

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

**ARTICLES OF ASSOCIATION**

**OF**

**RACEHORSE OWNERS ASSOCIATION LIMITED (THE)**  
**Company No: 00398604**

**1 DEFINITIONS AND INTERPRETATION**

1.1 The definitions and rules of interpretation in this Article 1 apply in these Articles:

<b>"Act"</b>	means the Companies Act 1985 (as amended).
<b>"Acting President"</b>	means any individual appointed by the Board to fulfil the role of President for an interim period (without the requirement to obtain ratification of a Nomination from the Association Members).
<b>"Acting Vice President"</b>	means any individual appointed by the Board to fulfil the role of Vice President for an interim period (without the requirement to obtain ratification of a Nomination from the Association Members).
<b>"Annual General Meeting(s)"</b>	an annual general meeting (as such term is referred to in the Act) of the Association to be called in accordance with Article 8.1.
<b>"Appointed Director(s)"</b>	means a Board Director (but not the President or Vice President) who has been appointed by the Board and has not ceased to be a Board Director since being so appointed.
<b>"Articles"</b>	means these Articles of Association as amended from time to time.
<b>"Association"</b>	means The Racehorse Owners Association Limited (company no: 00398604).
<b>"Association Member(s)"</b>	means any member of the Association from time to time.
<b>"Audit Committee"</b>	means the committee appointed in accordance with Article 10 to carry out such functions as may be provided under Article 10.
<b>"BHA"</b>	means the British Horseracing Authority Limited (company no: 02813358).
<b>"Board"</b>	means the board of the Association to be maintained pursuant to Article 4.
<b>"Board Director(s)"</b>	means the directors of the Association which shall collectively be the Appointed Directors, Elected Directors, President and Vice President from time to

	time and, if the Board so resolves, the Chief Executive from time to time.
<b>"Board Meeting(s)"</b>	means a meeting of the Board to be conducted in accordance with Article 7.
<b>"Chief Executive"</b>	means the chief executive of the Association from time to time to be appointed in accordance with the provisions of Article 11.
<b>"Clear Days"</b>	means complete days, not including: (i) the day on which the period begins; and (ii) if the end of the period is defined by reference to an event (for example, an Annual General Meeting), the day of that event.
<b>"Elected Director(s)"</b>	means a Board Director (but not the President or Vice President) who has been elected by the Association Members and has not ceased to be a Board Director since being so elected (or since being most recently elected).
<b>"Executive Committee"</b>	means a committee of the Board appointed in accordance with Article 10 to carry out such functions as may be provided under Article 10, comprising the President, the Vice President, the chairman of the Audit Committee, the Chief Executive and a maximum of four other Board Directors as the President may, in his sole discretion, select.
<b>"Extraordinary General Meeting(s)"</b>	means a non-routine extraordinary general meeting (as such term is referred to in the Act) of the Association called for a specific purpose in accordance with the provisions of these Articles.
<b>"General Meeting(s)"</b>	means Annual General Meetings and Extraordinary General Meetings.
<b>"Horsemen's Group"</b>	means the Horsemen Limited (Company No: 05848596) which expression shall include its respective successors or any other company carrying out the same function in substitution for it.
<b>"Memorandum"</b>	means the Memorandum of Association of the Association.
<b>"Nominations"</b>	shall have the meaning given to it in Article 3.4 and the terms " <b>Nominate</b> " and " <b>Nominated</b> " shall be construed accordingly.
<b>"Nominations Committee"</b>	means a committee of the Board appointed in accordance with Article 10 to carry out such functions as may be provided under Article 10, comprising the President, the Vice President and a maximum of two other Board Directors, such other Board Directors to be appointed annually by means of a proposal by the President which is supported by a simple majority of the Board.
<b>"Not In Good Standing"</b>	means any Association Member that: (I) is, at any time, more than thirty days in arrears with any sums

due to the Association; and/or (ii) in the opinion of the Board, has acted in any way which is detrimental to the good name of the Association, has otherwise brought himself or the Association into disrepute or is considered a person whose election to the Board might otherwise be detrimental to the interests of the Association.

