning given in article 43;

"**special resolution**" has the meaning given in section 283 of the Act;

"**subsidiary**" has the meaning given in section 1159 of the Act; and

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

2. INTERPRETATION

- 2.1. Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the company.
- 2.2. Where an ordinary resolution of the company is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 2.3. The headings in the articles do not affect their interpretation or construction.
- 2.4. No regulations or model articles contained in any statute or subordinate legislation, including those contained in the Model Articles, apply as the articles of association of the company

3. FUNCTION OF THE COMPANY

- 3.1. The function and principal purpose of the company (its "Objects") is the promotion, development, and furtherance of:
 - 3.1.1. the observance of codes of practice for the release of equity from property;
 - 3.1.2. the understanding of, to organise, and the continuation of research in the principles and practice for the release of equity from property;
 - 3.1.3. associated objects in connection with all or any of the business of the members, financial advisers, agents and brokers, insurance brokers and consultants, banks, lenders and insurers and other financial and insurance institutions; and
 - 3.1.4. any other trade or business whatsoever which can in the opinion of the directors be advantageously carried on in connection with or ancillary to any of the business of the company.
- 3.2. Accordingly the company is a not-for-profit organisation.
- 3.3. In addition to any other powers it may have, the company has the following powers in order to further the Objects (but not for any other purpose):
 - 3.3.1. to raise funds;
 - 3.3.2. to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
 - 3.3.3. to sell, lease or otherwise dispose of all or any part of the property belonging to the company. In exercising this power, the company will ensure that any profit or proceeds from the disposal are for the use of the company in furthering its Object and no other purpose;
 - 3.3.4. to borrow money and to charge the whole or any part of the property belonging to the company as security for repayment of the money borrowed;
 - 3.3.5. to co-operate with trade associations, professional bodies, regulators, charities, voluntary bodies, statutory authorities and similar bodies and to exchange information and advice with them;
 - 3.3.6. to establish or support any charitable trusts, associations, committees, sub-committees, or institutions required to assist with furthering any of the purposes identified in the Objects;
 - 3.3.7. to set aside any income as a reserve against future expenditure in accordance with a written policy about reserves from time to time;
 - 3.3.8. to employ, remunerate and offer benefits (including any pension fund or retirement, death or disability scheme or other bonus or employee benefit scheme) to such staff as are necessary for carrying out the work of the company;

- 3.3.9. to:
- 3.3.9.1. deposit or invest funds;
 - 3.3.9.2. employ a professional fund manager;
 - 3.3.9.3. arrange for the investments or other property of the company to be held in the name of a nominee if required; and
 - 3.3.9.4. undertake transactions in, or involving, foreign currencies or hedging particularly in relation to overseas activities if appropriate;
- 3.3.10. to provide indemnity insurance for the directors in accordance with the articles;
- 3.3.11. to pay out of the funds of the company the costs of forming and registering the company;
- 3.3.12. to own and manage intellectual property rights for the benefit of the company including trademarks, design rights, domain names and all other intellectual property rights; and
- 3.3.13. to do all such other lawful things as are necessary for the achievement of the Objects.
- 3.4. The income and property of the company shall be applied solely towards the promotion of its Objects and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the company.
- 3.5. Provided that nothing herein shall prevent any payment in good faith by the company:
- 3.5.1. of reasonable and proper remuneration to any member, officer or servant of the company or to any company of which a director may also be a member, officer or servant for any services rendered to the company including reasonable and proper salary or fees for a director appointed to any office of the company;
 - 3.5.2. of interest on money lent by any member or director at a reasonable and proper rate per annum not exceeding 2 per cent less than the published bank lending rate of a clearing bank to be selected by the directors or 3 per cent whichever is the greater;
 - 3.5.3. of reasonable and proper rent for premises demised or let to the company; and
 - 3.5.4. to any director of reasonable and proper expenses, and any director who is a solicitor or other person engaged in any profession shall be entitled to charge and be paid all usual professional fees or other charges for work done by him or his firm when instructed by his fellow directors so to act in that capacity on behalf of the company.
- 3.6. If upon the winding-up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the company but shall be given or transferred to some other institution or institutions which shall be a charity or other body having objects similar to the Object and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the company under or by virtue of this article such institution or institutions to be determined by the members of the company at or before the time of dissolution and if and so far as effect cannot be given to such provision, then to some charitable object approved by the Charity Commission or its successor.

