

**THE MEDICAL AND DENTAL DEFENCE UNION OF
SCOTLAND**

MEMORANDUM

AND

ARTICLES

OF

ASSOCIATION

as amended by special resolutions passed on 17th November 1989,
11th October 1996, 19th October 2001, 17th October 2003 and 19th September 2008

THE COMPANIES ACT 1985

**MEMORANDUM OF ASSOCIATION
of
THE MEDICAL AND DENTAL DEFENCE UNION OF SCOTLAND**

Being a Company Limited by Guarantee, and not having a Capital divided into shares.

- 1st The name of the Company is THE MEDICAL AND DENTAL DEFENCE UNION OF SCOTLAND;
- 2nd The registered office of the Company will be situated in Scotland;
- 3rd The objects for which the Company is established are:
- (a) To protect, support and safeguard the character and interests of medical or dental practitioners who in the exercise of some qualification or entitlement approved by the Board of Directors of the Company are or have been practising their profession or are teaching or studying Medicine or Dentistry in any of their branches and of persons approved by such Board who are engaged in any science or art allied or ancillary to Medicine or Dentistry or calculated or intended to be of use in connection therewith;
 - (b) To advise and assist Members in regard to all questions, whether of a strictly legal nature or otherwise which may arise in the practice of the Medical, Dental and allied Professions and to defend Members when attacked; such advice, assistance and defence to be provided solely at the discretion of the Company;
 - (c) To grant indemnities (complete or partial, at the discretion of the Board of the Company and on such terms and conditions as may from time to time seem expedient) to persons (including without limitation any body corporate) and in the case of any natural persons who are or have been members of the Company to their personal representatives acting in such capacity, as the Company may, in accordance with its regulations determine in respect of such claims or demands and consequential losses, damages, costs, charges and expenses but excluding fines and penalties as may be defined by the regulations of the Company for the time being; such indemnities to be granted solely within the discretion of the Company;
 - (d) To effect and obtain all such insurances re-insurances counter-insurances indemnities and guarantees as may be expedient and to adopt any other means as the Board shall think fit of providing for the attainment of the objects;
 - (e) To promote honourable and high standards of medical and dental practice;
 - (f) To consider, originate, promote and support (as far as is legal) legislative measures likely to benefit the Medical, Dental and allied Professions and to oppose all measures calculated to injure them: and for the purposes aforesaid to petition Parliament and to take such other steps and proceedings as may be deemed expedient;

- (g) To conduct and assist in conducting arbitrations and other proceedings for the settlement of disputes and difficulties whether between members of the Company or those eligible to be members or between members of the Company or those eligible to be members and persons who are not members and to appoint Arbitrators and Umpires and to receive and pay remuneration in respect of such arbitrations and other proceedings;
- (h)
 - (i) To subscribe to or become a member of or establish or promote or support by the application of funds of the (company whether by way of grant or loan or otherwise) or to guarantee or otherwise secure the contracts and obligations of any company institution society or body whether charitable or not which has objects similar to the objects of the Company or which is for the benefit of Medicine or Dentistry or any allied profession in any of its branches or is conducive to the interests of or for the benefit of the Company or any part of its members or those qualified to be members (wheresoever such company, institution, society or body may be incorporated, based or domiciled and including, without limitation, an insurance company);
 - (ii) To provide services for reward for or to any person or body concerned with the handling of claims.
 - a. Involving medical or dental practitioners, teachers or students of medicine or dentistry or other practitioners, teachers or students of allied professions or sciences.
 - b. Otherwise arising out of the provision of medical, dental or related services.
 - (iii) To carry on any other trade or business whatever which can in the opinion of the Board be advantageously carried on in connection with or ancillary to any of the business of the Company.
- (i) To hold, hire, lease, exchange, purchase, sub-let, mortgage, and sell land and property of any kind necessary for the purposes of the Company, and to lend and to invest monies not required for immediate use, in such manner as may be determined by the Board.

