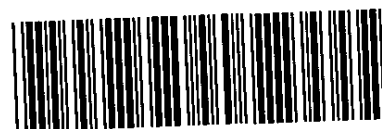


Company Number: 01985809



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13/07/2018
COMPANIES HOUSE

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

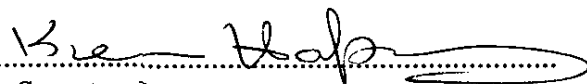
**THE SOLICITORS INDEMNITY MUTUAL INSURANCE ASSOCIATION
LIMITED**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following Resolution was passed as a special resolution by the Company on 3 July 2018 -

SPECIAL RESOLUTION

That :

- 1 the articles of association in the form attached to this resolution be adopted as the new articles of association of the Company in substitution for and in exclusion of any existing articles of association of the Company; and

Signed: 
[Company Secretary]
for **The Solicitors Indemnity Mutual Insurance Association**

Date: 12 July 2018

THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

of

THE SOLICITORS INDEMNITY MUTUAL

INSURANCE ASSOCIATION LIMITED

Company number 01985809

(as adopted by Special Resolution dated 3 July 2018)

1. GENERAL

In these Articles the words standing in the first column of the table below shall bear the meanings set opposite to them respectively in the second column if not inconsistent with the subject or context

Words	Meanings
'2006 Act'	the Companies Act 2006 including any statutory modification or re-enactment of it
'these Articles'	these Articles of Association as now framed or as altered from time to time by Special Resolution
'Association'	the Solicitors' Indemnity Mutual Insurance Association Limited
'Call'	a sum payable to the Association by a Firm in respect of Insurance pursuant to the Rules

'Certificate of Insurance'	a certificate issued by the Association pursuant to the Rules
'Chairman'	has the meaning given in Article 12
'Chairman of the Meeting'	means the Chairman, a Vice Chairman or any other Director who chairs a meeting or Director's meeting in accordance with these Articles
'Closed Policy Year'	means a Policy Year that the Directors shall have declared to be closed in accordance with the Rules
'Conflict'	has the meaning given in Article 14
'Director'	means a director of the Association, and includes any person occupying the position of director, by whatever name called
'Directors'	the Board of Directors for the time being of the Association or the Directors present at a duly convened meeting of Directors at which a quorum is present
'Document'	includes, unless otherwise specified, any document sent or supplied in electronic form
'Firm'	a sole practitioner, partnership (including for the avoidance of doubt a Scottish partnership), limited liability partnership of which a Member is a Principal as constituted from time to time carrying on a Practice or a Recognised Body which is or at any time has been insured by the Association
'Insurance'	includes re-insurance and cognate expressions shall be construed accordingly
'Managers'	the Managers for the time being of the Association
'Member'	every person who agrees to become a member of the

Association, and whose name is entered in its register of members

'Month'	calendar Month
'Open Policy Year'	means a previous or current Policy Year that is not a Closed Policy Year
'Period of Insurance'	the period specified as such in a Certificate of Insurance
'Policy Year'	Up to and including 31 August 2003 a year from any 1 September to the next following 31 August, the period from and including 1 September 2003 to 30 September 2004 shall constitute one policy year, and in relation to the period from and including 1 October 2004 a year from any 1 October to the next following 30 September
'Practice'	Practice as a solicitor or solicitors (including the acceptance of obligations as trustees) otherwise than in the course of employment under a contract of service
'Principal'	a partner, member or sole practitioner in a Firm, including any solicitor held out as a partner therein and a beneficial owner (whether of all or part) of a Recognised Body
'Proxy Notice'	has the meaning given in Article 32
'Recognised Body'	a body for the time being recognised under section 9 of the Administration of Justice Act 1985 and any amendment or successor thereto
'Risks'	The Risks as specified in the Rules from time to time

or in a Certificate of Insurance in respect of which a Firm is or at any time has been insured by the Association”;

‘Rules’	the Rules of the Association as from time to time amended and for the time being in force
‘Secretary’	includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of Secretary of the Association
‘Statutes’	the Companies Acts (as defined in section 2 of the Companies Act 2006) in so far as they apply to the Association
‘the United Kingdom’	Great Britain and Northern Ireland
‘Vice Chairman’ or ‘Vice Chairmen’	has the meaning given in Article 12
‘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

Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Association

Words importing the singular number only shall include the plural number and vice versa

Words importing the masculine gender only shall include the feminine gender

Words importing persons shall include corporations

2. BUSINESS

2.1 Without specifically restricting the objects of the Association its business is to carry on, generally without limitation, on the mutual principle or otherwise, insurance business including

- (a) the business of effecting and carrying out contracts of Insurance against the liability of any Member and of any Principal or employee of any Firm to pay damages, compensation and associated costs and expenses to third parties in respect of his negligence, breach of professional duty, breach of undertaking, dishonesty or otherwise whatsoever in respect of his actions in carrying out his profession, business or practice or the actions and omissions of employees, staff and agents and against any other risks the Insurance of which is customarily undertaken in conjunction with or is incidental to any such business or practice,
- (b) the Insurance generally, of Members and of any Principal or employee of any Firm against any liabilities incurred by them to third parties in respect of the carrying out of their profession, business or practice which are usually or properly covered by or included in Insurance contracts and so that every such Insurance shall be undertaken by the Association either as such or on behalf of the Members, or of any separate class of Members or of any such principal or employee as aforesaid and, in the last mentioned case, on terms that no Member of any other separate class shall be liable to contribute in respect thereof and to reinsure any risk so insured by the Association,
- (c) To sell, improve, manage, develop, exchange, grant rights in or over and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Association including without limitation, any such dealing or disposal on terms that are wholly or partly gratuitous or of a non-commercial nature; and
- (d) to do all such other things as are conducive or incidental to the attainment of the above objects

2.2 Any branch or kind of business which by these Articles is either expressly or by implication authorised to be undertaken by the Association may be so undertaken at such time or times as the Directors think fit, and further suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business

3. DIRECTORS

Directors' general authority

Subject to these Articles, the Directors are responsible for the management of the Association's business, for which purpose they may exercise all the powers of the Association

4. Members' reserve power

4 1 The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action

4 2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution

5. Directors may delegate

5 1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles

(a) to a Manager or Managers appointed by the Directors,

(b) to such person or committee,

(c) by such means (including by power of attorney),

(d) to such an extent,

(e) in relation to such matters or territories, and

(f) on such terms and conditions,

as they think fit

5 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

5 3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

6. Committees

6 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

6 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

7. DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7 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 8

7 2 If

(a) the Association only has one Director, and

(b) no provision of these Articles requires it to have more than one Director,

the general rule does not apply, and the Director may take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making

8. Unanimous decisions

8 1 A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter

8 2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing

8 3 References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting

8 4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting

9. Calling a Directors' meeting

9 1 Any director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice

9 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

9 3 Notice of a Directors' meeting must be given to each Director, but need not be in writing

9 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 Association 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

10. Participation in Directors' meetings

10 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 to the others any information or opinions they have on any particular item of the business of the meeting

10 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

10 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

11. Quorum for Directors' meetings

11 1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

11 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

11 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

(a) to appoint further Directors, or

(b) to call a general meeting so as to enable the Members to appoint further Directors

12. Chairing of Directors' meetings

12 1 The Directors may appoint a Director to chair their meetings

12 2 The person so appointed for the time being is known as the Chairman

12 3 The Directors may appoint one or more Directors to chair any of their meetings at which the Chairman is not participating

12 4 The persons so appointed for the time being shall be known as the Vice Chairmen

12 5 Only one Vice Chairman shall chair a Directors' meeting at any given time

12 6 If the Chairman is unwilling to chair the Directors' meeting or is not present within ten minutes of the time at which the Directors' meeting was due to start and the Directors have appointed one or more Vice Chairmen

(a) if only one Vice Chairman is participating, he shall chair the Directors' meeting, or

(b) if more than one Vice Chairman is participating, the participating Vice Chairman who is the longest serving Director shall chair the Directors' meeting

12 7 The Directors may terminate the appointment of the Chairman or any or all of the Vice Chairmen at any time

12 8 If the Chairman and all of the Vice Chairmen are not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it

13. Casting vote

13 1 If the numbers of votes for and against a proposal are equal, the Chairman, Vice Chairman or other Director chairing the meeting has a casting vote