- "Office"** means the registered office of the Association.
- "Owner(s)"** means any person who is registered under the Rules as owning a Racehorse or any interest in a Racehorse.
- "Qualifying Owner(s)"** shall have the meaning given to it in Article 4.9.
- "President"** means the president of the Association from time to time to be appointed in accordance with Article 3.
- "Racehorse(s)"** means a horse belonging to one or more owners and qualified to compete in races under the Rules.
- "REL"** means Racing Enterprises Limited (Company No: 04444746) which expression shall include its respective successors or any other company carrying out the same function in substitution for it.
- "Rules"** means the Rules of Racing issued by the BHA and in force at any relevant time.
- "Scotland Representative"** means the Association's representative for Scotland (if any) to be appointed in accordance with the provisions of Article 12.
- "Vice President"** means the vice-president of the Association from time to time to be appointed in accordance with Article 3.
- 1.2 Unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when the Articles become binding on the Association.
- 1.3 Unless the context otherwise requires, words denoting the singular include the plural and vice versa. Words denoting the masculine gender include the feminine gender. Words importing persons include corporations and unincorporated associations.
- 1.4 References to any statute or statutory provisions shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force save as mentioned in Article 1.2.
- 1.5 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the Articles.
- 1.6 None of the Articles contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 shall apply to the Association except so far as embodied in any of the following Articles.

## **2 ASSOCIATION MEMBERS**

- 2.1 The Association Members shall be the subscribers to the Memorandum and such other persons as the Board may from time to time admit to membership of the Association subject to the provisions as to disqualification and termination of membership set out in these Articles.
- 2.2 An Association Member shall not be required to be, or to remain, an Owner.
- 2.3 Any person wishing to become an Association Member shall complete and forward to the Office (or to such other address as the Board may from time to time provide in substitution) an application for admission to membership with such particulars as the Board may from time to time prescribe and shall agree to conform to the rules and regulations of the Association.
- 2.4 The Board may refuse to admit to membership any person (whether an Owner or not) without assigning any reason for refusal.
- 2.5 Each Association Member (except an honorary Association Member) shall pay to the Association an annual subscription as determined by the Board from time to time, the first subscription to be paid on his admission to membership and the subsequent subscriptions to be paid in advance in each year on the first day of the month in which he was originally admitted to membership or at such other time or frequency as the Board may determine.
- 2.6 Any decision by the Board as to the amount of any additional or other subscription thenceforth payable shall be binding upon all the Association Members.
- 2.7 An Association Member may retire from membership on giving to the Chief Executive not less than one month's written notice of his desire to retire.
- 2.8 Membership of the Association by an Association Member shall lapse in circumstances where such Association Member's annual subscription has expired and has not been renewed when due or within such period of grace thereafter as the Association may in its discretion permit. If an Association Member's membership of the Board has lapsed and, following such lapse, the vote of such person (although not valid) has been counted in any context relating to the Association, the validity of such vote shall not be questioned after it has been admitted (without objection).
- 2.9 Any person who:
- 2.9.1 is disqualified as an Association Member for a breach of the Rules and whose disqualification is published in the Racing Calendar or in such other manner as the Rules shall prescribe;
  - 2.9.2 shall have a receiver of his affairs appointed by the Court of Protection;
  - 2.9.3 shall become bankrupt; or
  - 2.9.4 (being a corporation) shall suffer a resolution to be passed or an order to be made for its winding-up,
- shall in each case thereupon immediately cease to be an Association Member but shall be eligible to apply afresh for membership of the Association following termination or reversal of such circumstances.
- 2.10 Any Association Member who shall:
- 2.10.1 fail in the observance of any regulation of the Association or of any lawful bye-law regulation or order of the Board;
  - 2.10.2 is Not In Good Standing; and/or

2.10.3 in the opinion of the Board (on such grounds and evidence as the Board may consider sufficient) be held to be guilty of any dishonourable act, practice or conduct,

may be excluded from membership of the Association by resolution passed by a majority of at least three fourths of the Board Directors present and voting at a Board Meeting. Such Association Member shall have seven Clear Days' notice of the time and place of such Board Meeting sent by pre-paid first class post to the address furnished by him in accordance with these Articles and any written representation made by him prior to that Board Meeting shall be considered by the Board but such Association Member shall not be entitled to attend that Board Meeting unless so invited by the Board.

2.11 Except as otherwise set forth herein, the rights and privileges of each Association Member shall be personal to that Association Member and shall not be transferable or transmissible by his own act or by operation of law.