The income of the Company, whensoever derived, shall be applied to the promotion of the objects set forth in this Memorandum, provided that nothing contained in it shall prevent the payment in good faith of remuneration to any officers, members, or servants of the Company, for any services actually rendered to the Company, or any costs incurred by them in transacting the business or promoting the interests of the Company;

- (j) To do all such things as are incidental or conducive to the attainment of the above objects, or any of them.
- (k) To make payment of all charges and expenses incurred in the formation of the Company.
- (l) To provide (whether for reward or not) management (including but without limitation risk and quality management) and educational services, advice and assistance in respect of any type of claim, including but not limited to medical or dental negligence or malpractice claims involving practitioners, teachers or students of medicine or dentistry or any science allied thereto

wherever in the world claims may arise or for such other purposes as the Board may decide, to any body or person and to promote, establish or concur in promoting or establishing any body carrying on business providing any such services, advice and/or assistance, or carrying on any other trade or business which in the opinion of its governing body may be advantageously carried on in connection with or ancillary to that body's business and to subscribe for, take or otherwise acquire and hold shares, stock debentures or other securities or interests in and to guarantee or otherwise secure the contracts and obligations of any such body;

- 4th Subject always to Clause 6th of this Memorandum of Association, the income and property of the Company shall be applied solely towards the promotion of its objects as set out in this Memorandum of Association 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. Nothing herein shall prevent any payment in good faith by the Company of (a) reasonable and proper remuneration to any member, officer or employee of the Company (including any member of the Board of Directors) for any services rendered to the Company (provided always that where a member of the Board of Directors is to be appointed to a salaried office of the Company or to be paid remuneration in return for services rendered, such member of the Board of Directors shall be excluded from, and shall not participate in, the determination of the Board of Directors in regard to such appointment or the amount of such remuneration) or (b) out-of-pocket expenses to any member of the Board of Directors;
- 5th Every Member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up during the time that he is a Member, or within one year afterwards, for payment of the debts and liabilities of the Company 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 the adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding £1.
- 6th If upon the winding up or dissolution of the Company there remains after 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 body (whether or not a member of the Company) having objects similar to the objects of the Company or some other body (whether or not a member of the Company) the objects of which are the promotion of charity and anything incidental or conducive thereto, such body to be determined by the Board at or before the time of dissolution.

THE COMPANIES ACT 1985

THE MEDICAL AND DENTAL DEFENCE UNION OF SCOTLAND

Being a Company Limited by Guarantee, and not having a Capital divided into shares

GENERAL

1. In these Articles:

‘the Act’ means the Companies Act 1985 and any statutory modification or re-enactment thereof for the time being in force;

‘the Union’ means the above-named company;

‘the Board’ means the Board of Directors of the Union constituted in accordance with these Articles;

‘the seal’ means the common seal of the Union;

‘Secretary’ means the Chief Executive and Secretary of the Union or any other person appointed to perform the duties of the Secretary of the Union including a joint, deputy or assistant secretary;

‘the United Kingdom’ means Great Britain and Northern Ireland;

‘Medical or dental member’ means a Voting Member who is appropriately registered as a medical or a dental practitioner;

‘Member’ except where the context otherwise requires means a Voting Member of the Union (“a Voting Member”) and/or an Associate Member of the Union (“an Associate Member”) and “membership” shall be construed accordingly.

Unless the context otherwise requires, words and expressions in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the company. Without prejudice to the generality of the foregoing, in these Articles, person includes a natural person and a body corporate; body corporate includes a partnership with separate legal personality, a friendly society, an industrial and provident society and any other incorporated association; unincorporated association includes a partnership without separate legal personality and any other unincorporated association; words importing the masculine gender include the feminine and words importing the feminine include the masculine.

MEMBERS

2.

- (1) Any natural person holding a qualification or entitlement approved by the Board and for the time being practising or teaching or studying medicine or dentistry in any of their branches or any person approved by the Board engaged in any science or art allied or ancillary to medicine or dentistry or calculated or intended to be of use in conjunction with medicine or dentistry

including practice managers and practice nurses is eligible to be either a Voting Member or an Associate Member.

