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**THE COMPANIES ACT 1985**

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

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**NEW  
ARTICLES OF ASSOCIATION**

**(Adopted by Special Resolution passed on  
1 July 1999 and amended by Special Resolutions  
passed on 30 June 2000, 13 June 2001 and 7 June 2005)**

**-of-**

**ALM LIMITED**



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ALM LIMITED

### PRELIMINARY

- 1 The Articles hereinafter contained and, subject to the modifications hereinafter expressed the regulations contained in Table C of the Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table C") shall constitute the Articles of Association of the company.
- 2 Regulations 1 to 3 inclusive of Table C shall not apply to the company. Regulations 1 to 35 inclusive, 40, 42, 54, 55, 57, 59, 64 to 66 inclusive, 72 to 82 inclusive, 84 to 91 inclusive, 93, 102 to 108 inclusive, 110, 114, 116 and 117 of the Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall not apply to the company, but the remaining regulations of Table A shall, subject to the modifications hereinafter expressed and to the modifications expressed in Table C (as hereinafter varied), apply to the company.

### INTERPRETATION

- 3 In these Articles:-  
  
**the Act:** means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.  
  
**the Articles:** means the Articles of the company.  
  
**clear days:** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on whom it is to take effect.  
  
**the Board:** means the board of directors of the company and "directors" shall be construed accordingly. The reference in Clause 4 of the Memorandum of

Association to "Committee Member" shall be taken to be a reference to a member of the Board.

**executed:** includes any mode of execution.

**Lloyd's:** means the Society incorporated and regulated by the Lloyd's Acts 1871-1982.

**office:** means the registered office of the company.

**the seal:** means the common seal of the company.

**secretary:** means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

**the United Kingdom:** means Great Britain and Northern Ireland.

**Underwriting Member of Lloyd's:** means a person or entity (or director of such entity) carrying on underwriting business at Lloyd's individually or collectively with unlimited or limited liability whether or not their underwriting confers membership of Lloyd's provided that such person or entity (or director of such entity) shall cease to be classified as an Underwriting Member of Lloyd's on 31 December following the reinsurance to close of his or its final syndicates.

Unless the context otherwise requires, words or expressions contained 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.

- 4           The company is established for the purposes expressed in the Memorandum of Association.

## **MEMBERS**

- 5           The subscribers to the Memorandum of Association of the company and such other persons as are admitted to membership in accordance with the Articles shall be members of the company. No person shall be admitted as a member of the company unless he is an Underwriting Member of Lloyd's and is approved by the Board. Every person who wishes to become a member shall deliver to the company an application for membership in such form as the Board requires executed by him.

## **ASSOCIATE MEMBERS**

- 6           The Board may from time to time provide for a class of Associate Members (which may include any partnership in its partnership name) who shall have such rights and duties and pay such subscriptions as may be resolved from time to time by the Board, but such Associate Members shall not be members of the company.

## HONORARY LIFE MEMBERS

- 7           The Board may award to any person (whether a member of the company or not) who in the opinion of the Board has rendered outstanding services to or in connection with Lloyd's generally, or to the company in particular, Honorary Life Membership of the company. Honorary Life Membership shall also entitle the holder if he is also an Underwriting Member of Lloyd's to vote as a member of the company whilst he remains an Underwriting Member of Lloyd's, provided that no Honorary Life Member shall be liable to pay any joining fee or subscription.