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 company in the event of its being wound up while they are a member or within one year after they cease to be a member, for:
- 4.1.1. payment of the company's debts and liabilities contracted before they cease to be a member;
 - 4.1.2. payment of the costs, charges and expenses of winding up; and
 - 4.1.3. adjustment of the rights of the contributories among themselves.

4.1.4. For the avoidance of doubt, the obligation of each member to contribute to the assets of the company in accordance with this article 4.1 is in addition to and represents a separate commitment on the part of each member to pay all membership and other sums due to the company from time to time.

PART 2: DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

5. DIRECTORS' GENERAL AUTHORITY

Subject to the Act and the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

6. MEMBERS' RESERVE 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. No alteration of the articles invalidates anything which the directors have done prior to the alteration.

7. DIRECTORS MAY DELEGATE

- 7.1. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
 - 7.1.1. to such person or committee;
 - 7.1.2. by such means (including by power of attorney);
 - 7.1.3. to such an extent;
 - 7.1.4. in relation to such matters or territories; and
 - 7.1.5. on such terms and conditions
as they think fit.
- 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 the 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 the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

9.1. The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article **Error! Reference source not found.**

9.2. If:

9.2.1. the company only has one director; and

9.2.2. no provision of the articles requires it to have more than one director

9.2.3. the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

10. PROPOSING A DIRECTORS' WRITTEN RESOLUTION

10.1. Any director may propose a directors' written resolution.

10.2. The company secretary must propose a directors' written resolution if a director so requests.

10.3. A directors' written resolution is proposed by giving notice of the resolution to the directors.

10.4. Notice of a proposed directors' written resolution must include:

10.4.1. the proposed resolution;

10.4.2. the time by which it is proposed that the directors should adopt it; and

10.5. the manner in which directors can indicate their agreement in writing to it, for the purposes of article **Error! Reference source not found.**

10.6. Notice of a proposed directors' written resolution must be given in writing to each director.

11. ADOPTION OF DIRECTORS' WRITTEN RESOLUTIONS

11.1. A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it or have otherwise indicated their agreement in writing to it, provided that those directors would have formed a quorum at such a meeting. A director indicates his agreement in writing to a proposed directors' written resolution when the company receives from him an authenticated document identifying the resolution to which it relates and indicating the director's agreement to the resolution, in accordance with section 1146 of the Act. Once a director has so indicated his agreement, it may not be revoked.

11.2. A director may sign or otherwise indicate his agreement to the written resolution before or after the time by which the notice proposed that it should be adopted.

11.3. Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.

12. CALLING A DIRECTORS' MEETING

12.1. Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

12.2. Notice of any directors' meeting must indicate:

12.2.1. its proposed date and time;

12.2.2. where it is to take place; and

12.2.3. 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.

12.3. Notice of a directors' meeting must be given to each director but need not be in writing.

12.4. Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

13. PARTICIPATION IN DIRECTORS' MEETINGS

13.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

13.1.1. the meeting has been called and takes place in accordance with the articles; and

13.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

13.2. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

13.3. 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.

14. QUORUM FOR DIRECTORS' MEETINGS

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

14.2. The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

14.3. 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:

14.3.1. to appoint further directors; or

14.3.2. to call a general meeting so as to enable the members to appoint further directors.

15. CHAIRING OF DIRECTORS' MEETINGS

15.1. If the Chair is participating in a director's meeting, the Chair shall chair that meeting.

15.2. If the Chair does not participate in a directors' meeting within ten minutes of the start time, the participating directors must appoint one of themselves to chair the meeting.

15.3. The person so appointed for the time being is known as the "chair of the meeting".

15.4. The directors may terminate the chair of the meeting's appointment at any time.

16. VOTING AT DIRECTORS' MEETINGS

16.1. Subject to the articles, a decision is taken at a directors' meeting by a majority of votes of participating directors.