13 2 But this does not apply if, in accordance with these Articles, the Chairman, Vice Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

14. Non-transactional conflicts

14 1 Subject to Article 14 7, a Director must avoid any situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Association, including situations which involve the exploitation of property, information or opportunities regardless of whether or not the Association could have exploited such circumstances or whether the Director has, in fact, exploited such circumstances (a 'Conflict')

14 2 The Directors are hereby empowered for the purposes of section 175 of the 2006 Act to authorise any Conflict that may arise and to amend or vary any such authorisation. Such authorisation shall be given by board resolution made in accordance with these Articles

14 3 Meetings called for the purpose of passing a board resolution under Article 14 2 shall only be valid and the consequent resolutions effective if

- (a) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and
- (b) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted

14 4 Any authorisation of a Conflict under this Article may (whether at the time of giving the authority or subsequently)

- (a) extend to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised,
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine, and
- (c) be terminated or varied by the Directors at any time but so that any such termination or variation shall not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation

14 5 Where the Directors authorise a Conflict

- (a) the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
- (b) the Director will not infringe any duty he owes to the Association by virtue of sections 171-177 of the 2006 Act provided he acts in accordance with such terms, limits and conditions as the Directors impose in respect of its authorisation

14 6 Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the Director

- (a) is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,
- (b) is not given any documents or other information relating to the Conflict, and/or

- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict

14 7 The duty in Article 14 1 will not be breached if

- (a) the circumstances giving rise to the Conflict or possible Conflict cannot reasonably be regarded as likely to result in a conflict of interest between the Director and the Association,
- (b) the specific Conflict is authorised by the Directors in accordance with this Article or by ordinary resolution,
- (c) the Conflict exclusively relates to the Director's status as a Director of, or to his other interests in, a subsidiary of the Association, or
- (d) the Conflict exclusively relates to the Director acting in a professional capacity for the Association or any of its subsidiaries, whether or not he is remunerated for it

14 8 Without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information in circumstances where disclosure may otherwise be required under these Articles, in authorising a Conflict the Directors may decide (whether at the time of giving the authority or subsequently) that if a Director has obtained any information through his involvement in the Conflict, otherwise than through his position as a Director of the Association and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to

- (a) disclose such information to any Director or other officer or employee of the Association, or
- (b) use or apply any such information in performing his duties as a Director,

where to do so would amount to a breach of that confidence

14 9 Subject to Articles 14 3-14 6, a Director with a Conflict shall continue to be entitled to receive notice of, attend, count towards the quorum of and vote at all Directors' meetings A Director with a Conflict may take such additional steps as may be

necessary or desirable for the purpose of managing such Conflict, including but not limited to

- (a) absenting himself from any Directors' meetings at which the relevant situation is considered, and
- (b) not reviewing documentation or information made available to Directors generally in relation to the Conflict and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documentation or information

14 10 A Director is required to disclose to the Directors all Conflicts of which he is aware upon his appointment as a Director as well as any changes to such Conflicts as soon as he becomes aware of them A notification to the Directors made in accordance with section 184 (declaration by way of written notice) or section 185 (general notice) of the 2006 Act is deemed adequate disclosure for the purposes of these Articles

14 11 The Directors shall maintain a register of all Directors' Conflicts The Directors shall also institute procedures for the ongoing identification and disposal of Conflicts in such a manner as they deem appropriate

15. Transactional conflicts

15 1 If a Director is in any way, directly or indirectly, interested in an actual transaction or arrangement that has been entered into by the Association or any of its subsidiaries, in a proposed transaction or arrangement with the Association, he must, subject to Article 15 2, declare the nature and extent of that interest to the other Directors

15 2 If a Directors' meeting, or part of a Directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Association and a Director has declared (whether at the meeting or by notice complying with the Statutes) that he is interested, directly or indirectly, in such actual or proposed transaction or arrangement, that Director is not (subject to any ordinary resolution of the Members to the contrary) to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes

15 3 Subject to Article 15 4, 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 Chairman of the Meeting whose ruling in relation to any Director other than himself is to be final and conclusive

15 4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman of the Meeting, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman of the Meeting is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

