

THE COMPANIES ACTS 1985 and 1989

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A CAPITAL DIVIDED INTO SHARES

New
Articles of Association
OF
The Society of Motor Manufacturers
and Traders Limited
(adopted on 12 July 2006)

I - PRELIMINARY

1. In these articles of association (“Articles”) the following words shall have the respective meanings hereby assigned to them unless there be something in the subject or context inconsistent therewith:-

“Accessories” includes any part of a Motor Vehicle not included in the expression “Component”, or any article used or capable of being used in connection with a Motor Vehicle.

“the Act” means the Companies Act 1985 including any statutory modification or re enactment thereof for the time being in force.

“the Company” means the above-named company.

“Component” means a complete part of a motor chassis, such as an engine, gear box, wheel, tyre, magneto, carburettor, or similar part.

“the Council” means the Council referred to in Articles 38 and 39.

“the Executive” means the executive committee referred to in Articles 44 and 45.

“the Finance Committee” means the finance committee referred to in Article 47.

“Member” means a member of the Company.

“Motor Vehicle” means any vehicle mechanically propelled other than a motor cycle or bicycle.

“the Motor Industry” means all or any of the activities of the design, concept, manufacture, sale, aftersale, disposal and recycling of Motor Products.

“Motor Product” means Motor Vehicles, Components and Accessories and shall include chassis of Motor Vehicles, trailers, engines, vehicle bodywork, freight containers, tyres and transport service equipment, and engine components for marine craft.

“the Office” means the registered office of the Company for the time being.

“Past Presidents” means persons who are former Presidents of the Company.

“Person” means any individual, firm or body corporate.

“the President, Deputy President, Vice Presidents and Honorary Treasurer” means the respective persons from time to time holding such offices under Article 40 who are together referred to as the “Honorary Officers”.

“United Kingdom” means the United Kingdom of Great Britain and Northern Ireland and shall include the Channel Islands and the Isle of Man.

“Representative” means an individual appointed as such under Article 14.

“Secretary” means the secretary of the Company.

“Section” means a section formed under Article 59.

Words importing the singular number only include the plural number, and vice versa, and references to the masculine shall include references to the feminine and neuter, except where the context otherwise requires.

II.-MEMBERS

2. The Members are (a) those persons who were Members immediately prior to the adoption of these Articles except those Persons, if any, whose membership is forfeited under Article 9, and (b) such other Persons as are from time to time admitted to membership of the Company in accordance with these Articles. The names of all Members shall be entered in the Company's register of Members.

3. Subject as provided below, any Person who or which has been directly, primarily and continuously engaged in any aspect of the Motor Industry in the United Kingdom for a period of at least 12 months leading up to the time of his or its application for membership of the Company shall qualify for membership. All questions concerning an applicant's qualification for membership shall be decided by the Executive. A person not admitted to the membership of the Company may, within seven days after notice of his or its failure to gain membership to the Company, appeal the decision of the Executive to a general meeting of the Company which shall, upon notice in writing of intention to appeal being received from such Person, be convened by the Executive to review the decision of the Executive. There shall be no further right to appeal following the decision of the Company at general meeting and such decision shall be final and binding upon all parties
4. It is expressly provided that, notwithstanding anything stated elsewhere in these Articles, an applicant for membership of the Company may at the discretion of the Executive be admitted to membership despite not immediately qualifying for membership under Article 3.
5. Where any Person desires to be admitted to membership of the Company he must sign and deliver to the Secretary at this office an application for admission, framed in such terms and accompanied by such evidence as the Executive shall require, and such application must be accompanied by the first year's subscription or such appropriate proportion thereof as the Executive may from time to time decide.
6. Each Member shall be entitled to join one or more Sections according to his qualification for membership of the Sections. Each new Member will be recommended by the Executive to apply to a particular Section or Sections. If that Member's application is rejected, the Executive will have the right to determine, in their entire discretion, which Section (or Sections) is most suited to that Member and the Section (or Sections) concerned will then be obliged to admit that Member.
7. Membership shall not be transferable, save that the Executive shall have power to substitute the successor in business of any Member as a Member, and in such case the Member so substituted shall enjoy all the rights and privileges and be subject to the requirements as to qualifications of the Member in whose place he is admitted: provided always that if the Person applying for substituted membership does not meet the qualifications for the Section to which the Person whose business he has succeeded was attached he shall be admitted as a member in any other Section for which he does qualify with the same rights and privileges as if he had been a member of such Section during the time the person whose business he has succeeded to had been a Member of the Company. In the case of any disagreement as to which Section or Sections the substitute Member is qualified to join, the matter shall be determined by the Executive in their absolute discretion and the relevant Section or Sections shall admit that Member as a member as directed by the Executive.
8. Membership shall cease when a Member gives notice in writing to the Company of his intention to withdraw from membership of the Company; provided that in the case of a notice of intention to withdraw being given after 28th day of February in any year, the Member giving such notice will be required to pay a proportion of the annual subscription due from him in respect of that year, such

proportion being calculated on a monthly basis and, in any event, being not less than one-quarter of the annual subscription due.