16.2. Subject to the articles, each director participating in a directors' meeting has one vote.

17. CASTING VOTE AT DIRECTORS' MEETINGS

17.1. If the numbers of votes for and against a proposal are equal, the chair or other director chairing the meeting has a casting vote.

- 17.2. But this does not apply if, in accordance with the articles, the chair or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

18. CONFLICTS OF INTEREST

- 18.1. A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement between the company and/or an interested party shall declare the nature and extent of their interest to the other directors before the company enters into the transaction or arrangement.
- 18.2. The directors may authorise any matter proposed to them which would, if not so authorised, involve a breach of duty by a director under section 175 of the Act.
- 18.3. Any authorisation under article 18.2 will be effective only if:
- 18.3.1. any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other director interested in the matter under consideration; and
- 18.3.2. the matter was agreed to without such directors voting or would have been agreed to if such directors' votes had not been counted
- 18.4. A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable, unless the interest has already been declared under article 18.1.
- 18.5. Any declaration required by article 18.1 or article 18.2 may (but need not) be made:
- 18.5.1. at a meeting of the directors;
- 18.5.2. by notice in writing in accordance with section 184 of the Act; or
- 18.5.3. by general notice in accordance with section 185 of the Act.
- 18.6. If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made as appropriate.
- 18.7. A director need not declare an interest under this article 18 if:
- 18.7.1. it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 18.7.2. or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware);
- 18.7.3. or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for the purpose under the articles; or
- 18.7.4. the director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware).

19. CONFIDENTIAL INFORMATION

- 19.1. A director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person. In particular the director shall not be in breach of the general duties they owe to the company by virtue of sections 171 to 177 of the Act if they:
- 19.1.1. fail to disclose any such information to the directors or to any director or other officer or employee of the company; or
- 19.1.2. does not use or apply any such information in performing their duties as a director of the company.
- 19.2. However, to the extent that their relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this article 19.2 applies only if the existence of that relationship has been authorised by the directors or authorised by the members (subject, in any such case, to any terms upon which such authorisation was given).

19.3. Where the existence of a director's relationship with another person has been authorised by the directors or authorised by the members and their relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties they owe to the company by virtue of sections 171 to 177 of the Act if at their discretion or at the request or direction of the directors or any committee of directors they:

19.3.1. absent themselves from a meeting of directors or a committee of directors at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; or

19.3.2. makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by or on behalf of the company or for such documents and information to be received and read by a professional adviser on their behalf

for so long as they reasonably believe such conflict of interest (or possible conflict of interest) subsists.

19.4. The provisions of articles 19.3.1 and 19.3.2 are without prejudice to any equitable principle or rule of law which may excuse the director from:

19.4.1. disclosing information, in circumstances where disclosure would otherwise be required under the articles; or

19.4.2. attending meetings or discussions or receiving documents and information as referred to in article 18.5.1, in circumstances where such attendance or receiving such documents and information would otherwise be required under the articles.

20. RECORDS OF DECISIONS

20.1. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken by the directors:

20.1.1. of all appointments of officers made by the directors;

20.1.2. of every decision taken by the directors, including by written resolution, and any committee of the directors; and

20.1.3. of all proceedings of general meetings of the company and of the members of the company.

20.2. The company shall also keep records comprising copies of all resolutions of members passed otherwise than at general meetings and of details provided to the company of decisions taken by a sole member. All such records must be kept for at least 10 years from the date of the meeting or resolution or decision (as appropriate).

21. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the 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. Without limiting the generality of the foregoing, the directors have the authority and discretion to make, repeal and amend rules, regulations and bye-laws of the company from time to time to facilitate the better administration of the company on an ongoing basis.

APPOINTMENT OF DIRECTORS

22. NUMBER AND TENURE OF DIRECTORS

The number of directors to be achieved ongoing and thereafter at close of business at AGM 2023 unless determined otherwise by ordinary resolution, the number of directors shall be a maximum of three and a minimum of one.