15 5 For the purposes of these Articles an interest of a Director shall be determined in accordance with sections 820-826 of the 2006 Act and includes an interest of a person who is connected with a Director as set out in sections 252-255 of such Act

15 6 The duty in Article 15 1 will not be breached if

- (a) the circumstances giving rise to the Conflict or possible Conflict cannot reasonably be regarded as likely to result in a conflict of interest between the Director and the Association,
- (b) the specific Conflict is authorised by the Directors in accordance with this Article or by ordinary resolution,
- (c) the Conflict exclusively relates to the Director's status as a director of, or to his other interests, in a subsidiary of the Association, or
- (d) the Conflict exclusively relates to the Director acting in a professional capacity for the Association or any of its subsidiaries

16. Records of decisions to be kept

The Directors must ensure that the Association 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

17. 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

18. Number of Directors

Unless otherwise determined by the Association by ordinary resolution, the number of Directors shall not be less than two nor more than fifteen

19. Methods of appointing Directors

19 1 Any person who is willing to act as a Director, and is permitted by law to do so, may subject to the following provisions of this Article be appointed to be a Director

- (a) by ordinary resolution, or
- (b) by a decision of the Directors

19 2 No person shall be eligible for appointment as a Director unless

- (a) he is or has been a Principal in a Firm insured by the Association, and
- (b) he has obtained the approval of the Financial Services Authority or its successor to act as a Director

19 3 No Manager shall be eligible for appointment as or capable of holding the office of a Director

19 4 An appointment in accordance with this Article may only be made if taking into account such appointment the maximum number of Directors fixed by or in accordance with these Articles would not thereby be exceeded

19 5 A Director appointed in accordance with this Article shall hold office only until the general meeting following next after his appointment, when he shall retire, but shall then be eligible for re-appointment by the Association at that general meeting

19 6 At every annual general meeting any Directors

- (a) who have been appointed by the Directors since the last annual general meeting, or
- (b) who were not appointed or reappointed at one of the preceding two annual general meetings,
- (c) must retire from office and may offer themselves for reappointment by the Members

20. Termination of Director's appointment

20.1 A person ceases to be a Director as soon as

- (a) that person ceases to be a director by virtue of any provision of the 2006 Act or is prohibited from being a Director by law,
- (b) the person ceases to have to approval of the Financial Services Authority to act as a Director,
- (c) a bankruptcy order is made against that person,
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (e) 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,
- (f) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (g) notification is received by the Association from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms, or
- (h) he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors on the affairs of the Association) from

meetings of the Directors for a consecutive period of twelve Months and the Directors resolve that his office shall be vacated

20 2 A resolution by the Directors to remove a Director is duly passed subject to the following procedure having been followed

- (a) The vote in favour of such resolution is passed by at least 75% of the Directors present excluding the Director whose removal is the subject of the resolution,
- (b) The Director has been given the opportunity to be heard on the resolution at the meeting,
- (c) Where notice is given of the intended resolution to remove him as a Director and he makes with respect to it representations in writing to the Directors (not exceeding a reasonable length) and requests their notification to the Directors, the Directors shall, unless the representations are received by them less than seven days before the date of the meeting
 - (1) in the notice of the meeting state the fact of representations having been made, and
 - (2) send a copy of the representations to every Director to whom notice of the meeting is sent (whether before or after receipt of the representations by the Directors)
- (d) If the copy of the representations is not sent as required above because it is received less than seven days before the date of the meeting or because of the Directors' default, the Director concerned may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting
- (e) Copies of the representations need not be sent out and the representations may not be read out at the meeting if, on the application of either the Company or any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused
- (f) The office of a Director shall be vacated immediately before the general meeting of the Association following the end of a Policy Year in which the

Firm in which he is a Principal has served notice on the Association that it does not wish to renew its Insurance for the following Policy Year or otherwise ceases to be insured by the Association For the avoidance of doubt this provision shall not apply in the period during which Insurance by the Association is in run-off

21. Directors' remuneration

21 1 Any Director (or any firm, company or consultancy of which a Director is a Member or employee) may enter into a contract with the Association to supply goods or services in return for a payment or other material benefit but only if