9. Membership shall become liable to forfeiture by resolution of the Executive if a Member:
 - (a) shall cease to be qualified as hereinbefore provided; or
 - (b) being an individual, becomes bankrupt or insolvent or makes a conveyance or assignment of his property to a trustee or trustees for the benefit of, or executes any deed of arrangement in favour of, or makes any composition or arrangement with, his creditors generally or any class of his creditors, or on his death, or, being a firm, on dissolution of the partnership (otherwise than by reason of the death or retirement of any partner); or
 - (c) being a limited company, on the liquidation of such company (not being a voluntary liquidation of such company for the purpose of reconstruction or amalgamation), or if such company makes a conveyance or assignment of its property to a trustee or trustees for the benefit of, or executes any deed of arrangement in favour of, or makes any composition or arrangement with, its creditors generally or any class of its creditors; or if an administrative receiver or an administrator shall be appointed in respect of such company and shall not be discharged within 14 days of the appointment; or
 - (d) shall fail in any year to pay his annual subscription by 28th day of February in that year.
10.
 - (1) Notwithstanding anything in the last preceding Article or in any other of these Articles contained, the Executive shall have the power at any time and from time to time to reinstate a former Member or Members who shall have ceased to be a Member or Members or whose membership shall have been forfeited and with or without (as determined by the Executive) payment of any subscription for the year in which such Member or Members shall be reinstated and, in the case of cessation by virtue of Articles 8, 9 or 13, payment of all or any part of the subscriptions in respect of the period of cessation.
 - (2) The Executive shall also have the power to direct and may direct that membership of any member or Members so reinstated shall date back to any date (not being earlier than the date at which such Member or Members or any other Member for whom the reinstated Member shall have been substituted was first entered on the membership register).
 - (3) The Executive shall also have the power to direct and may direct that any such reinstated Member or Members shall, as from the date of reinstatement or such earlier date as hereinbefore mentioned (as the case may be), regain and resume all or any part of the benefits attaching to such former membership as the Executive shall direct.
11. Every Member shall be bound to further to the best of his ability the objects, interests and influence of the Company, and shall observe all the regulations for the time being of the Company.

12. The Members of the Company shall pay such annual subscriptions as may from time to time be prescribed by the Executive. The subscriptions payable by Members may be increased or reduced as may from time to time be determined by the Executive.
13. Subject as hereinafter provided, any Member whose conduct is such that it renders his continuation as a Member inimical to the interests of the Company may be expelled from the Company by resolution of a majority of at least three-quarters of the Members of the Executive present and voting at a special meeting of the Executive at which not less than six Members shall be present. Where it is proposed to expel a Member from the Company, such Member shall have seven clear days' notice sent to him of the meeting of the Executive, and he may attend the meeting to make such explanation as the Executive may ask for, but shall not be present at the discussion or voting or take part in the proceedings otherwise than as the Executive allow. A Member expelled from the Company by such meeting may, within seven days next after notice of his expulsion, appeal from the decision of the Executive to a general meeting of the Company which shall, upon notice in writing of intention to appeal being received from such Member, be convened by the Executive. A Member so expelled shall forfeit all interest (if any) in the assets of the Company and all privileges of membership.
14. Any Member of the Company may, by notice in writing to the Secretary and delivered to this office in a form from time to time to be prescribed by the Executive, appoint an individual, being, in the case of a firm, one of the partners or employees of such firm, and in the case of a Company, a director, manager, secretary or other employee of such Company, to represent such Member for the purposes of these Articles, and by similar notice, in a form also from time to time to be prescribed by the Executive, revoke such appointment.
15.
 - (1) The Executive is empowered to grant associate status to any Person who applies for such status by signing and delivering to the Company an application form framed in such terms as the Executive shall require accompanied by the first year's subscription or such appropriate proportion thereof as the Executive may decide.
 - (2) Persons applying, as provided above, for such status will, for so long as they pay the appropriate subscriptions at the time specified by the Executive, be entitled to describe themselves as being "Associates" of the Company and to enjoy the benefits of such status as from time to time determined, in their entire discretion, by the Executive.
 - (3) Associates will not be members of the Company.
 - (4) The annual subscription payable by Associates will be at the rate from time to time prescribed by the Executive.
 - (5) Associate status will automatically cease if any of the circumstances specified in paragraphs (a), (b) and (c) of Article 9 shall apply to the Associate or if a resolution is passed by the Executive terminating such status in a manner corresponding to expulsion of a Member under Article 13.