Until then, a transitional phase adopted by resolution allows from AGM 2022 until AGM 2023 will phase a reduction in current board members in line with and such as allowing for the appointment of 2 non-executive directors in 2022.

The planned phasing will allow for 6 directors up to end of September 2022. Up to a maximum of 8 directors in October allowing for the appointment of 2 new non-executive directors to join. Up to a max of 6 directors November 2022 until AGM 2023 allowing for the resignation of 2 of the original transitional board members. Moving to a maximum 3 directors post AGM 2023 allowing for the resignation of the final 3 original transitional board members.

23. METHOD OF APPOINTING DIRECTORS

- 23.1. To maintain the independence of the Board of Directors (as defined by the UK Corporate Governance Code or any such other measure of independence as the directors may adopt), members of the 'company' and representatives of members of the Equity Release Council will not be permitted to seek appointment as a director.
- 23.2. Notwithstanding paragraph article 23.1, any person who is willing to act as a director, and is permitted by law to do so, shall be appointed to be a director through provision of an independent recruitment and appointment process.
- 23.3. The directors may from time to time and at any time appoint any person as a director to fill a casual vacancy or by way of addition to the company, provided that the prescribed maximum is not exceeded.

24. TERMINATION OF DIRECTOR'S APPOINTMENT

- 24.1. A person ceases to be a director as soon as:
 - 24.1.1. that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 24.1.2. a bankruptcy order is made against that person;
 - 24.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 24.1.4. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - 24.1.5. notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
 - 24.1.6. they have, for two consecutive meetings, been absent without permission of the directors from meetings of directors held during that period, and the directors resolve that that he should cease to be a director;
 - 24.1.7. in accordance with article 23.1, they accept and commence employment with a member of the 'company' or
 - 24.1.8. they are removed from office by notice addressed to them at their last known address and signed by all the other directors of the company.

25. DIRECTORS' REMUNERATION

- 25.1. Directors may undertake any services for the company that the directors decide.
- 25.2. Directors are entitled to such remuneration as the directors determine:
 - 25.2.1. for their services to the company as directors; and
 - 25.2.2. for any other service which they undertake for the company.
- 25.3. Subject to the articles, a director's remuneration may:
 - 25.3.1. take any form; and

25.3.2. 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.

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

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

26. DIRECTORS' EXPENSES

26.1. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

26.1.1. meetings of directors or committees of directors;

26.1.2. general meetings; or

26.1.3. separate meetings of the holders of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3: MEMBERS

BECOMING AND CEASING TO BE A MEMBER

27. APPLICATIONS FOR MEMBERSHIP

27.1. The number of members of the company shall be unlimited.

27.2. No organisation shall become a member of the company unless:

27.2.1. They have completed an application for membership in a format approved by the directors;

27.2.2. They fall within an eligible category of membership; and

27.2.3. Payment is made of any membership fee.

28. CATEGORIES OF MEMBERSHIP

28.1. Directors will establish different categories of membership and prescribe (and from time to time alter) the company's membership requirements, rights, and obligation. These categories of membership will be published in the company's byelaws and regularly reviewed to ensure relevance to the equity release sector and responsive to members' needs.

28.2. Directors may, from time to time and at its discretion, also introduce or remove voting and non-voting classes of membership.

29. TERMINATION OF MEMBERSHIP

29.1. A member whose membership fees are not in arrears and who has no other debts to the company may withdraw from membership of the company by giving not less than 6 months' notice to the company in writing or such shorter period as the directors approve and at the expiry of such notice period that member's membership shall cease.

29.2. Membership is not transferable .

29.3. An organisation's membership terminates when the organisation ceases to trade or exist , becomes insolvent or undergoes a change of control

29.4. A member shall cease to be a member if they are expelled from membership under rules or byelaws of membership including any code or codes governing the conduct of members and establishing standards of conduct expected of members by the company.