2.12 The Board may from time to time nominate any persons as honorary Association Members at the discretion of the Board.

### 3 THE PRESIDENT AND THE VICE PRESIDENT

3.1 There shall be a President and Vice President of the Association.

3.2 Other than in the circumstances specified in Article 3.11, in each year at the close of the Annual General Meeting a President and Vice President shall take office or, for their second and third years of office, be confirmed in office and (subject to the other provisions of these Articles) shall respectively hold office until the close of the next following Annual General Meeting.

3.3 The maximum consecutive number of years for which the President and Vice President shall hold office shall, unless the Board otherwise resolves, be three (from the date of the next Annual General Meeting, if the President and/or Vice President is appointed between Annual General Meetings) provided that the term of office of the Vice President can be extended or truncated by the Board to ensure that the terms of office of the President and Vice President expire at the same time.

3.4 Such President and Vice President shall be the persons nominated by the Board after an election at a Board Meeting held at any time during the year prior to that Annual General Meeting (the "**Nomination(s)**"). The method of arriving at such Nominations shall be as decided from time to time by the Board provided that the President and the Vice President respectively must be:

3.4.1 Association Members throughout their term of office;

3.4.2 at the date of their Nomination, Board Directors; and

3.4.3 Qualifying Owners.

3.5 Nothing in these Articles shall prevent a person who has been appointed President or Vice President from holding such office for up to three years even if his tenure of such office for such period would result in his being a Board Director for more than nine consecutive years.

3.6 If the President's or Vice President's term of office expires at a time when he has been a Board Director for:

3.6.1 nine years or more, then the termination of such office shall operate so as also to terminate his directorship of the Board; or

3.6.2 fewer than nine consecutive years, he may become an Elected Director in accordance with Article 5 or an Appointed Director in accordance with Article 6.

- 3.7 The President and Vice President shall be entitled to such remuneration as the Board may by resolution determine from time to time and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
- 3.8 The President and/or the Vice President may be dismissed by a vote of the Board conducted in accordance with the following provisions:
- 3.8.1 A Simple Majority of the Board Directors must sign a resolution to dismiss and lodge it at the Office before the Board Meeting at which the resolution is to be put.
- 3.8.2 The proposals set out in such resolution must be limited to the dismissal of the President and/or the Vice President (as the case may be) and shall specify the date of the Board Meeting at which it is to be proposed.
- 3.8.3 As soon as possible after receipt but nonetheless at least twenty-one Clear Days before the Board Meeting at which the resolution is to be proposed, the Chief Executive must send to every Board Director notice of the date, time and place of the Board Meeting, the text of the resolution and the names of the signatories.
- 3.8.4 The President and/or the Vice President (as the case may be) whose dismissal is proposed shall have the opportunity to address the Board at the said Board Meeting before the resolution is put to the vote.
- 3.8.5 The resolution to dismiss may be proposed by any of the signatories at the designated Board Meeting.
- 3.8.6 Board Directors may vote in person or by proxy.
- 3.8.7 To be successful, the resolution must receive votes in favour of at least fifty-one per cent of the Board Directors eligible to vote (whether all the Board Directors actually vote or not).
- 3.8.8 Subject to compliance with these Articles, the arrangements for proposal and disposal of the resolution shall be as decided by the Chief Executive.
- 3.9 The President and/or the Vice President may at any time on notice in writing to the Chief Executive retire from office but such retirement will not automatically be construed as retirement from the Board (unless the Board otherwise resolves).
- 3.10 If either of the President or the Vice President shall be dismissed (in accordance with Article 3.8), die, retire (in accordance with Article 3.9) or otherwise become disqualified from or cease to be in office, the Board shall, as soon as possible, hold an election to decide on the Nomination for a new President or Vice President (as the case may be) provided that:
- 3.10.1 the new President or Vice President shall not be permitted to take office until the next Annual General Meeting (at which the Association Members shall vote on whether to ratify their Nomination in accordance with Article 8.2.3); and
- 3.10.2 should the President or the Vice President cease to be in office (for any reason) at any time between Annual General Meetings, the Board shall have the power to appoint an Acting President and/or Acting Vice President to hold office until the next Annual General Meeting.
- 3.11 Should the Association Members elect not to ratify the Nomination of a President and/or Vice President (by way of ordinary resolution at an Annual General Meeting, in accordance with Article 8.2.3), the Board shall not be permitted to appoint said President and/or Vice President and the following shall apply:
- 3.11.1 As soon as reasonably practicable after such Annual General Meeting, the Board shall convene a Board Meeting at which it will Nominate a new President and/or Vice