- (2) Any body corporate which:
 - (a) has been approved by the Board;
 - (b) is constituted in accordance with the requirements of any applicable legislation for the time being approved by the Board;
 - (c) if so required by the Board and where applicable is entitled to be registered on a register, for the time being approved by the Board, of qualified practitioners of medicine or dentistry or any science or art allied or ancillary thereto and is currently so registered;

is eligible to be an associate member, but nothing contained in this this article 2(2) shall deprive the Board of its right to impose further conditions for the admission of bodies corporate as members either generally or in a specific case.

- (3) An associate member shall be entitled to all the rights and privileges conferred in Voting Members by these Articles save that he shall not be entitled to receive notice of or to attend or vote at any meetings of the Union. Where a practice manager or a practice nurse becomes an associate member this will be on the basis that the practice for whom they are working is an MDDUS GP scheme practice and on the understanding that should the manager/nurse leave that practice they will not automatically take the right to associate membership with them.

3.

- (1) Subject to the provisions of these Articles the power to admit persons to membership of the Union shall rest with the Board.

- (2) The Board shall have power to make regulations:

- (a) prescribing a form or forms of application to be delivered to the Secretary by applicants for membership;
- (b) fixing the subscription or subscriptions to be paid by members or categories or groups of members (which may be a category or group defined by regulations made hereunder) and the date at and period for which subscriptions are to be paid;
- (c) prescribing any fee to be paid on admission to the Union;
- (d) prescribing such other terms and conditions relating to membership as it shall deem fit.

- (3) The Board's power to make regulations under this Article may be exercised either generally or in particular cases and so as to prescribe different rates or periods of subscriptions for different classes of members as thereby defined to enable the Board to compound for, remit or defer subscription payments for any member or members or any such class or classes of members or to remove altogether the obligation on any such class or classes of members to pay subscriptions or to fix periods of membership or entitlements to benefits or otherwise howsoever as the Board may, in its absolute discretion, decide.

4. The name of an Applicant shall upon his admission to membership be entered on the Register of Members as either a Voting Member or an Associate Member, as the case may be and such membership shall be deemed to have commenced from the date upon which the Member's application for membership was received by the Union.

5.

- (1) The Board may if circumstances arise considered by the Board to be urgent or exceptional from time to time call upon the members or any class or classes of members (which may be a class defined by regulations under Article 3 or a class specially designated for the purpose of this article) to contribute a sum or sums to be paid to the Union at such time and place as may be prescribed in addition to the subscriptions (if any) paid by such members.
- (2) A call or calls under this Article shall not require any Member to pay a greater sum in any financial year of the Union than the subscription (calculated at an annual rate if not so paid) of that Member. Such a call or calls shall not apply to life members.
- (3) No call under this Article shall require payment earlier than 21 days after the date on which notice of the call is given.

6.

- (1) Any Member may withdraw from the Union on giving two months' notice in writing to the Union at its registered office and on payment of all sums due from him to the Union. Membership shall not be transferable whether by act of the member or operation of law and shall cease on the death of a member who is a natural person and, unless the Union, in its absolute discretion, decides otherwise, the occurrence in relation to a member which is a body corporate of an Insolvency Event. For the purposes of this Article "Insolvency Event" means the passing of a resolution for its winding up or the presentation of a petition for a winding up order to be made against or in respect of it, the presentation of a petition for its bankruptcy, the appointment of a receiver, administrator, trustee, special manager or similar officer or insolvency practitioner to the member or of the undertaking or assets of the member (or any part thereof) or the taking possession of such undertaking or assets (or any part thereof) by an encumbrancer, the making of an interim order, that member being unable to pay his debts or ceasing or threatening to cease to carry on its business or a substantial part of its business, the proposal of a voluntary arrangement and/or the occurrence under the laws of any applicable jurisdiction of anything analogous to or having a substantially similar effect to any of the foregoing and for these purposes "Member" includes any member of such Member and "its" shall be construed accordingly.
- (2) The Board may terminate the membership of any Member in such manner as it thinks fit whose conduct or continued membership is in the opinion of the Board detrimental to the interests of the Union but such determination shall not affect any liability of such Member to the Union.
- (3) If any payment due to the Union by a Member (whether the payment is the whole of any subscription or any instalment of any subscription payable by the member to the Union or is any other amount or liability owing by the Member to the Union) is in arrears for 21 days during which not less than two reminders that the payment is due by the Member to the Union have been sent to the Member, the Member shall cease to be a Member of the Union and shall cease to be entitled to any benefits of membership of the Union including indemnity with effect from the date on which that payment was due by the Member to the Union.