- 29.5. A member shall cease to be a member by a decision of the directors if any monies due to the company under these articles (including, but not limited to, membership fees) are not paid by that member within such period after the due date for payment as may be allowed by the directors.
- 29.6. For the avoidance of doubt a member shall remain liable to pay such proportion of the liabilities and expenses properly incurred by the company in carrying out its objects which such member has agreed to pay, and which have been incurred prior to such person ceasing to be a member.
- 29.7. Directors may terminate membership by notice in writing to that member for any of the following reasons:
- 29.7.1. The member no longer meets the membership criteria;
- 29.7.2. The member fails to comply with any provisions of these articles of the company's byelaws;
- 29.7.3. The member commits fraud or is guilty of any conduct likely to have a serious adverse effect on the company; and
- 29.7.4. The member materially changes their business activities.
- 29.8. A member whose membership is terminated under this article shall not be entitled to a refund of any subscription or membership fee.

30. HONORARY MEMBERSHIP

- 30.1. The directors shall have power to appoint Honorary Members of the company in recognition of special services rendered to the company for life or for such other period as shall be determined by the directors.
- 30.2. Honorary Members of the company shall have no vote at general meetings.
- 30.3. The directors shall have power:
- 30.3.1. to elect an Honorary President or Presidents and Vice President or Vice Presidents of the company for life or until resignation of office or is voted out of office by a majority of the directors; and
- 30.3.2. to approach suitable persons to be Patrons of the company for life or until such person shall resign such office or is voted out of office by a majority of the directors.
- 30.4. Such Honorary Members, Officers, and Patrons shall not be entitled to attend meetings of the directors but may attend if invited by the directors and shall be entitled to attend general meetings of the company but not to vote thereat and shall not count towards the quorum.

ORGANISATION OF GENERAL MEETINGS

31. CONVENING OF GENERAL MEETINGS

- 31.1. The directors may call general meetings and, on the requirement of members pursuant to the Act, shall call a general meeting (i) within 21 days from the date on which the directors become subject to the requirement, and (ii) to be held on a date not more than 28 days after the date of the notice convening the meeting.
- 31.2. A general meeting shall be held once a year which shall be designated the annual general meeting.
- 31.3. A general meeting (other than an adjourned meeting) shall be called by notice of at least 21 clear days. 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 at the meeting.
- 31.4. The notice shall specify the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting. If the meeting is convened to consider a special

resolution, the text of the resolution and the intention to propose the resolution as a special resolution shall also be specified.

31.5. Subject to the articles, the notice shall be given to all the members and to the directors and (if any) the auditors.

31.6. The accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to a meeting to, or the non-receipt of any such notice, document, or information by, a person entitled to receive any such notice, document or information shall not invalidate the proceedings at that meeting.

32. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

32.1. 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.

32.2. A person is able to exercise the right to vote at a general meeting when:

32.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

32.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

32.3. 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.

32.4. 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.

32.5. 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.

33. QUORUM FOR GENERAL MEETINGS

33.1. No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending do not constitute a quorum.

33.2. Pursuant to section 318 of the Act, two qualifying members present at a meeting are a quorum.

34. CHAIRING GENERAL MEETINGS

34.1. If the directors have appointed a chair, the chair shall chair general meetings if present and willing to do so.

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

34.2.1. the directors present; or

34.2.2. (if no directors are present), the meeting

must appoint a director or member to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

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

35. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS

35.1. Directors may attend and speak at general meetings, irrespective of their status as non-members of the company

- 35.2. The chair of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

36. ADJOURNMENT

- 36.1. 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 chair of the meeting must adjourn it.
- 36.2. The chair of the meeting may adjourn a general meeting at which a quorum is present if:
- 36.2.1. the meeting consents to an adjournment; or
 - 36.2.2. it appears to the chair 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.
- 36.3. The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 36.4. When adjourning a general meeting, the chair of the meeting must:
- 36.4.1. 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
 - 36.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 36.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company 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):
- 36.5.1. to the same persons to whom notice of the company's general meetings is required to be given; and
 - 36.5.2. containing the same information which such notice is required to contain.
- 36.6. 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.