President (it being understood that the individual(s) so rejected by the Association Members shall not be permitted to be Nominated on this occasion);

- 3.11.2 As soon as reasonably practicable after the Board Meeting referred to in Article 3.11.1, the Board shall call an Extraordinary General Meeting at which the Association Members shall be asked to ratify the Nomination of the new President and/or Vice President by way of an ordinary resolution;
  - 3.11.3 Should the Association Members ratify the Nomination of the new President and/or Vice President, he or they shall take office at the close of such Extraordinary General Meeting;
  - 3.11.4 Should the Association Members fail to ratify the Nomination of the new President and/or Vice President, the process detailed in this Article 3.11 shall be repeated until a Nomination is ratified by the Association Members; and
  - 3.11.5 The Board shall have the power to appoint an Acting President and/or Acting Vice President until such time as the Association Members ratify the appointment of a new President and/or Vice President.
- 3.12 The Board shall, from time to time, select any of the President, the Vice President or the Chief Executive to be a director of the Horsemen's Group and/or one of the Association's nominated person representing the Horsemen's Group on REL. For the avoidance of doubt there shall be no requirement for the Association's representative on the Horsemen's Group, on REL and/or on the BHA member's committee to be the same person in each case.
  - 3.13 For the avoidance of doubt, as distinct categories of Board Directors, nothing herein (including, without limitation, the provision of Articles 5.2 and 6.3 shall operate to prevent the President or Vice President from holding such office and/or being a Board Director for more than nine years, should the Board so resolve, provided that the Board shall only have the power to resolve to extend each of the President's or Vice President's term of office beyond nine years on one occasion.

#### **4 THE BOARD**

- 4.1 The business of the Association shall be managed by the Board.
- 4.2 The Board shall be responsible to the Association for compliance with the statutory obligations of the Association in relation to the Act.
- 4.3 Until otherwise determined by the Association in a General Meeting the Board shall consist of:
  - 4.3.1 the President and the Vice President;
  - 4.3.2 the Elected Directors;
  - 4.3.3 the Appointed Directors; and
  - 4.3.4 if the Board resolves, the Chief Executive.
- 4.4 Unless the Board shall otherwise decide, there shall be up to nine Elected Directors and up to six Appointed Directors provided that it is the intention of the Association that the number of Elected Directors shall always exceed the number of Appointed Directors. Should the number of Elected Directors fall below the number of Appointed Directors at any time (for example, by reason of retirement) the following shall apply:
  - 4.4.1 The Board shall, as soon as reasonably practicable, hold an election (in accordance with the provisions of Article 5) to fill such number of vacancies of Elected Directors that will ensure that the number of Elected Directors exceed the number of Appointed Directors at the conclusion of such election; and