- (4) The Union may by notice terminate the membership of a Member whose subscription whether paid by instalment or otherwise or other liability to the Union is in arrear but such notice shall not affect any liability of such Member to the Union.
- (5) The Board may in its absolute discretion terminate the membership of any member with effect from the date on which the member's current period of membership or subscription, expires (or from the date on which the member's current subscription would expire if a subscription were payable) upon giving him 42 days prior notice of its intention to do so and/or in its absolute discretion decide, from time to time and at any time, either generally or specifically, that the membership of any member or class of members shall in specified circumstances terminate automatically unless otherwise decided by the Board in its absolute discretion but such termination shall not affect any liability of such member to the Union.
- (6) If the Board discovers or decides that any response, which the Board considers to be material, made by a person in his application for membership is inaccurate in any respect, the Board may, in its absolute discretion, declare that person's membership to be void from the outset and have no effect such that the person shall not constitute a qualifying applicant. In such cases the Union shall refund the subscription received from such person.

7.

- (1) Every Member shall supply his current residential or professional or business address to the Secretary and the address so notified shall be entered in the Register of Members as the registered address of such Member.
- (2) Every Member shall on request supply such other information of a professional character as the Board may from time to time require.

GENERAL MEETINGS

8. All General Meetings other than Annual General Meetings shall be called Special General Meetings. The Annual General Meeting shall be held on such day and at such time and place as the Board may determine.
9. The Board may call at any time Special General Meetings and on receipt of a requisition in writing signed by not less than 200 Members excluding Associate Members or a requisition of members pursuant to the provisions of the Act shall forthwith proceed to convene a Special General Meeting for a date not later than eight weeks after the receipt of such requisition.

NOTICE OF GENERAL MEETINGS

10. An Annual General Meeting and a Special General Meeting called for the passing of a Special Resolution appointing a person to the Board shall be called by at least 21 clear days' notice. All other Special General Meetings shall be called by at least 14 days notice. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and in the case of an Annual General Meeting shall specify the meeting as such. Subject to the provisions of these Articles the notice shall be given to all members and to the Members of the Board and to the Auditors.

11. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

12.
 - (1) No business shall be transacted at any meeting unless a quorum is present. Ten persons entitled to vote upon the business to be transacted each being a Member or a proxy for a Member shall be a quorum.
 - (2) If such quorum is not present within half an hour from the time appointed for the meeting or if during a meeting such quorum ceases to be present the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine.
 - (3) The Chairman of the Board, whom failing a Vice-Chairman of the Board shall preside as Chairman of the meeting but if neither of the Chairman or any Vice-Chairman of the Board be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act the Members of the Board present shall elect one of their number to be Chairman of the meeting and if there is only one Member of the Board present and willing to act he shall be Chairman.
 - (4) If no Member of the Board is willing to act as Chairman of the meeting or if no Member of the Board is present within fifteen minutes after the time appointed for holding the meeting the Members present and entitled to vote shall choose one of their number to be Chairman of the meeting.
 - (5) The Chairman may (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more at least seven days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
13.
 - (1) A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
 - (a) by the Chairman; or
 - (b) by at least five members having the right to vote at the meeting and a demand by a person as proxy for a Member shall have the same effect as a demand by the Member.
 - (2) Unless a poll is duly demanded a declaration by the Chairman that a Resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact.
 - (3) The demand for a poll may before the poll is taken be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be

taken to have invalidated the result of a show of hands declared before the demand was made.