VOTING AT GENERAL MEETINGS

37. VOTING: GENERAL

- 37.1. 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 the articles.
- 37.2. Subject to any rights or restrictions attached to any class of membership, whether or not such rights or restrictions are set out in the articles, on a vote on a resolution:
- 37.3. on a show of hands at a meeting every member in good standing present in person (or by proxy) and entitled to vote on the resolution shall have one vote; and
 - 37.4. on a poll taken at a meeting every member in good standing present in person (or by proxy) and entitled to vote on the resolution shall have one vote.
- 37.5. In the case of an equality of votes on a show of hands or a poll, the chair of the meeting shall be entitled to a casting vote.
- 37.6. The company is not obliged to verify that a proxy or representative of a member which is a corporation has acted in accordance with the terms of their appointment and any failure to so act shall not affect the validity of any proceedings at a meeting of the company.

38. ERRORS AND DISPUTES

- 38.1. 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.
- 38.2. Any such objection must be referred to the chair of the meeting whose decision is final.

39. CHAIR'S DECLARATION

Unless a poll is duly demanded, a declaration by the chair of the meeting that a resolution has or has not been passed or has or has not been passed by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of and against the resolution. An entry in respect of such a declaration in minutes of the meeting recorded in accordance with section 355 of the Act is also conclusive evidence of that fact without such proof.

40. POLL VOTES

- 40.1. A poll on a resolution may be demanded:
 - 40.1.1. in advance of the general meeting where it is to be put to the vote; or
 - 40.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 40.2. A poll may be demanded by:
 - 40.2.1. the chair of the meeting;
 - 40.2.2. the directors;
 - 40.2.3. two or more persons having the right to vote on the resolution; or
 - 40.2.4. a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- 40.3. A demand for a poll may be withdrawn if:
 - 40.3.1. the poll has not yet been taken; and
 - 40.3.2. the chair of the meeting consents to the withdrawal.

41. PROCEDURE ON A POLL

- 41.1. Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chair of the meeting directs.
- 41.2. The chair of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared
- 41.3. The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- 41.4. A poll on:
 - 41.4.1. the election of the chair of the meeting; ora question of adjournment, must be taken immediately.
- 41.5. A poll on any other question must be taken within 30 days of the poll being demanded.
- 41.6. A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.

- 41.7. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 41.8. In any other case, at least 7 clear days' notice must be given specifying the time, date and place at which the poll is to be taken.

42. APPOINTMENT OF PROXY

A member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the company.

43. CONTENT OF PROXY NOTICES

- 43.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
 - 43.1.1. states the name and address of the member appointing the proxy;
 - 43.1.2. identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 43.1.3. is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 43.1.4. is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 43.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 43.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 43.4. Unless a proxy notice indicates otherwise, it must be treated as:
 - 43.4.1. 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; and
 - 43.4.2. 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.

44. DELIVERY OF PROXY NOTICES

- 44.1. Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 44.2. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 44.3. Subject to articles 44.3 and 44.4, a proxy notice must be delivered to a proxy notification address at any time before the start of the general meeting or adjourned meeting to which it relates.
- 44.4. In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address at any time before the time appointed for the taking of the poll.
- 44.5. In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered:
 - 44.5.1. to a proxy notification address at any time before the time appointed for the taking of the poll to which it relates; or

- 44.5.2. at the meeting at which the poll was demanded, to the chair of the meeting, secretary (if any) or any director.
- 44.6. A proxy notice which is not delivered in accordance with this article 44 shall be invalid.
- 44.7. The directors may require the production of any evidence which they consider necessary to determine the validity of any proxy notice.

45. CORPORATE REPRESENTATIVES

In accordance with the Act, a corporation which is a member may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the company (a "representative"). A director, the company secretary or other person authorised for the purpose by the company secretary may require a representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

46. TERMINATION OF AUTHORITY

- 46.1. The termination of the authority of a person to act as proxy or as the duly authorised representative of a member which is a corporation does not affect whether he counts in deciding whether there is a quorum at a meeting, the validity of anything he does as chair of a meeting, the validity of a poll demanded by him at a meeting, or the validity of a vote given by that person unless notice of the termination is given in writing by or on behalf of the member by whom or on whose behalf the representative was appointed or the proxy notice was given and is received by the company at the office or, in the case of a proxy, the proxy notification address:
- 46.1.1. at any time before the start of the general meeting or adjourned meeting to which it relates;
- 46.1.2. (in the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded) at any time before the start of the general meeting or adjourned meeting to which it relates, or at the meeting at which the poll was demanded; or
- 46.1.3. (in the case of a poll taken more than 48 hours after it is demanded) at any time before the time appointed for taking the poll.