## SUBSCRIPTIONS

- 8           (i)       Save as herein otherwise provided, every member shall pay to the company on joining such fee and shall thereafter pay such membership subscriptions of such amounts calculated in such manner and payable on such day or days (hereinafter referred to as "the due date") as shall from time to time be determined by the Board, with power to determine different subscriptions for corporate members and for different classes of members. Subject to the foregoing, when a husband and wife are both Underwriting Members of Lloyd's and otherwise satisfy membership criteria they may together pay one subscription and receive one copy of the company's publications other than notices of general meetings and other documents required by the Act to be sent to each member but shall not thereby cease to be two separate members of the company. No joining fee shall be refundable in whole or in part.
- (ii)       Without prejudice to the generality of the foregoing, the Board shall have power to determine different rates of subscription for members whose registered addresses are outside the United Kingdom and shall have power to make such byelaws as it may in its absolute discretion determine governing the right of any member whose registered address is outside the United Kingdom to receive any publication of the company other than notice of general meetings and other documents (if any) required by the Act to be sent to each member.
- 9           A member whose membership subscription remains unpaid shall not be entitled to vote at any general meeting of the company and if the subscription remains unpaid three months after the due date he shall have his name removed from the list of current members and shall thereafter not be entitled to attend or otherwise participate in any meeting of the company, nor to receive any notice or publication of the company, nor to enter or remain on its premises and (subject to Section 74 of the Insolvency Act 1986) all membership rights of such member shall thereupon cease.
- 10          The Board may in its absolute discretion re-admit to membership any person whose membership has lapsed or been terminated for any cause, subject to such conditions and on payment of such sum or sums (if any) as the Board in its absolute discretion may determine.

## TERMINATION OF MEMBERSHIP

- 11          A member may at any time withdraw from the company by giving at least seven clear days' notice to the company. Membership shall not be transferable and shall cease on death. If a member ceases to be an Underwriting Member of

Lloyd's his membership shall lapse, such lapse being effective from the date of removal of the member from the register.

- 12 The Board may also at its discretion terminate the membership of any member but the requirements of natural justice shall be respected and a member shall be entitled to be heard in his own defence by the directors or a sub-committee of the directors.

### **MEMBERSHIP**

- 13 Every member shall have full regard to the rules of the company and shall order his conduct to maintain the dignity, standing and reputation of the company.
- 14 Every member agrees as a condition of membership that he will not without the prior written or general consent of the company use any mark or symbol adopted by the company and further that on ceasing at any time for any reason to be a member he shall forthwith cease to use all such symbols and marks and shall not represent any continuing connection with the company.
- 15 No member shall have any claim against the company, or its current or former directors or officers, for any loss suffered in reliance on any advice or material provided by the company whether oral or in writing or for any loss suffered arising from any act of such directors or officers when acting in their capacity as directors or officers, to the intent that as between the company and the members the company accepts no legal responsibility for such act, advice or material.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 16 No business shall be transacted at any meeting unless a quorum is present. Two persons present in person or by proxy and entitled to vote upon the business to be transacted shall be a quorum.
- 17 The chairman and failing him the deputy chairman, if any, of the Board or in their absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman, deputy chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 18 When a meeting is adjourned for thirty days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted and regulation 45 of Table A shall be altered accordingly.

### **VOTES OF MEMBERS**

- 19 On a show of hands every member (but not an Associate Member) present in person shall have one vote. On a poll every member (but not an Associate Member) present in person or by proxy shall have one vote.

## **THE BOARD**

- 20 (i) The Board shall not be less than five nor more than twelve in number and shall comprise not more than nine members of the company elected by ballot (who shall be called "elected directors") together with not more than five directors who need not be members of the company but who shall be appointed by the Board (who shall be called "co-opted directors"). The number of co-opted directors shall be fewer than the number of elected directors.
- (ii) Subject to the maximum number of directors imposed by Article 20(i), and in addition to the co-opted directors, the Board may appoint a person who must be a member of the company who is willing to act to be a director to fill a vacancy caused by the death, retirement, resignation, or vacation of office (other than by retirement at an Annual General Meeting in accordance with Article 21(i)) of any elected director. A director so appointed shall unless he shall have been, or is, elected an elected director in accordance with these Articles hold office only until the conclusion of the next following Annual General Meeting and shall not be taken into account in determining the directors who are to retire by rotation at that meeting. A director so appointed shall be regarded as an elected director for the purpose of Article 20(i).