- (4) A poll shall be taken as the Chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the Resolution of the meeting at which the poll was demanded.
- (5) In the case of equality of votes whether on a show of hands or on a poll the Chairman shall be entitled to a casting vote in addition to any other vote he may have.
- (6) A poll demanded on the election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll is demanded. If a poll is demanded before the declaration of the result of the show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.
- (7) No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

14. On a show of hands every Member (other than an Associate Member) who (being a natural person) is present in person, shall have one vote and on a poll every member (other than an Associate Member) so present or present by proxy shall have one vote and on a poll every Member shall have one vote.
15. A Member in respect of whom an order has been made by any Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote whether on a show of hands or on a poll by his receiver, curator bonis or other person authorised in that behalf appointed by the Court and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office of the Union or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy 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 default the right to vote shall not be exercisable.
16. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
17.
 - (1) An instrument appointing a proxy shall be in writing executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):

'The Medical and Dental Defence Union of Scotland
I/We _____ of _____, being a Member/Members of the
above named Union, hereby appoint _____ of, or failing
him, _____ of _____, as my/our proxy to vote in
my/our name(s) and on my/our behalf at the Annual/Special General
Meeting of the Union to be held on 19 _____, and at any adjournment
thereof.

Signed on _____ day of _____ 19 ____.

- (2) Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):

'The Medical and Dental Defence Union of Scotland
I/We _____ of _____, being a Member/Members of the above
named Union, hereby appoint _____ of, or failing him,
of _____, as my/our proxy to vote in my/our name(s) and on
my/our behalf at the Annual/Special General Meeting of the Union to be
held on 19 _____, and at any adjournment thereof. This form is to be
used in respect of the Resolutions mentioned below as follows:

Resolution No.1 *for *against
Resolution No.2 *for *against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this _____ day of _____ 19 ____.

- (3) The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board may:

- (a) be deposited at the registered office of the Union or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Union in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Member of the Board;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

BOARD OF DIRECTORS

18. Subject to the provisions of the Act and of the Memorandum of Association, of these Articles and of any direction effected by Special Resolution the business of the Union shall be managed by the Board being Directors of the company who may exercise all the powers of the Union. No alteration of the Memorandum or of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
- 19.
- (1) The Board shall consist of up to 21 members who shall, subject as hereinafter provided, be Members of the Union. The members of the Board shall include co-opted Board Members.
 - (2) The Chief Executive and the Finance Director of the Union shall *ex officio* be members of the Board. They need not be Members of the Union and shall not be elected Board Members.
 - (3) Two members of the Board who are not *ex officio* members of the Board need not be Members of the Union.
- 20.
- (1) The Board may delegate any of their powers in relation to any question arising in relation to members or prospective members practising studying or resident outside the United Kingdom and the Republic of Ireland (including, but without prejudice to the foregoing, their powers under clause 28 of these Articles) to any body corporate, association or body of persons having or professing to have objects similar to those of the Union whether in any part of the United Kingdom or overseas of whom the Board may approve for such purpose.
 - (2) Without prejudice to sub-clause (1) of this clause the Board may delegate their powers to admit persons to membership of the Union to the Secretary.
21. Without prejudice to clause 20 of these Articles the Board may delegate any of its powers (including, but prejudice to the foregoing, their powers under clause 28 of these Articles) to committees, sub-committees or ad hoc committees consisting of not less than two Board Members and such other persons (whether Members of the Union or not) as the Board shall think fit not being a majority in number of the members of the committee in each case.
- (a) Any committee, sub committee or ad hoc committee appointed by the Board under Article 21 shall conform to any regulations imposed upon it by the Board. The meetings and proceedings of any such committee, sub committee or ad hoc committee shall be governed by the provisions of these articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board.