- 4.4.2 Prior to the appointment of the Elected Directors in accordance with Article 4.4.1, with respect to any Board resolutions, the Board shall apply such multiplier to the votes of the Elected Director(s) currently on the Board as is necessary to ensure that the Elected Directors have one more vote on the Board than the Appointed Directors.
- 4.5 No person shall be a Board Director who is not an Association Member. A Board Director shall immediately vacate office if he ceases to be an Association Member.
- 4.6 Subject to Article 4.8, and save as provided in Article 4.7, a:
- 4.6.1 person shall only be eligible to be a Board Director if that person has been a Qualifying Owner at some time during the twelve-month period immediately preceding the date he would join the Board; and
- 4.6.2 Board Director shall not be eligible to remain a Board Director if, at any time since becoming a Board Director, he has, for a period of more than six months, ceased to be a Qualifying Owner.
- 4.7 Subject to Article 4.8, the Board shall be entitled to waive the requirements of Article 4.6 in whole or in part (and with or without imposing conditions) in respect of Elected Directors or Appointed Directors if the Board agrees unanimously that it would be in the best interests of the Association and its membership for that person to be a Board Director.
- 4.8 Nothing in Articles 4.6 or 4.7 shall apply to the Chief Executive.
- 4.9 For the purposes of this Article 4, a person shall be a “**Qualifying Owner**” if:
- 4.9.1 he (either alone or together with his spouse or civil partner, or an entity which is wholly owned by him alone or by him and his spouse or civil partner) owns not less than one hundred per cent of one Racehorse or interests in more than one Racehorse which add up to at least one hundred per cent; and
- 4.9.2 the Racehorse(s) in question are trained in Great Britain and are either in training or being prepared for training or are temporarily out of training,
- and, for the avoidance of doubt, ownership of a leasehold interest in a horse will be construed as ownership of a horse or the relevant proportion thereof.
- 4.10 A Board Director may retire from office on giving notice in writing to the Chief Executive.
- 4.11 Any Board Director may be removed in accordance with the procedure for the removal of the President and/or the Vice President under Article 3.8 or if the Board shall resolve that a Board Director (which, for the avoidance of doubt, includes the President and Vice President) has ceased, without reasonable excuse, to be a Qualifying Owner provided that this Article 4.11 shall not apply to the Chief Executive.
- 4.12 If the Board Director so removed pursuant to Article 4.11 is also the President or Vice President, he shall be deemed, immediately following such removal, to have resigned from that office.
- 4.13 Any Board Director who ceases to be an Association Member under Article 2.10 shall be deemed immediately thereafter to have resigned as a Board Director.
- 4.14 The office of a Board Director shall be vacated if he:
- 4.14.1 ceases to be a Board Director by virtue of any provision of the Act or becomes prohibited by law from being a Board Director;
- 4.14.2 becomes bankrupt or makes any arrangement or composition with his creditors generally; or



4.14.3 is, or may be, suffering from mental disorder and either:

- (a) he is admitted to hospital in pursuance of an application for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960;
- (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 to his property or affairs, or
- (c) he becomes subject to any procedure provided for by statute replacing or amending Article 4.14.3(a) or (b).

4.15 Where the Chief Executive is a Board Director, the Chief Executive shall cease to be a Board Director upon ceasing to be an employee of the Association or, if sooner, upon the Board resolving that he should cease to be a Board Director.

4.16 There shall be no age limit for any of the President, the Vice President, a Board Director or the Chief Executive.

4.17 An Association Member who is Not In Good Standing shall:

4.17.1 have no right to vote on Board matters; and

4.17.2 not be eligible to stand for, or hold office as, a Board Director,

should the Board so resolve.

## 5 ELECTED DIRECTORS

5.1 Each Elected Director shall hold office, subject to the terms of these Articles, for a term of three years but, on the expiry of any such three year period, that Elected Director shall be entitled to stand for re-election so long as he gives written notice (subject to Article 5.2). Unless re-elected, each Elected Director shall be deemed to have retired from the Board at the third Annual General Meeting after their most recent election to the Board.

5.2 There shall be no specific limit on the aggregate number of times that a person who has been an Elected Director shall be entitled to stand for re-election but a person who has been a Elected Director and/or Appointed Director for nine consecutive years shall not be entitled to remain a Board Director for any further three year term until at least twelve months have expired since he was last an Elected Director.

5.3 Any Association Member may, between 1 January and 1 April in each year (or within such other period as the Board may determine and publish), apply in writing to the Chief Executive for election to the Board at the following Annual General Meeting provided that such person shall only be permitted to stand for election if they receive signatures of support from a minimum of four other existing Association Members (who shall only be permitted to give such support to one candidate).

5.4 Subject to the provisions of Article 4.4, unless otherwise agreed by the Board, the number of vacancies among the Elected Directors to be filled at the next Annual General Meeting shall be three.

5.5 If the number of applications to be an Elected Director shall exceed the number of vacancies, the Chief Executive shall send (or cause to be sent) to all Association Members (not less than twenty-one Clear Days before the Annual General Meeting) a voting paper with instructions for completion indicating:

5.5.1 the names of those of the Elected Directors deemed to retire at such Annual General Meeting;

- 5.5.2 details of the circumstances in which any additional vacancy has arisen;
- 5.5.3 the names of those who have applied for election (including those applying for re-election);
- 5.5.4 the number of vacancies available to be filled;
- 5.5.5 instructions for completion of the voting paper; and
- 5.5.6 such other information concerning the candidates for election as the Board shall direct,

provided that the accidental omission to send such voting paper to, or the non-receipt of such voting paper by, any Association Member shall not invalidate any such election.