## **RETIREMENT AND ELECTION OF DIRECTORS**

- 21 (i) At every Annual General Meeting the elected directors who have held office as elected director for a period of three years since their last appointment or reappointment and any director appointed under Article 20(ii) above shall retire from office.
- (ii) Any director may retire voluntarily at any time regardless of Article 21(i).
- (iii) Notwithstanding Articles 29 to 31 the Board may resolve by a majority of 80% of the directors voting other than the director in question ("the Outgoing Director") that a director shall be removed from his office and on the passing of such resolution the Outgoing Director shall be deemed immediately to have been removed from his office and shall take no further part in the proceedings of the Board.
- 22 (i) Subject to Article 22(ii), a co-opted director may be appointed or re-appointed, for such a period not exceeding three years, by a majority of 80% of the directors voting other than that said director. For the avoidance of doubt, unless the expiry of the period of appointment or re-appointment coincides with the date of an Annual General Meeting, a co-opted director will not stand down at that meeting.
- (ii) Unless the number of co-opted directors shall be less than three, no person shall be appointed or reappointed a co-opted director between that date which is 14 days immediately preceding the date of despatch of the ballot papers pursuant to Article 24(iii) and that date which is the next business day following the conclusion of the next following Annual General Meeting.
- (iii) During the period referred to in Article 22(ii), the directors may appoint or reappoint a co-opted director or directors to bring the number of such directors up to, or maintain the number of such directors at, three.

- 23 (i) Save as herein otherwise expressly provided, the election or re-election of the elected directors shall be by postal ballot of the members of the company whose names are on the register of members of the company on the date upon which ballot papers relating to such election or re-election are despatched to members of the company.
- (ii) By not later than such time on such date in each year as the Board shall determine and as shall have been notified to members by a notice served by no later than 31st March, there shall be delivered to the registered office of the company a notice duly signed by a member of the company evidencing his wish to stand for election or re-election as an elected director (a "nomination form"). Save as herein otherwise expressly provided, a nomination form may be in such form and require such information as the Board may from time to time require. A nomination form shall be supported by the signatures of not less than six members willing to propose the candidate for election. A nomination form to be valid must be accompanied by (a) a declaration containing the information required by Article 27 and (b) all particulars required pursuant to Article 25.
- 24 (i) If the number of persons submitting a nomination form duly completed by the time referred to in Article 23(ii) does not exceed the number of elected directors retiring pursuant to Article 21(i) at the next following Annual General Meeting of the company and any other vacancies amongst the elected directors then the candidates so nominated shall be deemed to have been elected by ballot and shall take office in accordance with Article 24(vii) below.
- (ii) Where:-
- (a) the number of persons submitting a nomination form in accordance with Article 23(ii) exceeds the number of elected directors retiring pursuant to Article 21(i) and any other vacancies amongst the elected directors at that date which is 14 days immediately preceding the date of despatch of the ballot papers; and
- (b) at any time prior to the conclusion of the next following Annual General Meeting the number of vacancies amongst the elected directors shall be increased or the number of such candidates shall be reduced for any reason to no more than the number of elected directors retiring and any vacancies amongst the elected directors at the conclusion of that Annual General Meeting;
- then such or the remaining such candidates shall be deemed to have been elected or re-elected by ballot notwithstanding any steps taken pursuant to the remaining provisions of this Article.
- (iii) Where the number of persons submitting a nomination form in accordance with Article 23(ii) exceeds the number of elected directors retiring pursuant to Article 21(i) and the number of other vacancies amongst the elected directors at the conclusion of the next following Annual General Meeting of the company, then not less than twenty-one clear days before the Annual General Meeting there shall be despatched to each member of the company entitled to receive notices from the company a ballot paper containing:-
- (a) the names of each of the persons submitting a nomination form; and