- (a) the goods or services are actually required by the Association and it is in the interest of the Association to employ or contract with the relevant Director (or any firm or company of which such Director is a Member or employee) for the supply of goods and services, rather than with someone unconnected with the Association,
- (b) in reaching their decision, the Directors have balanced the advantages of employing or contracting with such Director against the disadvantages of doing so

21 2 The Directors shall also be entitled to be paid all travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including the expenses of travelling to and from meetings of the Directors or General Meetings

MEMBERSHIP

22. Applications for membership

22 1 The Association shall consist of an unlimited number of Members

22 2 Each of those Principals, not exceeding four in number, in a Firm whose application for Insurance by the Association is accepted in accordance with the Rules and who is/are nominated for membership of the Association by that Firm shall, if he is a Principal on the date of the commencement of the Period of Insurance and is not

already a Member, be and become a Member as from the date of the commencement of the Period of Insurance and his name shall be entered in the register of members Where a Firm has nominated more than one Principal as a Member the Principals so nominated shall be and become joint Members and their names shall be entered as such in the register of members A Recognised Body whose application for Insurance by the Association is accepted in accordance with the Rules and which applies for membership of the Association shall become a Member as from the date of commencement of the Period of Insurance and its name shall be entered in the register of members

22 3 Subject to Article 22 5, and Article 41 6 no person other than a Principal or a Recognised Body shall be a Member or be eligible to apply for membership in the Association

22 4 Applications for membership in the Association shall be in such form as the Directors may from time to time determine The Directors shall be at liberty to refuse any application from any person for membership of the Association

22 5 Membership shall not be transferable nor transmissible

23. Cessation of Membership

A Member shall cease to be a Member ipso facto

23 1 *upon his death or bankruptcy or upon a receiving order being made against him or upon him making any composition or arrangement with his creditors or upon him becoming incapable by reason of mental disorder of managing and administering his property and affairs or in the case of a Recognised Body upon being wound up or dissolved, or*

23 2 subject to Article 43 1, if for the period of one year he has ceased to be a Principal in the Firm which holds a current Policy

provided always that such Member, his estate and legal personal representatives shall be and remain liable to pay to the Association all such calls, contributions and moneys as under these presents or the Rules such Member is expressed to be liable to pay

ORGANISATION OF GENERAL MEETINGS

24. Attendance and speaking at general meetings

- 24 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
- 24 2 A person is able to exercise the right to vote at a general meeting when
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) 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
- 24 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
- 24 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
- 24 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

25. Quorum for general meetings

No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

26. Chairing general meetings

- 26 1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so
- 26 2 If the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which the meeting was due to start and the Directors have appointed one or more Vice Chairmen

- (a) if only one Vice Chairman is participating, he shall chair the meeting, or
- (b) if more than one Vice Chairman is participating, the participating Vice Chairman who is the longest serving Director shall chair the meeting

26 3 If the Directors have not appointed a Chairman or a Vice Chairman, or if neither the Chairman nor any of the Vice Chairmen are willing to chair the meeting or are 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 to chair the meeting, and the appointment of the Chairman of the Meeting must be the first business of the meeting

27. Attendance and speaking by Directors and non-Members

27 1 Directors may attend and speak at general meetings, whether or not they are Members

27 2 The Chairman of the Meeting may permit other persons who are not Members to attend and speak at a general meeting

28. Adjournment

28 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 Chairman of the Meeting must adjourn it

28 2 The Chairman 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 Chairman 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

28 3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting

- 28 4 When adjourning a general meeting, the Chairman 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
- 28 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Association 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 Association's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain
- 28 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

29. Voting — general

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

30. Errors and disputes

- 30 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
- 30 2 Any such objection must be referred to the Chairman of the Meeting whose decision is final

31. Poll votes

- 31 1 A poll on a resolution may be demanded
- (a) in advance of the general meeting where it is to be put to the vote, or

- (b) 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

31 2 A poll may be demanded by

- (a) the Chairman of the Meeting,
- (b) the Directors,
- (c) two or more persons having the right to vote on the resolution, or
- (d) 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

31 3 A demand for a poll may be withdrawn if

- (a) the poll has not yet been taken, and
- (b) the Chairman of the Meeting consents to the withdrawal

31 4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs

32. Content of Proxy Notices

32 1 Proxies may only validly be appointed by a notice in writing (a 'Proxy Notice') which

