

THE COMPANIES ACT 2006
PRIVATE SOCIETY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
BADGER FACE TEXEL SOCIETY LIMITED

INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

Appointor: has the meaning given in article 16(1);

Articles: means the Society's articles of association for the time being in force;

Bankruptcy: includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in Northern Ireland) when banks in Belfast are open for business;

Bye-Laws: means the rules and regulations of the Society as from time to time determined by the Management Committee.

Conflict: means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Society;

director: means a director of the Society 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;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 11, any director whose vote is not to be counted in respect of the particular matter);

Management Committee: a committee of Members of the Society to manage the affairs of the Society in accordance with the Bye-Laws.

Member: means a person whose name is entered in the Register of Members of the Society and **Membership** shall be construed accordingly; and

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 prior to the date of adoption of these Articles and reference to a numbered "**Model Article**" is a reference to that article of the Model Articles;

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

participate: in relation to a director's meeting, has the meaning given in Model Article 10;

proxy notice: has the meaning given in Model Article 31;

secretary: means the secretary of the Society and any other person appointed to perform the duties of the secretary of the Society, including a joint, assistant or deputy secretary;

Society: means Badger Face Texel Society Limited;

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

subsidiary: has the meaning given in section 1159 of the Act;

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.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Society, except in so far as they are modified or excluded by these Articles.
- 1.8 The following Model Articles shall not apply to the Society:
- (a) 1 (Defined terms);
 - (b) 2 (Liability of Members);
 - (c) 8 (Unanimous decisions);
 - (d) 9(1) and (3) (Calling a directors' meeting);
 - (e) 11(2) and (3) (Quorum for directors' meeting);
 - (f) 13 (Casting vote);
 - (g) 14 (1), (2), (3) and (4) (Conflicts of interest);
 - (h) 17(2) (Methods of appointing directors);
 - (i) 21 (Applications for membership);
 - (j) 22 (Termination of membership);
 - (k) 30(2) (Poll votes);
 - (l) 31(1)(d) (Content of proxy notices);
 - (m) 35 (Society seals);
 - (n) 38 (Indemnity);

(o) 39 (Insurance).

1.9 Model Article 3 (Directors' general authority) shall be amended by the insertion of the words "in accordance with its objects" after the words "the management of the Society's business".

1.10 Model Article 7 (Directors to take decisions collectively) shall be amended by:

(a) the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and

(b) the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

1.11 Model Article 20 shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".

2. OBJECT

The object for which the Society is established is to promote the science and practice of agriculture by encouraging and improving Badger Face Texel Sheep (hereinafter called "Badger Face Texels" which includes sheep known as "Dassenkop" in their country of origin or elsewhere) by breeding, proportion, management and by encouraging their use, appreciation, well-being and protection in the United Kingdom and Ireland.

3. POWERS

In pursuance of the object set out in article 2, the Society has the power to:

(a) buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Society;

(b) borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Society's property and assets;

(c) invest and deal with the funds of the Society not immediately required for its operations in or upon such investments, securities or property as may be thought fit;

(d) subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;

- (e) lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Society may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any Society, firm or person including any holding company or subsidiary;
- (f) lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
- (g) pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Society and to contract with any person, firm or Society to pay the same;
- (h) enter into contracts to provide services to or on behalf of other bodies;
- (i) provide and assist in the provision of money, materials or other help;
- (j) open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- (k) incorporate subsidiary companies to carry on any trade;
- (l) support the production and publication of a flock book for the registration of pedigrees of Badger Face Texels within the United Kingdom and Ireland;
- (m) define the correct characteristics of Badger Face Texels;
- (n) aim to ensure that all animals meet the specified requirements in registration procedures, shows, sales and breed promotions;
- (o) promote and encourage the keeping to Badger Face Texels within the United Kingdom and Ireland by means of shows, sales, exhibitions, advertisement, publicity materials or any other appropriate means;
- (p) provide help, advice and support to members, and to collect and disseminate information by any means beneficial to the Society or its Members;
- (q) promote meetings of Members to exchange ideas and information;
- (r) cooperate with or affiliate to any organisation in furtherance of the objects set out in article 2; and
- (s) do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

4. INCOME

4.1 The income and property of the Society from wherever derived shall be applied solely in promoting the Society's objects.

4.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Society of:

- (a) reasonable and proper remuneration to any Member, officer or servant of the Society for any services rendered to the Society;
- (b) any interest on money lent by any Member or any director at a reasonable and proper rate;
- (c) reasonable and proper rent for premises demised or let by any Member or director; or
- (d) reasonable out-of-pocket expenses properly incurred by any director.