- (b) All acts bona fide done by any meeting of the Board or of any committee of the Board or by any person acting as a Board member shall, notwithstanding if it is afterwards discovered that there was some defect in the appointment or continuance in office of any such Board members or committee members or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Board member or a member or any such committee.
- (c) The Board may appoint as Chief Executive such person (whether a member or not) as the Board shall think fit to perform such duties for such a period and upon such terms as the Board shall from time to time decide. The Board may at any time terminate the appointment of any person as Chief Executive provided that the exercise of the Board's powers under the Article shall not deprive him of compensation or damages payable to him in respect of the termination of his appointment as Chief Executive and may fill any vacancy arising in the office of Chief Executive and may in either case appoint some other person in his place.
- (d) The Board may delegate to the Chief Executive such of its powers (except its powers under Article 2(2)(a)) as it considers fit with power to sub delegate. Any such delegation may be made subject to such conditions as the Board shall think fit and either side by side with or to the exclusion of its own powers and may be revoked or altered.
- (e) The Board may appoint as Finance Director of the Union such person (whether a member or not) as the Board shall think fit to perform such duties for such period and upon such terms as the Board shall from time to time decide. The Board may at any time terminate the appointment of any person as Finance Director provided that the exercise of the Board's powers under this Article shall not deprive him of compensation or damages payable to him in respect of any termination of his appointment as Finance Director and may fill the vacancy arising in the office of Finance Director and may in either case appoint some other person in his place.
- (f) The Board may delegate to the Finance Director such of its powers (except its powers under Article 2(2)(a)) as it considers fit with power to sub-delegate. Any such delegation may be made subject to such conditions as the Board shall think fit and either side by side with or to the exclusion of its own powers and may be revoked or altered.

22.

- (1) Subject to these Articles the Board may regulate their proceedings as they think fit.
- (2) The Board shall appoint one of their number to be Chairman of the Board and one or more to be Vice-Chairman and one to be Treasurer and may at any time remove any of them from office. The Chairman, whom failing a Vice-Chairman, shall preside at every meeting of the Board at which he is present. If there is no Chairman or Vice-Chairman or either the Chairman or any Vice-Chairman is unwilling to preside or is not present within five minutes after the time appointed for the holding of a meeting the Board Members present may appoint one of their number to preside at the meeting.
- (3) Any four Board Members may and the Secretary at the request of the Chairman of the Board or any Vice-Chairman of the Board or the Treasurer

shall call a meeting of the Board. It shall not be necessary to give notice of a meeting to an elected Board Member who is absent from the United Kingdom. Questions arising at a meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes, the Chairman, or Vice-Chairman or other person presiding shall have a second or casting vote.

- (4) The quorum for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be five.
- (5) The Board or a sole Board Member may act notwithstanding any vacancies in the number of the Board but if the number of Board Members is less than the number fixed as the quorum the Board may act only for the purpose of filling vacancies or of calling a General Meeting.
- (6) A Resolution in writing signed by two thirds of all Members of the Board who are entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee thereof duly convened and held and may consist of several documents in the like form each signed by one or more persons.

HONORARY FELLOWS

23. The Board may from time to time elect any person to be an Honorary Fellow of the Union for such period as the Board think fit. An Honorary Fellow shall not be eligible for election to the Board of the Union and shall not be entitled to receive notice of or to attend or vote at general meetings of the Board. In the event that a member of the Board is elected as an Honorary Fellow such person shall retire as a member of the Board at the Annual General Meeting following such election as an Honorary Fellow.

APPOINTMENT AND RETIREMENT OF THE BOARD

24.
 - (1) At the Annual General Meeting of the Union held in 2002 and at each subsequent Annual General Meeting of the Union one quarter of the elected Board Members (or the number nearest to one quarter thereof) who have been continuously longest in office since their last appointment or reappointment shall retire but as between elected Board members who were last appointed or reappointed on the same day those to retire shall in default of agreement be chosen by lot.
 - (2) If the Union at the meeting at which an elected Board Member retires by rotation does not fill the vacancy the retiring Board Members shall if willing to act be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a Resolution for the re-appointment of the Board Member is put to the meeting and lost.
 - (3) No person other than an elected Board Member retiring by rotation shall be appointed or re-appointed a Board Member at any General Meeting unless:
 - (a) he is recommended by the Board; or