16. (1) The Executive is also empowered to grant affiliate status to any trade association or other organisation which is engaged or interested in the Motor Industry who (a) applies for such status by signing and delivering to the Company an application form framed in such terms as the Executive shall require accompanied by the first year's subscription or such appropriate proportion thereof as the Executive may decide and (b) enters into an agreement with the Company in such form as the Executive shall from time to time prescribe.
- (2) Articles 15(2) to (5) inclusive will apply to Affiliates in the same way as they apply to Associates and are accordingly deemed to be repeated as corresponding provisions of this Article with "Affiliate" substituted for "Associate".

III.-MEETINGS OF MEMBERS

1. GENERAL MEETINGS

17. A general meeting of the Company shall be held once in every year as its annual general meeting, not more than 15 months after the holding of the immediately preceding annual general meeting, at such time and place as shall be determined by the Executive. All other general meetings of the Company shall be called extraordinary general meetings and the Executive may call an extraordinary general meeting at any time and place they think fit.
18. The Executive shall, on the requisition of not less than 10 Members, forthwith proceed to convene an extraordinary general meeting and shall also convene an Extraordinary General Meeting if so required under Article 13.
19. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.
20. If the Executive do not proceed to cause a meeting to be held within 21 days from the date of the requisition being so deposited, the requisitionists, or a majority of them, may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of such deposit.
21. If at any such meeting a resolution requiring confirmation at another meeting is passed, the Executive shall forthwith convene a further extraordinary general meeting for the purpose of considering the resolution, and, if thought fit, of confirming it and if the Executive do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them, may themselves convene the meeting.
22. Any meeting convened by the requisitionists under these Articles shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Executive.

23. Fourteen, or, in the case of a special or extraordinary resolution, twenty-one clear days' notice at the least, of every meeting at which a resolution is to be considered, specifying the day, hour and place, shall be given in manner hereinafter mentioned to all the Members, and in the case of special business the notice shall specify the general nature of such business, but an accidental omission to give such notice to any Member shall not invalidate the proceedings at any general meeting; provided that twenty-one clear days' notice at the least shall be given of annual general meetings. Whenever a meeting is adjourned for seven days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting, except that the notice need only be three clear days, and that it shall not be necessary to specify in such notice the nature of the business to be transacted at the meeting. All notices convening meetings shall be signed by the Secretary or by three members of the Executive.

2. PROCEEDINGS AT GENERAL MEETINGS

24. Subject to Article 25(2), the business to be transacted at the annual general meeting shall be to:
- (1) confirm or otherwise deal with any act of the Executive or Council which may require confirmation, to receive reports under Articles 39(2) and 45(3), to resolve matters arising from the elections to which such Articles relate including questions arising from an equality of votes between two or more candidates, to declare the results of such elections, to fill any vacancies in the Council not otherwise filled, and to fill up any office which is vacant requiring to be filled up at any such meeting; and
 - (2) appoint an auditor or auditors to hold office until the next annual general meeting and to fix the remuneration of the auditors,

and no business of any other description shall be transacted unless special notice of such business shall have been given in the notice convening the meeting.

25. (1) The business to be transacted at a general meeting (for the year 2006 to be held in July) shall be to receive and consider the report and accounts presented by the Executive and auditors, as hereinafter provided, to confirm or otherwise deal with such report and accounts.
- (2) The business described at Article 24(1) shall be transacted at a general meeting in November 2006 and the business described at Article 24(2) shall be transacted at a general meeting in September 2006, which shall also be deemed the annual general meeting of the Company for the year 2006.
26. All business that is transacted at an extraordinary general meeting shall be deemed to be special, and no business shall be entered upon except such as is set forth in the notice convening the same.

27. Save as otherwise expressly provided, no business shall be transacted at any general meeting unless a quorum be present at the time when the meeting commences business.
28. To constitute a quorum at any general meeting there shall be present in person or by Representative or by proxy at least five Members.
29. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the Members present shall determine, and at such postponed meeting the business shall be transacted whatever the number of Members present. Every adjourned meeting shall be treated as only a prolongation of the original meeting.
30. The President of the Company, whom failing, the Deputy-President, whom failing, one of the Vice-Presidents elected by the meeting, whom failing any member of the Executive, whom failing, any Member selected by the meeting, shall preside as chairman at any meeting of the Company. No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except the election of a chairman.
31. At any general meeting, unless a poll be demanded in manner hereinafter provided, every resolution shall be decided by a show of hands; and in case there shall be an equality of votes the chairman shall be entitled to a casting vote in addition to his own vote (if any); and a declaration by the chairman that a resolution has been carried, or has not been carried, by a particular majority, or has been lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number of votes recorded in favour of or against such resolution.
32. At any general meeting a poll may be demanded, before or immediately after the declaration of the show of hands, by the chairman of the meeting or by a notice in writing signed by ten Members present at the meeting in person or by Representative or by proxy, and such poll shall be taken at such time and in such manner as the chairman shall direct, and every Member present shall, in addition to his own vote, have a number of votes corresponding to the number of Members whom he shall represent by proxy, and, in case there shall be an equality of votes, the chairman at the meeting at which such poll shall have been demanded shall be entitled to a casting vote in addition to his own vote, and the result of such poll shall be deemed to be the resolution of the Company in such meeting. No Member whose subscription is in arrear shall be entitled to vote at any general meeting.
33. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