- (a) states the name and address of the Member appointing the proxy,
- (b) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed,
- (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine, and
- (d) is delivered to the Association in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate

32 2 The Association may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes

32 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

32 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, 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

33. Delivery of Proxy Notices

33 1 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 Association by or on behalf of that person

33 2 An appointment under a Proxy Notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given

33 3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates

33 4 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

34. Amendments to resolutions

34 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if

(a) notice of the proposed amendment is given to the Association 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 Chairman of the Meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution

34.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if

(a) the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

34.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

MISCELLANEOUS PROVISIONS

35. Means of communication to be used

35.1 Subject to these Articles, anything sent or supplied by or to the Association under these Articles may be sent or supplied in any way in which the 2006 Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Association

35.2 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

35.3 A Director may agree with the Association that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

36. No right to inspect accounts and other records

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

37. 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 Association 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

38. Indemnity

38 1 Subject to paragraph 38 2, a relevant Director of the Association or an associated company may be indemnified out of the Association's assets against

- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Association or an associated company,
- (b) any liability incurred by that Director in connection with the activities of the Association or an associated company in its capacity as a trustee of an occupational pension scheme, and/or
- (c) any other liability incurred by that Director as an officer of the Association or an associated company

38 2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Statutes or by any other provision of law

38 3 In this Article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a 'relevant Director' means any Director or former Director of the Association or an associated company

39. Insurance

39 1 The Directors may decide to purchase and maintain Insurance, at the expense of the Association, for the benefit of any relevant Director in respect of any relevant loss

39 2 *In this article*

- (a) *a 'relevant director' means any Director or former Director of the Association or an associated company,*
- (b) *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 Association, any associated company or any pension fund or employees' share scheme of the Association or associated company, and*
- (c) *companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate*

40. Rules

- 40 1 *The Rules at the date of adoption of these Articles shall be and remain in force subject to any alterations thereto or additions therein made as herein provided and shall be incorporated in every contract of insurance made by the Association*
- 40 2 *The Directors may by resolution adopt and alter the Rules (whether by addition, deletion, variation or substitution) in such manner as they in their discretion consider fit, provided that any such alteration shall be notified in writing to each of the Members and shall only be effective in relation to Periods of Insurance commencing after the date of such notification*
- 40 3 *The Rules may, notwithstanding any other provision of these Articles, be amended by ordinary resolution with effect from the Period of Insurance next following the passage of that Resolution*
- 40 4 *The Rules shall provide inter alia for the calculation and payment of Calls in respect of Insurances effected by the Association*
- 40 5 *Notwithstanding anything contained in these Articles or the Rules, the Directors shall have power by resolution to limit or extend the Insurance afforded by the Rules The power to extend the Insurance afforded by the Rules may be applied retrospectively in individual cases which the Directors in their discretion consider to be borderline cases and where they consider the Firm should be insured*

40 6 The Directors may by resolution alter the Rules with immediate effect through the passing of the following resolution:

“the Rules of the Association applicable at any time be and they are hereby amended by the insertion of the following new Rule 1A after the existing Rule 1:

With effect on and from the effective date of the scheme providing for the transfer of the insurance business of the Association to R&Q Gamma Company Limited pursuant to Part VII of the Financial Services and Markets Act 2000 (the “Scheme”) all rights and powers of the Association under the Rules and the Articles including all such rights and powers in relation to Calls shall continue to apply as if all Firms, Insureds and Insured Firms which were at any time insured by the Association were still insured by the Association following the transfer of the insurance business of the Association under the Scheme. If there is any conflict between the provisions of this Rule 1A and any other provision in the Rules, the provisions of this Rule 1A shall prevail and the Rules shall apply as amended by this Rule 1A.”