- (b) a statement that each member may cast up to as many votes as is equal to the aggregate of (aa) elected directors retiring pursuant to Article 21(i) and (bb) any other vacancies amongst the elected directors at that date which is 14 days immediately preceding the date of despatch of the ballot papers, provided that no more than one vote may be cast in favour of any one candidate and no vote may be cast against any candidate or candidates; and
- (c) the date (being not less than 10 days after receipt or deemed receipt by the members of the same) and time by and the address at which the ballot papers are to be received by the company in order to be included in the ballot.
- (iv) Each ballot paper shall be accompanied by a document setting out particulars of each candidate (based upon information given in the nomination form) the form and content of which document shall have been approved by the Board.
- (v) Save as herein otherwise expressly provided the ballot paper may be in such form and contain such other information or directions as the Board may before the despatch of the ballot paper approve. Failure to complete a ballot paper in accordance with any direction included thereon shall render such ballot paper invalid.
- (vi) The Board shall appoint such person or persons as it shall in its absolute discretion think fit as scrutineers to count the number of votes cast for each candidate. Those candidates who shall have received the most votes in such ballot shall be elected to fill the number of vacancies amongst the elected directors (including those elected directors retiring at the next following Annual General Meeting) and in the case of two or more candidates receiving an equal number of votes the election between or among them shall be determined by the scrutineers by lot.
- (vii) At each Annual General Meeting there shall be announced the result of the ballot for the elected directors replacing those retiring at the conclusion of that Annual General Meeting and filling any other vacancies amongst the number of elected directors. The elected directors shall take office forthwith upon the conclusion of that Annual General Meeting.
- (viii) Any ballot paper and other document sent with the ballot paper shall be deemed to have been properly sent to each member if sent in accordance with the provisions of the Articles of Association of the company as to the sending of notices.
- (ix) The result of a ballot under this Article shall not be invalidated by any accidental omission to send to any member entitled to receive the same any ballot paper or other document or by the non-receipt by any member of any such ballot paper or other document or, unless the Board shall otherwise determine, by any omission from any ballot paper or other document.

25 No person shall be appointed or re-appointed an elected director pursuant to any ballot unless his nomination form shall include all particulars which would, if he



were so appointed or re-appointed, be required to be included in the company's register of directors.

- 26 Any person taking up office as an elected director shall forthwith upon taking up such office provide to the Board full particulars of all information required to be included in the company's register of directors if there shall have been any change in the particulars given in his nomination form.
- 27 No person shall be appointed to be an elected or co-opted director unless he shall have first delivered to the company a declaration of any financial or other material interest he may have in the affairs of the company or of any person, firm or company with which it has had dealings within the previous three years or is in competition as could or might reasonably be expected to create a conflict of interest and an undertaking to comply with the provisions of the Act and the Articles and Clause 4 of the company's Memorandum of Association.
- 28 The Board shall conduct its business generally in accordance with the principles and procedures followed by the boards of commercial companies, including the principle of collective responsibility. Each director must accordingly accept and support the policies approved by the Board. In the event of a director wishing to express a dissentient opinion on an approved policy to persons outside the Board, he or she shall seek the chairman of the Board's permission so to do. Failing receipt of that permission, the director must refrain from making known his or her dissentient opinion to persons outside the Board.

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 29 The provisions of Section 293 of the Act shall not apply to the company.
- 30 The company may by ordinary resolution remove a director before the expiration of his period of office pursuant to the provisions of Sections 303 and 304 of the Act. Such removal shall be without prejudice to any claim for damages.
- 31 The office of a director shall be vacated if:-
- (i) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (iii) he is, or may be, suffering from mental disorder and either:-
    - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (b) 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 to exercise powers with respect of his property or affairs; or

- (iv) if in the opinion of the directors he has any financial or other material interest in the company's affairs PROVIDED that the directors may at their discretion and if a declaration shall have been made by the director in question under Article 37 waive this stipulation generally or for such period and on such conditions as they may think fit; or
- (v) he resigns his office by notice to the company; or
- (vi) he shall have been absent without permission of the directors from more than three consecutive meetings of the Board and the directors resolve that his office be vacated; or
- (vii) he ceases to be a director by reason of Section 303 of the Act; or
- (viii) being an elected director pursuant to the foregoing provisions of the Articles he ceases to be a member of the company.