3. VOTE OF MEMBERS

34. Subject to Article 32, every Member shall have one vote. Votes may be given either personally or by Representative or by proxy.
35. (1) The instrument appointing any proxy shall be under the hand of the appointer, or if such appointer be a corporation, under the hand of a director or secretary thereof.
- (2) Notwithstanding the provisions of Article 35(1), the directors may, but are not obliged, also to accept a proxy appointment made by means of electronic communication or by or any other means of data transmission subject to any limitations, restrictions or conditions prescribed by the directors from time to time. The appointment shall be communicated to an address, telephone or fax number at such place as is specified in the notice convening the meeting.
- (3) If a proxy appointment is made by means of electronic communication in compliance with the conditions prescribed by the directors from time to time, any requirement of these Articles that the proxy be in writing or be deposited at a prescribed office shall not apply.
36. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, providing no intimation in writing of the death or revocation shall have been received at the Office before the meeting.
37. Every instrument of proxy shall be in the ordinary form or in any other form which the Executive may from time to time approve, and shall be deposited at the Office not less than 24 hours before the time for holding the meeting at which the person named in such instrument proposes to vote.

IV. – COUNCIL AND EXECUTIVE

1. NUMBER AND APPOINTMENT OF COUNCIL

38. For the period from the date of adoption of these Articles until the 31st December 2006, the Council will comprise all those Representatives who were members of the Council immediately prior to the adoption of these Articles.
39. (1) At the general meeting of the Company held in November 2006 and at each subsequent annual general meeting of the Company, the newly-elected Council will be announced, to take up office on 1st January of the following year and will comprise:-
- (a) the Honorary Officers;
- (b) the Past Presidents; and

- (c) the chairman of each Section;
 - (d) subject to Article 39(3), the persons nominated and elected in accordance with Article 39(2) by the members of each Section not exceeding the number per Section which applied to the elections which took place in the year 2000 or such other number as applies by virtue of Article 39(2)(d). The persons referred to in paragraphs (a) to (d) inclusive of this Article 39(1), other than the Deputy President, the Honorary Treasurer and the Past Presidents, will count towards the maximum number of members of the Council applicable to the Sections to which such persons respectively belong.
- (2)
- (a) Each year, at least 12 weeks before the date of the annual general meeting (but for the year 2006 only, 12 weeks before the date of the November general meeting), the Secretary will notify the members of each Section of (i) the members of the Council currently representing that Section and (ii) the maximum number of representatives of that Section on the Council applicable in accordance with Article 39(1)(d) above and inviting members of the Section to nominate candidates for election to the Council (who must be Members) either to fill a vacancy in the number of Representatives applicable to that Section or as new Representatives of that Section on the Council. The notification will also specify a date by which such nominations must be received at the Office and the means by which they must be communicated to the Office in order to be valid. Each nomination must be accompanied by a written indication on the part of the nominee of his or her willingness to stand for election. Each nomination shall, in the case of a Member which is a firm, be signed by a partner of the firm and, in the case of a Member which is a company, by a director or the secretary.
 - (b) If the vacancies available do not permit all the persons nominated by any Section to be elected, the Secretary shall cause voting papers containing the names of the persons so nominated and the names of the Honorary Officers to be sent to all the members of each Section for which such nominations are made intimating in each case a date by which the voting papers are to be returned to the Company. The respective persons who are shown to have received the highest number of votes in the respective allocation of seats on the Council in each Section in accordance with Article 39(1)(d) above shall be deemed to be and shall be declared as being members of the Council for the ensuing year, subject only to Article 39(2) (e) below.
 - (c) In the case of an equality of votes being cast for two or more candidates and the vacancies available not permitting both or all of them to be elected, an intimation shall be addressed by the Secretary to each member of the Section concerned and

further voting papers shall be sent to enable them to determine by ballot which of the members who received an equal number of votes shall be elected. On those further voting papers being received, the candidate or candidates, to the extent of the vacancies available, receiving the largest number of votes shall automatically become a member or members of the Council for the ensuing year. However, if upon such further voting there is again an equality of votes given to two or more candidates, their election to the Council shall be determined by the casting vote of the chairman of the Section concerned. If the number of candidates nominated for any Section is insufficient to fill all the seats allocated to such Section, the committee of the Section concerned shall be requested by the Secretary to make nominations to fill such vacancies.