47. AMENDMENTS TO RESOLUTIONS

- 47.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 47.1.1. notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine); and
- 47.1.2. the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.
- 47.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 47.2.1. the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- 47.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 47.3. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.
- 47.4. A resolution of the members of the company may be passed as a written resolution in accordance with the Act.

PART 4: ADMINISTRATIVE ARRANGEMENTS

48. COMMUNICATIONS BY AND TO THE COMPANY AND BY AND TO THE DIRECTORS

- 48.1. Save where the articles expressly require otherwise, any notice, document, or information to be sent or supplied by or to the company pursuant to the Act, the articles or otherwise may be sent or supplied in accordance with the Act. Nothing in this article 48 affects any provision of the Act or any other legislation or any other provision of the articles requiring notices, documents, or information to be delivered in a particular way.
- 48.2. A notice, document or information sent by post from an address within the United Kingdom to another address within the United Kingdom is deemed to have been given to, and received by, the intended recipient:
- 48.2.1. 24 hours after posting, if pre-paid as first-class post; and
- 48.2.2. 48 hours after posting, if pre-paid as second-class post.
- 48.3. A notice, document or information sent by post between different countries is deemed to have been given to, and received by, the intended recipient 72 hours after posting, if pre-paid as airmail.
- 48.4. A notice, document or information not sent by post but delivered by hand (which shall, for the avoidance of doubt, include delivery by courier) to the intended recipient's registered address or address for service is deemed to have been given to, and received by, the intended recipient on the day it is left.
- 48.5. A notice, document or information sent by electronic means to an email address specified for the purpose by the intended recipient is deemed to have been given to, and received by, the intended recipient 24 hours after it was sent.
- 48.6. A notice, document or information sent or supplied by the company by means of a website is deemed to have been given to, and received by, the intended recipient when (i) the material was first made available on the website or (ii) if later, when the recipient received (or, in accordance with this article 48 is deemed to have received) notification of the fact that the material was available on the website.
- 48.7. A notice, document or information sent, served, or delivered by any other means authorised in writing by the recipient is deemed to have been sent when the sender has taken the action it has been authorised to take for that purpose.
- 48.8. Proof that an envelope containing the notice, document or information was properly addressed, pre-paid and posted or delivered is conclusive evidence that the notice, document, or information was so sent or supplied. Proof that a notice, document, or information sent or supplied by electronic means was properly addressed and sent is conclusive evidence that the notice, document, or information was so sent or supplied.
- 48.9. A member present at a meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

49. COMPANY SECRETARY

Subject to the Act, the company secretary (if any) shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit, and any company secretary so appointed may be removed by the directors.

50. COMPANY SEALS

- 50.1. Any common seal may only be used by the authority of the directors.
- 50.2. The directors may decide by what means and in what form any common seal is to be used.
- 50.3. Unless otherwise decided by the directors, if the company 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.

50.4. For the purposes of this article, an authorised person is:

50.4.1. any director of the company;

50.4.2. the company secretary (if any); or

50.4.3. any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

51. CHANGE OF NAME

The members may by special resolution change the name of the company.

52. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

53. 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 company 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 company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

54. INDEMNITY

54.1. Subject to paragraph 54.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:

54.1.1. any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;

54.1.2. any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and

54.1.3. any other liability incurred by that director as an officer of the company or an associated company.

54.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

54.3. In this article:

54.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

54.3.2. a "relevant director" means any director or former director of the company or an associated company.

55. INSURANCE

55.1. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

55.2. In this article:

55.2.1. a "relevant director" means any director or former director of the company or an associated company;

55.2.2. a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

55.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.