- 5.6 The system of voting for Elected Directors shall be 'first past the post' or such other method of voting as the Board shall from time to time determine to be fair and appropriate.
- 5.7 The voting papers shall be returned to the Office (or, if so nominated by the Board, to the address of the agency appointed by the Board to administer the counting of the votes as published with the voting papers) not less than three Clear Days before the date fixed for the Annual General Meeting and papers received thereafter shall not be reckoned.
- 5.8 The votes shall be counted prior to such Annual General Meeting under the direction of the President or as the Board (or any requirement of law) may otherwise direct or require.
- 5.9 The candidates who shall successively receive the largest numbers of votes until all the available vacancies have been filled shall be elected to be Elected Directors and shall be so declared by the chairman of the Annual General Meeting. In the case of any equality of votes for the last place or places among the said vacancies, the Board shall be permitted to either: (i) elect all candidates that receive such equal votes; or (ii) not elect any of the candidates that receive such equal votes in which case and any such vacancy shall remain unfilled until the next Annual General Meeting. Those elected shall hold office from the conclusion of the said Annual General Meeting and for the purposes of these Articles shall be deemed to have been elected (simultaneously among themselves) at such Annual General Meeting.
- 5.10 If the number of vacancies exceeds the number of candidates then neither the Association nor the Board shall have power to fill any such vacancy.
- 5.11 Subject to the provisions of Article 4.4, if any Elected Director(s) shall resign from the Board before the end of their three year term, then their replacement(s) shall be elected at the Annual General Meeting at which the Elected Director (who has resigned) would have otherwise completed their three year term.

## **6 APPOINTED DIRECTORS**

- 6.1 The Board may appoint up to two Appointed Directors at each Annual Meeting.
- 6.2 Each Appointed Director shall be an Appointed Director, subject to the terms of these Articles, for a term of three years but, on the expiry of any such three year period, that Appointed Director shall be entitled to be re-appointed by the Board in accordance with this Article 6. Unless re-appointed, an Appointed Director shall be deemed to have retired from the Board at the third Annual General Meeting following his most recent appointment to the Board.
- 6.3 There shall be no specific limit on the aggregate number of times that a person who has been an Appointed Director may be reappointed but a person who has been a Appointed Director and/or Elected Director for nine consecutive years shall not be entitled to remain a Board Director for any further three year term until at least twelve months have expired since he was last an Appointed Director.

6.4 The Nominations Committee will recommend candidates to the Board having considered the balance of skills, knowledge and experience on the Board. The Board will vote on whether to appoint a candidate to the Board as an Appointed Director at a Board Meeting. To be successful, the candidate must receive votes in favour of at least fifty-one percent of the Board Directors eligible to vote (whether all the Board Directors actually vote or not).

## 7 **BOARD MEETINGS**

7.1 The Board shall have full authority to act notwithstanding that any vacancy shall not have been filled.

7.2 The Board shall meet together not less than once every three months for the transaction of business either at the Office or at such other place, and at such times as the Board may from time to time determine.

7.3 A Board Meeting may at any time be called by the President or Vice President, or at the written request of five or more Board Directors.

7.4 Not less than seven Clear Days' notice of the date time and place of a Board Meeting (or three Clear Days' notice, if, in the opinion of the President or Vice President, the case be one of emergency) shall be delivered or sent to each Board Director by the Chief Executive.

7.5 Not less than three Clear Days' prior to the date of every Board Meeting the Chief Executive shall deliver or send to each Board Director a statement of the business to be transacted at such Board Meeting, but the accidental omission to send such notice to or the non-receipt of such notice by any Board Director shall not invalidate the proceedings of any Board Meeting.

7.6 All Board Meetings shall be presided over by the President, or, in his absence, by the Vice President, and in the absence of both, a chairman who shall be elected from among those present by a majority of votes.