- (d) The maximum number of persons to be elected per Section applicable by virtue of Article 39(1)(d) will be subject to variation by resolution of the Executive after considering a proposal from the Council, and shall be reviewed at each annual general meeting for future years, except that a number can be fixed by the Executive for new Sections.
 - (e) A report of the final result of the voting for the election of the Council shall be made to Members at the annual general meeting of the Company (but in 2006 only at the November general meeting). Any question which is not directed by the Articles to be dealt with by the Council or the Executive arising upon the report or otherwise in connection with the election of the Council shall be determined by the Company at that meeting and the election of the successful candidates shall be deemed to take effect as from the end of that meeting.
 - (f) Any casual vacancy arising in the members of the Council elected by the members of any Section may be filled by the Member, whose Representative ceased to be a member of the Council, appointing a substitute Representative to the Council who is willing to act.
 - (g) The term of office of each member of the Council is not fixed but is subject to Article 39(1) and all other provisions of the Articles.
- (3) No person who is or who becomes engaged or interested in motor journalism shall be eligible for election as a member of the Council, and any member of the Council becoming engaged or interested in motor journalism shall cease to be a member of the Council upon the passing of a resolution to that effect by the Executive. Any question arising under this Article 39(3) shall be determined by the Executive whose decision shall be final.
- (4) For the purpose of any elections to be held under this Article 39, the directors may, but are not obliged, to make arrangements for the ballot to be conducted by means of electronic

communications or by any other means of data transmission subject to any limitations, restrictions or conditions prescribed by the directors from time to time.

2. HONORARY OFFICERS

40. There shall be the following Honorary Officers of the Company all of whom shall be the Representatives of Members: the President, not less than three but not more than six Vice Presidents, an Honorary Treasurer and a Deputy President (who shall be the last retiring President able and willing to act) all of whom shall, subject to these Articles, hold office from 1st January to 31 December. Such President, Deputy President and Vice Presidents shall also be the President, Deputy President and Vice Presidents of the Council. The Council may, by ballot, fill up casual vacancies among the Honorary Officers.
41. Unless and until the Company in general meeting shall otherwise determine, the Past Presidents shall decide by no later than June of each year who will be chosen to hold office as Honorary Officers as from 1st January of the following year, and the persons so chosen may include the incumbent office holders.
42. The Honorary Officers in the year 2006 will be the persons holding such offices at the time of adoption of these Articles.

3. FUNCTIONS OF THE COUNCIL

43. The functions of the Council will be to make decisions on the various matters reserved to it under these Articles, to tender advice to the Executive concerning the conduct of the Company's affairs generally and its policies and programmes and to tender advice on all matters referred to it by the Executive. In addition, the annual budget of the Company, a draft of which will have been produced by the Finance Committee and approved by the Executive, will be presented to the Council at its meeting in November of each year for approval and the Council will be entitled (by majority vote) to require the Executive to reconsider the draft budget, having identified those aspects of it which, in the opinion of the Council, are unsatisfactory. The Council shall not without the prior approval of a resolution of the Executive incur any liability on behalf of the Company or dispose of or encumber any of its assets or funds nor shall it (except with such sanction) have any executive power or function.

4. EXECUTIVE

44. For the period from the date of adoption of these Articles until the 31st December 2006, the Executive will comprise all those Representatives who were members of the Executive immediately prior to the adoption of these Articles.

45. (1) At the general meeting of the Company held in November 2006 and at each subsequent annual general meeting of the Company, the newly-elected Executive will be announced, to take up office on 1st January of the following year and will comprise (subject to Article 45(4)) the following:-
- (a) The Honorary Officers;
 - (b) The chief executive;
 - (c) The Secretary;
 - (d) The persons determined in accordance with the following provisions of this Article 45, which persons will hold office in accordance with the following provisions of this Article 45;
 - (e) One or more additional Representative(s), willing to act, co-opted by the Executive and approved by the Council, and removable by the Executive.
- (2) The Executive, subject to the Articles, shall have full discretion to resolve upon and vary the length of and any other conditions to be attached to co-options made under Article 45(1)(e).
- (3) (a) The Executive will from time to time determine the maximum number of members of the Executive which can be elected by each Section. The maximum number applicable to each Section and the overall maximum number of members of the Executive may be varied in accordance with proposals put forward by the Executive and ratified by the Council. The Honorary Officers, other than the Deputy President and the Honorary Treasurer, will count towards the maximum number of members of the Executive applicable to the Sections to which such persons respectively belong.
- (b) At least 6 weeks before the date of the annual general meeting (but for 2006 only at least 6 weeks before the date of the general meeting in November) the Secretary will notify the members of each Section of (i) the members of the Executive currently representing that Section and (ii) the maximum number of representatives of that Section on the Executive applicable in accordance with this Article 45 and inviting members of the Section to nominate candidates for election to the Executive either to fill a vacancy in the number of representatives applicable to that Section or as prospective new representatives of that Section on the Executive. This notification will be sent with, or form part of, the notification referred to in Article 39(2)(a) above and will specify a date by which the nominations must be received at the Office and the means by which they must be communicated to the Office in order to be valid. The nominations will not be valid unless there is also lodged at the Office