41. Insurance and Contributions

41 1 An account shall be maintained by the Association in respect of the Insurance business of the Association to which shall be debited all payments necessarily or properly made by or on behalf of the Association in connection with the Risks including all payments of claims, expenses and other outgoings There shall also be debited to each such account the general expenses of the Association as the Directors may determine

41 2 The funds necessary to meet the amounts debited to the account referred to in Article 41 1 and the funds thought proper to meet, provide for and reserve against outstanding anticipated and future claims, expenses and outgoings of the Association (including such sums as the Association may be required by any governmental legislation or regulation to set aside to provide an adequate solvency margin or guarantee fund in respect of each Policy Year) shall be provided by contributions to be made by the Firms in accordance with the Rules The Directors shall have the power from time to time to direct that contributions shall be paid to the Association at such time and in such amount as the Directors shall consider

necessary or expedient Any such contributions may be made payable in one amount or by instalments

- 41 3 Every engagement or liability of a Member in respect of any Insurance shall for all purposes relating to enforcing such engagement or liability be deemed to be an engagement or liability by or on the part of such Member to the Association, and not to any other Member or other person and all moneys payable thereunder shall be paid to the Association
- 41 4 All claims in respect of Insurance shall be made and enforced against the Association only, and not against any Member The Association shall not be liable to any Member or other person for the amount of any loss, claim or demand, except to the extent of the funds which the Association is able to recover from the Members or other persons liable for the same and which are applicable to that purpose
- 41 5 The Directors may in their discretion determine that no claim by a Firm shall be met by the Association unless and until the Firm shall have paid all outstanding Calls in accordance with the Rules
- 41 6 The Directors may, notwithstanding the provisions of these Articles or of the Rules, accept or vary applications for Insurance upon such special terms as to Calls or other contribution and as to the nature and extent of the Risks covered and otherwise howsoever as they may think fit In addition the Directors may accept for Insurance by the Association applications for re-insurance from other associations or insurers carrying on solicitors' indemnity Insurance business and in any such case may require that such other insurer or the Members of such association (or any one or more of them) become Members The Directors may also re-insure the whole or any portion of the Risks assumed by the Association upon such terms as they may think fit
- 41 7 The Directors may at any time resolve that a Member whose Firm, or a Member, which is a Recognised Body makes a default in the payment of Calls or any other sum due to the Association shall cease to be a Member
- 41 8 The Directors may, upon payment of such amount to the Association or upon such other terms as they shall think proper, release any Member or former Member and, in each case, the Firm of which he is a Principal from liability to pay further Calls in respect of any present or former Policy Year

42. Division of Reserves

Moneys standing to the credit of any reserve may, on the recommendation of the Directors (but not otherwise), be applied for any purpose for which such funds may be properly applied even though the sum be paid in respect of a different Policy Year or Years from that from which the funds originated or subject to the relevant provisions of the Rules may be divided amongst the Members (including for the purposes of this Article, if thought fit, former Members), in such proportions and on such terms and conditions as may be provided by the Rules or as the Members (excluding any former Members) may by Special Resolution determine

43. Winding Up

43 1 At any time the Directors or, by Ordinary Resolution, the Members may declare that the business of the Association is to be wound down or terminated. No person who is a Member at the date of such declaration shall thereafter cease to be a Member by reason of Article 23 2

43 2 In the event of such declaration or of the winding up of the Association, after its liabilities have been satisfied the remaining assets of the Association shall be distributed by reference to the Distribution Proportions of each eligible Firm

43 3 A Firm shall be eligible and entitled to participate in a distribution to be made pursuant to this Article if, prior to the transfer of the Association's liabilities under Part VII of the Financial Services and Markets Act 2000, the Firm has paid its full share of the Supplementary Call of £6 million invoiced on 26 September 2016

43 4 The Distribution Proportion of an eligible Firm shall be equal to the percentage (to four decimal places) of that Firm's contribution to the Supplementary Call of £6 million invoiced on 26 September 2016, with such rounding as the Directors consider appropriate

43 5 The distribution to which a Firm is entitled by reason of this Article may, in the absolute discretion of the Directors or of the Liquidator of the Association, be paid to the Finance Director or similar office holder at the Firm. Receipt by the Finance Director or similar office holder at the Firm shall be a good discharge of the obligations to such Firm of the Association and its Directors or its Liquidator and they

shall not be required to take notice of any trust, partnership agreement or other arrangement which may exist between such Firm and such recipients

44. Member contributions

Every Member undertakes to contribute to the assets of the Association in the event of the same being wound up during the time that he is a Member, or within one year of him ceasing to be a Member, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a Member, and the costs, charges and expenses of winding up the same, and for adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding five pounds