- (b) not less than 21 or not more than 35 clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting has been given to the Union of the intention to propose that person for appointment or re-appointment stating the particulars which would if he were so appointed or re-appointed be required to be included in the Union's register of elected Board members together with notice executed by that person of his willingness to be appointed or re-appointed.
- (4) Not less than 7 or more than 28 days before the date appointed for holding a General Meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than an elected Board Member retiring by rotation at the meeting) who is recommended by the Board for appointment or re-appointment as the Board Member at the meeting or in respect of whom notice has been duly given to the Union of the intention to propose him at the meeting for appointment or re-appointment as an elected Board Member. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the Union's register of Board members.
- (5) The Board may appoint a member who is willing to act to be a Board Member either to fill a vacancy or as an additional Board Member provided that the appointment does not cause the number of Board Members to exceed any number fixed by or in accordance with these Articles as the maximum number of Board Members. A Board Member so appointed shall hold office only until the next following Annual General Meeting and shall not be taken into account in determining the elected Board Members who are to retire by rotation at the meeting. If not re-appointed at such Annual General meeting he shall vacate office at the conclusion thereof.
- (6) Subject as aforesaid an elected Board Member who retires at an Annual General Meeting may if willing to act be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

DISQUALIFICATION AND REMOVAL OF THE BOARD

25.

- (1) No person who has attained the age of 70 years shall be eligible for election or re-election as an elected Board Member.
- (2) A Board Member shall vacate office at the end of the first Annual General Meeting held after he has attained the age of 70 years but the retirement of a Board Member out of turn under this paragraph is to be disregarded in determining when any other Board Members are to retire.
- (3) The Chief Executive shall cease to be a member of the Board forthwith on ceasing for whatsoever reason to be an employee of the Union.
- (4) The Finance Director shall cease to be a member of the Board forthwith on ceasing for whatsoever reason to be an employee of the Union.
- (5) Any person being an *ex officio* member of the Board shall cease to be a member of the Board if he ceases to be a Board member by virtue of any

provision of the Act or he becomes prohibited by law from being a director of a company.

26. An elected Board Member shall vacate office if:
- (a) he ceases to be a Board Member by virtue of any provision of the Act or he becomes prohibited by law from being a director of a company; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors; or
 - (c) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under Section 3 of the Mental Health Act 1983 or, an application for admission under Section 18 of the Mental Health (Scotland) Act 1984 (as amended) or
 - (ii) an order is made by a Court having jurisdiction whether in the United Kingdom or elsewhere, in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis, or other person who exercises power with respect to his property of affairs; or
 - (d) he resigns his office by notice to the Union; or
 - (e) he shall for more than three consecutive meetings have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated.

REMUNERATION EXPENSES AND INTERESTS OF THE BOARD

- 27.
- (1) The elected Board Members shall be entitled to such remuneration as the Board may determine and unless the Board otherwise decide such remuneration shall be deemed to accrue from day to day.
 - (2) The Board Members may be paid such sums in respect of lost professional earnings as the Board may determine and all expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or General Meetings or otherwise in connection with the discharge of their duties.
 - (3) No officer or Member of the Board or employee of the Union shall be disqualified by his office from being appointed or requested by the Board or otherwise to act as Arbitrator or Umpire or to give his professional services or to perform any special services or to make special exertions of any nature whatsoever for any of the purposes of the Union or from accepting any remuneration or reward by way of fees or otherwise in respect of any arbitration or award or the provision of such services.

INDEMNITY AGAINST CLAIMS

28.