by that date a written indication on the part of the nominees of their willingness to stand for election to the Executive. No person shall be elected to the Executive who is not on, or simultaneously elected to, the Council. Each nomination shall, in the case of a Member which is a firm, be signed by a partner of the firm and, in the case of a Member which is a company, by a director or the secretary.

- (c) If the vacancies available on the Executive (for the purposes of Article 46(1)(d)) do not permit all the persons nominated by any Section to be elected, the Secretary shall cause voting papers containing the names of the persons so nominated to be sent to all the members of each Section for which such nominations are made intimating in each case a date by which the voting papers are to be returned to the Company. The respective persons who are shown to have received the highest number of votes in the respective allocation of seats on the Executive in each Section in accordance with Article 45(3)(a) above shall be deemed to be and shall be declared as being members of the Executive for the ensuing year, subject only to Article 45(3)(d) below.
- (d) In the case of an equality of votes being cast for two or more candidates and the vacancies available not permitting both or all of them to be elected, an intimation shall be addressed by the Secretary to each member of the Section concerned and further voting papers shall be sent to enable them to determine by ballot which of the members who received an equal number of votes shall be elected. On those further voting papers being received, the candidate or candidates, to the extent of the vacancies available, receiving the largest number of votes shall automatically become a member or members of the Executive for the ensuing year. However, if upon such further voting there is again an equality of votes given to two or more candidates, their election to the Executive shall be determined by the casting vote of the chairman of the Section concerned. If the number of candidates nominated for any Section is insufficient to fill all the seats allocated to such Section, the committee of the Section concerned shall be requested by the Secretary to make nominations to fill such vacancies.
- (e) A report of the final result of the voting for election of the Executive shall be made to Members at the annual general meeting of the Company (but for the year 2006 only at the November general meeting). Any question which is not directed by the Articles to be dealt with by the Council or the Executive arising upon the report or otherwise in connection with the election of the Executive shall be determined by the Company at that meeting and the election of the successful candidates shall be deemed to take effect as from the end of that meeting.
- (f) Any casual vacancy arising in the members of the Executive elected by the members of any Section may be filled by the Member whose Representative ceased

to be a member of the Executive appointing a substitute Representative who is willing to act.

- (g) The term of office of each member of the Executive is not fixed but is subject to this Article 45(3) and all other provisions of these Articles.
- (4) Any person on the Executive who ceases to be a member of the Council will automatically cease to be a member of the Executive.
- (5) The members of the Executive will be the directors of the Company.
- (6) For the purpose of any elections to be held under this Article 45, the directors may, but are not obliged, to make arrangements for the ballot to be conducted by means of electronic communications or by any other means of data transmission subject to any limitations, restrictions or conditions prescribed by the directors from time to time.

5. FUNCTIONS OF THE EXECUTIVE

- 46. The business of the Company shall be managed by the Executive which shall, on behalf of the Company, exercise such powers and do such acts as may be exercised or done by the Company, including the power to borrow and to mortgage or charge its undertaking and property, other than such powers and acts as are required by statute or by these Articles to be exercised or done by the Company in general meeting. In the exercise of the powers conferred by these Articles, the Executive shall be subject to any alterations to these Articles which from time to time be made but no such alteration shall invalidate any prior act of the Executive which would have been valid if such alterations had not been made.

6. FINANCE COMMITTEE

- 47. There shall be a finance committee who shall, subject to the control of the Executive, be responsible for administering the financial affairs and the membership and exhibition arrangements of the Company under the direction of the Executive. The membership of the Finance Committee shall consist of such persons as may from time to time be determined by the Executive, who need not be members of the Executive.
- 48. The Finance Committee shall conform to all regulations that may from time to time be imposed upon them by the Executive, who shall have full power to amend their respective terms of reference. The Finance Committee will not, in any event, have authority to commit the Company to any liability or obligation without the express prior approval of the Executive or in accordance with a budget which has previously been approved by the Executive.