5. WINDING UP

On the winding-up or dissolution of the Society, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Society. Such body to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the directors at or before the time of winding up or dissolution.

6. GUARANTEE

The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Society in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for

- (a) payment of the Society's debts and liabilities contracted before he ceases to be a Member,
- (b) payment of the costs, charges and expenses of the winding up, and
- (c) adjustment of the rights of the contributories among themselves.

DIRECTORS

7. POWERS OF THE BOARD OF DIRECTORS

7.1 The business of the Society shall be managed by the board of Directors which may delegate any of their powers or functions to the Management Committee on the terms set out in the Bye-Laws.

7.2 The board may impose conditions when delegating, including conditions that no expenditure may be incurred on behalf of the Society except in accordance with a budget previously agreed with the board.

7.2 The board may revoke or alter a delegation at any time.

7.3 All acts and proceedings of the Management Committee must be fully and promptly reported to the board.

8. UNANIMOUS DECISIONS

8.1 A decision of the directors is taken in accordance with this article when all 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, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

8.3 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 not less than 10 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the secretary (if any) to give such notice.

9.2 Notice of a directors' meeting shall be given to each director in writing.

9.3 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

10. QUORUM FOR DIRECTORS' MEETINGS

10.1 The quorum for the transaction of business at a meeting of directors shall be a minimum of one director and a sole director shall have all powers, duties and discretions conferred on or vested in the directors by these Articles.

11. CASTING VOTE

- 11.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.

12. DIRECTORS' CONFLICTS OF INTEREST

- 12.1 Subject to Article 12.2, notwithstanding the fact that a proposed decision of the Directors concerns or relates to any matter in which a Director has, or may have, directly or indirectly, any kind of interest whatsoever, that Director may participate in the decision-making process for both quorum and voting purposes.
- 12.2 If the Directors propose to exercise their power under Section 175(4)(b) of the Act to authorise a Director's conflict of interest, the Director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 12.3 Subject to the provisions of the Act, and provided that (if required to do so by the said Act) he has declared to the Director the nature and extent of any direct or indirect interest of his, a Director notwithstanding his office:
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Society or in which the Society is otherwise interested;
 - (b) may be a Director or other officer or an employee of, or a party to any transaction or arrangement with, otherwise interested in, any subsidiary of the Society or body corporate in which the Society is interested; and
 - (c) is not accountable to the Society for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement or is liable to be avoided on the ground of any such remuneration, benefit or interest.

13. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

14. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum.

15. DEATH OR BANKRUPTCY OF SOLE MEMBER DIRECTOR

In any case where, a Member dies or becomes bankrupt and the Society has no Members and no directors, the person(s) who is entitled to that Membership under *article 22.4* has the right, by notice in writing, to appoint a natural person (including the appointor himself), who is willing to act and permitted to do so, to be a director of the Society.

16. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

16.1 Any director (other than an alternate director) (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the Appointor.

16.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Society signed by the Appointor, or in any other manner approved by the directors.

16.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

17. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

17.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the Appointor.

17.2 Except as the Articles specify otherwise, alternate directors are:

- (a) deemed for all purposes to be directors;
- (b) liable for their own acts and omissions;
- (c) subject to the same restrictions as their Appointors; and
- (d) not deemed to be agents of or for their Appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a Member.

- 17.3 A person who is an alternate director but not a director:
- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
 - (b) may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
 - (c) shall not be counted as more than one director for the purposes of *article 17.3*.
- 17.4 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors (provided that an Appointor for whom he exercises a separate vote is an Eligible Director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 17.5 An alternate director may be paid expenses and may be indemnified by the Society to the same extent as if he were a director but shall not be entitled to receive any remuneration from the Society for serving as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Society from time to time direct.

18. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Society in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate director's Appointor ceases to be a director for whatever reason.

19. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

20. CHANGE OF SOCIETY NAME

The name of the Society may be changed by:

- (a) a decision of the directors; or
- (b) a special resolution of the Members,

or otherwise in accordance with the Act or the Bye-Laws.

MEMBERS: BECOMING AND CEASING TO BE A MEMBER

21. MEMBERSHIP

21.1 The Society shall admit to Membership an individual or organisation which:

- (a) applies to the Society using the application process approved by the directors and/or set out in the Bye-Laws; and
- (b) is approved by the Management Committee and/or the directors.

A letter shall be sent to each successful applicant confirming their Membership of the Society and the details of each successful applicant shall be entered into the Register of Members by the secretary.