- (1) An indemnity pursuant to clause 3(c) of the Memorandum of Association of the Union may be granted by the Union to (i) any qualifying applicant in respect of a qualifying claim and all incidental or consequential losses, damages, costs, charges and expenses connected with a qualifying claim and (ii) such other person or persons and in respect of such claims or demands and such incidental or consequential losses, damages, costs, charges, and expenses connected with such other claims or demands as the Board may from time to time determine. The grant of indemnity shall be entirely in the discretion of the Board who shall have power to impose such terms and conditions on the grant of any indemnity as they think fit and may in their absolute discretion limit or restrict such indemnity or decline altogether to grant the same.
- (2) A qualifying applicant is any current member of the Union or any former member of the Union who in each case was in membership of the Union at the time when the circumstances giving rise to the qualifying claim occurred or the personal representative of such member acting in that capacity.
- (3) A qualifying claim is any action proceeding claim or demand by or against the qualifying applicant affecting directly or indirectly the professional character or interests of any natural person who either:
 - (i) is or was a member of the Union; or
 - (ii) is or was a member, officer, servant or agent of a body corporate which is or was a member of the Union and at such time was himself eligible to be a member of the Union or made in respect of the conduct in a professional capacity of a deceased such person.
- (4) The Board shall have power to determine the manner in which such indemnities are to be granted and may from time to time prescribe classes of claims or demands in respect of which any specified person approved for the purpose being either:
 - (i) the Chief Executive or an employee of the Union; or
 - (ii) the Chief Executive or an employee of the relative body corporate association or body of persons to whom the powers of the Board, in respect of such claims, shall have been delegated under Clause 20(1) of these articles

may on behalf of the Board grant indemnities within the limits of fixed amounts prescribed by the Board but nothing contained in this sub-clause shall inhibit the power of the Board to impose terms and conditions on the grant of any particular indemnity or to restrict such indemnity or to withhold altogether the grant of the same.
- (5) The Union may at any time terminate or suspend any indemnity by notice in writing without assigning any reason provided that such notice shall not affect the payment of monies which have become immediately payable before the service of such notice.

- (6) A person shall in relation to any proceedings whether legal or otherwise in relation to which an indemnity has been requested by such person comply absolutely with the directions of the Union and shall not without the consent of the Union take any steps in relation to such proceedings or their determination.

CHIEF EXECUTIVE & SECRETARY & FINANCE DIRECTOR

29.

- (1) Subject to the provisions of the Act the Chief Executive & Secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as they may think fit; and any person so appointed to that post may be removed by them.
- (2) Subject to the provisions of the Act the Finance Director of the Union shall be appointed by the Board for such term at such remuneration and upon such conditions as they may think fit; any person who is appointed to that post may be removed by them.

MINUTES

30. The Board shall cause minutes to be made in books kept for the purpose of all appointments made by the Board and of all proceedings at meetings of the Union and of the Board and of committees of the Board including the names of those present at each such meeting.

SEAL

31. The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by the Chairman or a Vice-Chairman of the Board or the Treasurer or a Board Member and by the Secretary or a second Board Member.

ACCOUNTS

32.

- (1) The Board shall cause proper books of account to be kept in accordance with the Act. The books of account shall be kept at the registered office of the Union or at such other place or places as the Board thinks fit and shall always be open to the inspection of the Board.
- (2) The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations the accounts and books of the Union or any of them shall be open to the inspection of any Member who is not a Board Member and any such Member shall not have any right of inspecting any account or book or document of the Union except as conferred by statute or authorised by the Board or by the Union in General Meeting.

NOTICES

33.

- (1) Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Board need not be in writing.
- (2) The Union may give any notice to a Member either personally or by sending it by post in a pre-paid envelope addressed to the Member at his registered address or where such registered address is outside the United Kingdom, such other address within the United Kingdom of which such Member shall have notified the Secretary in writing or in either case by leaving it at that address.
- (3) Proof that an envelope containing a notice was properly addressed pre-paid and posted shall be conclusive evidence that a notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- (4) If a Member has no registered address (or other address notified in accordance with sub-paragraph (2) above) in the United Kingdom he shall not be entitled to receive any notices from the Union.

INDEMNITY

34. Subject to the provisions of and so far as may be permitted by the Act every Board Member, Secretary, employee or officer of the Board shall be entitled to be indemnified by the Union against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including (without limitation) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Union and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admissions of any material breach of duty on his part) or in which he is acquitted or incurred in connection with any application in which relief is granted to him by the Court from liability in respect of any such act or omission.