7. PROCEEDINGS OF THE INSTITUTIONS

49. The Council, the Executive and the Finance Committee respectively may meet together for the despatch of business (subject to Article 50 in the case of the Council), adjourn or otherwise regulate their meetings as the members may think fit, and determine the quorum necessary for the transaction of business, but, unless the Company in general meeting otherwise resolves upon another number, five shall be the quorum in each case. Questions arising at any 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.
50. The Council will meet on the same day as the annual general meeting in each year (but in 2006 only, at the November general meeting). Additional meetings may be convened by the Executive or if ten or more members of the Council lodge at the Office addressed to the Secretary a request for a special meeting of the Council to be convened in which event the Secretary will make arrangements for such a meeting to take place as soon as practicable.
51. Any member of the Council or the Executive may participate in a meeting of the Council or the Executive or of a committee of the Council or the Executive by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and all persons participating in the meeting in this manner shall be deemed to be present in person at that meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.
52. The President of the Company will be the Honorary Officer designated as such in accordance with Article 40.
53. The President of the Company shall preside at all meetings of the Council and of the Executive but, in the case of the Council, if at any time there be no such President, or if at any meeting the President be not present within five minutes after the time appointed for holding the same, the Deputy President shall preside at such meeting, but if at any time neither the President nor the Deputy President be present within five minutes after the time appointed for holding the same, one of the Vice-Presidents, to be selected by the meeting, shall preside at such meeting, or if there be no Vice-President present, the members present shall choose someone of their number to act as chairman of such meeting and the member so chosen shall preside at such meeting accordingly, and in the case of the Executive the members present will decide who is to chair the meeting.
54. The Council, the Executive and the Finance Committee respectively may form sub-committees and may delegate any of their powers to such sub-committees, revise the terms of reference of such sub-committees or wind them up.
55. The meetings and proceedings of any such sub-committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Council and the Executive and the

Finance Committee, so far as the same are applicable thereto and are not superseded by the regulations made by the appointing committee under the last preceding Article.

56. (1) The Executive and every sub-committee and Section and committee of a Section shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all appointments of officers;
 - (b) of the names of the members present at each meeting; and
 - (c) of all resolutions and proceedings of the Council, Executive and Finance Committee and sub-committees and Sections and committees of Sections, and any such minutes of any meeting of the Council, Executive and Financial Committee and sub-committees and Sections and committees of Sections or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence, without any further proof, of the matters stated in such minutes.
- (2) The Secretary will cause minutes to be kept of all general meetings of the Company.
57. Subject to the provisions of the Act, the Secretary shall be appointed by the Executive for such term, at such remuneration and upon such conditions as they may think fit; and the Secretary so appointed may be removed by them.
58. The Company's seal shall only be used with the authority of the Executive or of a committee of the Executive authorised by the Executive to use the seal for a specific purpose. The Executive may determine who shall sign any instrument to which the seal is affixed and unless the directors so determine it shall be signed by a director and by the Secretary or by a second director.

8. SECTIONS

59. The Executive may, subject to such limitations as they think fit, form members into Sections, determine and vary the qualifications for membership of each Section, cause two or more Sections to be amalgamated and wind up any Section. A member, if qualified, may belong to more than one Section. The committee for the time being of any Section may, subject to the approval of Executive, impose such additional qualifications for the membership of such Section as it may think fit, but without prejudice to the right of the Executive under Article 6.
60. (1) A Section shall have power to watch over and protect the interests of the members of the Section and such other powers as are now or may hereafter be conferred upon the Section by the Executive or these Articles.

- (2) The members of a Section may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they may think fit.
- (3) Questions arising at any meeting of a Section shall be decided by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- (4) The chairman of a Section may at any time summon a meeting of a Section. The quorum necessary for the transaction of the business of a Section may be fixed by a resolution of the Section and unless so fixed shall be two.
- (5) A Section may elect a chairman and vice-chairman of the Section and determine the period for which they are to hold office.
- (6) A Section may, subject to the approval of a resolution of the Executive, resolve to delegate all or any of its powers to executive or other committees consisting of such member or members of the Section as it thinks fit, and any committee so formed shall in the exercise of the powers so delegated conform to any regulations imposed on it by the Section or by the Executive. If, in the opinion of the Executive, the officers of a Section or the members of a committee of a Section are acting in a manner which is contrary to the policies of the Executive or is otherwise inimical to the interests of the Company, the Executive will have the right to suspend such officers or members from their functions in the Section concerned until the matter is resolved to the reasonable satisfaction of the Executive.
- (7) The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of a Section so far as the same are applicable thereto and are not superseded by any regulations made by such Section or by the Executive under this Article.
- (8) All acts *bona fide* done by the Council, the Executive or the Finance Committee or by a committee of a Section or any other committee or sub-committee of the Company shall be valid notwithstanding that it is afterwards discovered that there is or was some defect in the appointment of any such Council, Executive or Finance Committee, Section committee or other committee or sub-committee or one or more of the members thereof or that any member thereof was not duly qualified to act.