21.2 An applicant for Membership must be proposed by a director and such proposal must be seconded by another director.

21.3 The directors may in their absolute discretion decline to accept any application for Membership and need not give reasons for doing so.

21.4 The directors may prescribe criteria for Membership of the Society but shall not be obliged to accept persons fulfilling those criteria as Members.

21.5 All Members must pay to the Society:

- (a) a joining fee upon becoming a Member of the Society (in accordance with the terms in the Bye-Laws); and
- (b) an annual subscription fee, payable in advance on 1st August each year to be decided at the Annual General Meeting each year.

21.6 The directors may establish different classes of Members and set out the different rights and obligations for each class, with such rights and obligations recorded in the Register of Members.

22. TRANSFER OF MEMBERSHIP

22.1 A Member may transfer his membership to another person providing such person fulfils the Membership criteria set out in these Articles or elsewhere by signing an instrument of transfer in any usual form or in any form approved by the Management Committee and depositing such document at the registered office of the Society.

22.2 Following deposit of the instrument of transfer at the registered office, the secretary shall, as soon as reasonably practicable, register the transferee in the Register of Members of the Society and notify the transferee of the date he becomes a Member.

22.3 No fee shall be charged for registering the transferee in the Register of Members.

22.4 When a Member dies or becomes bankrupt (if an individual) or goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company (if a company), the Membership shall automatically pass to the personal representatives, trustee in bankruptcy, supervisor, receiver, administrator or administrative receiver (as appropriate) who may transfer such Membership rights in accordance with the procedure set out in *article 22.1*.

22.5 A Member may withdraw from Membership of the Society by giving 7 days' notice to the Society in writing and any person ceasing to be a Member shall be removed from the Register of Members.

23. EXPULSION OF MEMBER

23.1 The directors may terminate the Membership of any Member without his consent by giving the Member written notice if, in the reasonable opinion of the directors, the Member:

- (a) has failed to pay the subscription fee by 1st December;
- (b) is guilty of conduct which has or is likely to have a serious adverse effect on the Society or bring the Society or any or all of the Members and directors into disrepute; or
- (c) has acted or has threatened to act in a manner which is contrary to the interests of the Society as a whole;
- (d) has failed to observe the terms of these Articles; or
- (e) has failed to observe the terms of the Bye-Laws.

Following such termination, the Member shall be removed from the Register of Members and cease to receive the benefits of membership of the Society.

- 23.2 The notice to the Member must give the Member the opportunity to be heard in writing or in person as to why his membership should not be terminated. The directors must consider any representations made by the Member and inform the Member of their decision following such consideration. There shall be no right to appeal from a decision of the directors to terminate the Membership of a Member.
- 23.3 A Member whose Membership is terminated under this Article shall not be entitled to a refund of any subscription or Membership fee and shall remain liable to pay to the Society any subscription or other sum owed by him.

DECISION MAKING BY MEMBERS

24. GENERAL MEETINGS

- 24.1 The Society shall hold a General Meeting in every calendar year at such time and place as may be determined by the Directors, and shall specify the meeting as such in the notices calling it.
- 24.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.

25. VOTES OF MEMBERS

Subject to the Act, at any general meeting:

- (a) every Member who is present in person (or by proxy) shall on a show of hands have one vote; and
- (b) every Member present in person (or by proxy) shall on a poll have one vote.

26. POLL VOTES

- 26.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.
- 26.2 Model Article 30(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

27. PROXIES

- 27.1 Model Article 31(1)(d) shall be deleted and replaced with the words "is delivered to the Society in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 27.2 Model Article 31(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

28. MEANS OF COMMUNICATION TO BE USED

- 28.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 28.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

29. BYE-LAWS

The directors have established rules governing matters relating to administration for the effective operation of the Society (for example, the provisions relating to classes of Members, Membership fees and subscriptions and the admission criteria for Members) which it may update from time to time. If there is a conflict between the terms of these Articles and any Bye-Laws established under this Article, the terms of these Articles shall prevail.

30. INDEMNITY AND INSURANCE

30.1 Subject to *article 30.2*, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

(a) each relevant officer shall be indemnified out of the Society's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them;

including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Society's (or any associated Society's) affairs; and

(b) the Society may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article 30.1(a)* and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

30.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

30.3 The directors may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any relevant officer in respect of any relevant loss.

30.4 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 loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Society, any associated Society or any pension fund or employees' share scheme of the Society or associated Society; and
- (c) a **relevant officer** means any director or other officer of the Society.