### **REMUNERATION OF DIRECTORS**

- 32 Subject to the provisions of the Memorandum of Association and in particular proviso (a) of Clause 4 thereof no remuneration shall be paid to the directors.

### **DIRECTORS' EXPENSES**

- 33 In regulation 83 of Table A the words "tribunals or sub-committees" shall be substituted for the word "committees".

### **DIRECTORS' APPOINTMENTS AND INTERESTS**

- 34 Subject to the provisions of the Act and Article 32, the directors may appoint one or more of their number to any executive office under the company.
- 35 Subject to the provisions of the Act and to Articles 31, 32, 36 and 37 and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- (i) may be a party to, or otherwise be interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
  - (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
  - (iii) shall not, by reason of his office, be accountable to the company for any benefit 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 such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 36 For the purpose of Articles 31, 35 and 37:-
- (i) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or

arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

- (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

### **DIRECTORS' BENEFITS AND INTERESTS**

- 37 The provisions of Clause 4 of the Memorandum of Association and Article 35 shall be observed and any director having any financial or other material interest in the company's affairs shall declare it and shall in particular declare it at any meeting of the directors at which any relevant matter in relation to the company's affairs shall be discussed.

### **POWERS OF DIRECTORS**

- 38 Without prejudice to the generality of regulation 70 of Table A, the directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking and property, or any part thereof, as security for any debt liability or obligation of the company or of any third party.

### **DELEGATION BY THE DIRECTORS**

- 39 The directors may delegate any of their powers to any tribunal or sub-committee consisting of one or more directors or other persons. They may also delegate to any director holding executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a tribunal or sub-committee with two or more directors shall be governed by the Articles regulating the proceedings of the directors so far as they are capable of applying.

### **PROCEEDINGS OF DIRECTORS**

- 40 (i) Subject to the provisions of the Articles, the directors shall meet together for the despatch of business, adjourn, and otherwise regulate their proceedings as they think fit. Any two directors may, and the secretary at their request shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.
- (ii) Any director (other than an alternate director) may appoint any other director to be an alternate director and may remove from office as his alternate director an alternate director so appointed by him.
- 41 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be four.
- 42 The continuing directors or sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number

fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

- 43 The directors may appoint one of their number to be the chairman of the Board and may at any time remove him from that office. The directors may similarly appoint one of their number to be deputy chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed as chairman shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the deputy chairman (if any) shall be chairman of the meeting. If there is no deputy chairman or if the deputy chairman is unwilling to preside or is not present within the said period of five minutes, the directors present may appoint one of their number to be chairman of the meeting. The directors may appoint an Honorary Treasurer and may at any time remove him from that office.
- 44 (i) Subject to Article 44(iii), a resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a tribunal or sub-committee of directors shall be valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a tribunal or sub-committee duly convened and held.
- (ii) Subject to Article 44(iii), a resolution in writing which shall have been circulated to all of the directors entitled to receive notice of a meeting of directors or of a tribunal or sub-committee of directors and which has been signed by a majority of them shall be valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a tribunal or sub-committee duly convened and held, provided that such resolution is subsequently ratified at a meeting of directors or (as the case may be) a tribunal or sub-committee duly convened and held.
- (iii) A resolution in writing may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 45 In regulation 94 of Table A:-
- (i) the words "tribunal or sub-committee" shall be substituted for "committee"; and
- (ii) the words "and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise" shall be omitted
- 46 In regulation 92, 96 and 98 of Table A the words "tribunal or sub-committee" shall be substituted for "committee".
- 47 In regulation 100 of the Table A the words "tribunals or sub-committees" shall be substituted for "committees". In regulation 101 of Table A the "sub-committee" shall be substituted for "committee".

## **WINDING-UP**

- 48           On the winding-up and dissolution of the company the provisions of the Memorandum of Association shall have effect as if repeated in these Articles.