7. CHIEF EXECUTIVE AND DIRECTORS' INTERESTS

61. The Executive shall cause the Company to employ or engage a chief executive and such other employees, agents and advisers as they consider necessary and shall regulate their duties and fix their remuneration. The chief executive shall be accountable to the Executive for the efficient and effective management of the Company's business or shall perform such other functions as the Executive may direct.

62. Subject to the provisions of the Act, and provided that he has disclosed to the Executive the nature and extent of any material interest of his, a director notwithstanding his office-
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) 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
 - (c) 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.
63. For the purposes of Article 62
- (a) a general notice given to the Executive 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
 - (b) 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.
64. The Executive may provide benefits, whether by the payment of gratuities or pensions by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

V – DISQUALIFICATION FROM OFFICE

65. A member of the Council or the Executive or of any other committee shall vacate office:
- (a) If the Member whom he represents ceases to be a Member.

- (b) If the Member whom he represents becomes bankrupt or insolvent or makes a conveyance or assignment of his property for the benefit of, or executes any deed of arrangement in favour of, or makes any composition or arrangement with, his creditors generally, or any class of his creditors, or being a company goes into liquidation not being a voluntary liquidation for the purpose of reconstruction or amalgamation.
- (c) If his appointment is revoked in accordance with these Articles by the Member who appointed him.
- (c) If and when he is requested, by a resolution passed by a majority of at least three-quarters of the members of the Council or Executive, as the case may be, present and voting at a meeting of the Council or the Executive as the case may be, to resign.
- (e) If by notice in writing he resigns his office.
- (f) If the Member he represents becomes engaged or interested in motor journalism, and such a resolution as is mentioned in Article 39(3) is passed.

VI. - ACCOUNTS

66. The Finance Committee shall cause true accounts to be kept, giving full particulars:
- (1) of all monies, investments and assets of the Company;
 - (2) of all monies received and expended by the Company, and of the matters in respect of which such receipts and expenditure takes place; and
 - (3) of the credits and liabilities of the Company.
67. The books of account shall be kept at the Office or at such other place or places as the Finance Committee may from time to time determine.
68. The Finance Committee shall from time to time determine whether in any particular case or class of cases, or generally, and at what times and places, and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of Members; and no Members shall have any right of inspecting any account or book or document of the Company, except as conferred by statute or authorised by the Finance Committee or by a resolution of the Company in general meeting.
69. A balance sheet and income and expenditure account shall be made out once in every year, and after being duly audited shall be laid before a general meeting of the Company.

70. A copy of the balance sheet, income and expenditure account, and report by the auditors shall, twenty-one days prior to the general meeting at which the same are to be laid be sent to every Member. The accidental omission to send any such documents to any Member shall not invalidate the proceedings at the meeting.

VII. - AUDITORS AND AUDIT

71. Once at least in every year the accounts of the Company shall be audited.
72. No member of the Council or of any committee or of a sub-committee or officer of the Company shall be appointed auditor of the Company.
73. The Finance Committee may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.
74. The remuneration of the auditors shall be fixed by the Company in general meeting, except that the remuneration of any auditors appointed to fill any casual vacancy may be fixed by the Finance Committee.
75. The rights and duties of the auditors shall be regulated in accordance with the Act.

VIII - NOTICES

76. A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter, addressed to such Member at his last registered address or by such other means as the Member shall from time to time agree with the Company in writing.
77. Any notice, if served by first class post, shall be deemed to have been served on the day following that on which it is posted, and in proving such service it shall be sufficient to produce a certificate under the hand of the Secretary or other officer of the Company, stating that the letters containing the notices were properly addressed and put into the post and such certificate shall be evidence also of the contents of such notice; if served by another means (agreed in accordance with Article 76) it shall be deemed to have been served if served in accordance with the terms of that agreement.

IX. - INDEMNITY TO OFFICIALS

78. The Company may in its discretion repay to any member of the Council and of the Executive and of every committee and sub-committee any expenses properly incurred by him in the execution of his office.
79. Save to the extent which any statute may modify the provisions of this Article, every member of the Council and the Executive and every other committee and sub-committee properly constituted in accordance with these Articles shall be indemnified out of the assets of the Company against all actions, costs, charges, expenses and damages which he may incur or sustain by reason of any act done, concurred in or omitted in the execution of his duties or supposed duties except such as shall happen by or through his own wilful act or default.