7.7 Five Board Directors shall form a quorum at any Board Meeting.

7.8 The Board shall have the following powers:

7.8.1 Subject to any limitation contained in the Memorandum, to dispose of the funds of the Association for the purposes of the Association;

7.8.2 To manage and superintend the affairs of the Association, and to exercise all such powers of the Association as are not under the Act or these Articles required to be exercised by the Association at a General Meeting, with power to make regulations for any matters which are authorised by these Articles to be determined or directed by the Board and also for every case of exigency that may arise not provided for by the then existing regulations (such regulations to be in force until revoked by the Board or by the resolution at a General Meeting). Provided that no regulation shall be made in pursuance of the power in this Article 7.8.2 which shall amount to an alteration of or an addition to these Articles;

7.8.3 To regulate its own proceedings, and to fix the dates of all General Meetings;

7.8.4 Where it is felt that the composition of the Board from time to time would benefit from the skills of any individual who is not currently a Board Director, it shall be permitted to invite individuals to attend Board Meetings at any time provided that such individuals shall not be permitted to vote.; and

7.8.5 To delegate any of its powers to the Chief Executive or to any other employee or agent of the Association.

7.9 Unless otherwise stated herein, all questions shall be decided by a majority of the votes of those present (including present by telephone), and the chairman of the Board Meeting shall

have an additional or casting vote in all cases where there is an equality of votes except where the vote relates to the election of the chairman.

7.10 A Board Director shall forthwith cease to be a Board Director if:

7.10.1 he shall during any twelve month period ending on the last day of February have missed more than half of the Board Meetings held during that twelve month period; and

7.10.2 the Board resolves that the Board Director in question shall cease to be a Board Director.

7.11 All acts done at any Board Meeting, or by any committee appointed by the Board, or by any person acting as a Board Director, or of such committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of such Board Director, committee, or any of the members thereof, or such person was disqualified, be as valid as if such Board Director, committee or every member thereof, or such person had been duly appointed, and were or was duly qualified.

## **8 GENERAL MEETINGS**

8.1 Annual General Meetings shall be held in each calendar year. Not more than fifteen months shall be allowed to elapse between any two Annual General Meetings.

8.2 At every Annual General Meeting:

8.2.1 an annual report of the Board for the past year shall (if the Board so decides) be read, and in any event shall be placed before such Annual General Meeting.

8.2.2 the names of any newly appointed Appointed Directors and any newly elected Elected Directors shall be announced by the chairman of such Annual General Meeting;

8.2.3 where a new President and/or Vice-President has been Nominated by the Board subsequent to the last Annual General Meeting, the Association Members shall vote on whether to ratify said Nomination, and, if so ratified, the new President and/or Vice-President shall be in office immediately following that Annual General Meeting (but if the Nomination is not ratified, the provisions of Article 3.11 shall apply). For the avoidance of doubt, this vote to ratify the Nomination shall only take place at the beginning of the President's and Vice President's term;

8.2.4 the audited balance sheet and income and expenditure account for the previous year shall be presented and (if approved) passed;

8.2.5 the auditor of the Association shall be appointed;

8.2.6 such other business as the Association is required to conduct at an annual general meeting shall be conducted; and

8.2.7 such other business as can be transacted at a General Meeting may be transacted if the Board so decides.

8.3 The President or the Board may, whenever they think fit, and the President or Board shall, on a requisition made in writing signed by one-hundred Association Members stating the object of the meeting, convene an Extraordinary General Meeting at any time and for any purpose whatever except for the purpose of the business which has to be transacted at the most recent Annual General Meeting in accordance with these Articles (provided that no vote can be demanded by Association Members with a respect to an issue where the Board has the sole power to make a decision pursuant to these Articles).

- 8.4 Twenty-one Clear Days' notice specifying the place, day and hour of any General Meeting, and the general nature of the business to be transacted thereat, shall be given by the Chief Executive to the Association Members in manner hereinafter mentioned, but the accidental omission to send such notice to or the non-receipt of such notice by any Association Member shall not invalidate any such proceedings at any General Meeting.
- 8.5 No business shall be transacted at any General Meeting, except the election of a chairman and the adjournment of the General Meeting, unless a quorum of twelve Association Members be present in person at the time when the General Meeting proceeds to business. If within thirty minutes from the time appointed for the General Meeting a quorum is not present, the General Meetings, if convened on the requisition of Association Members, shall be dissolved; in any other case, it shall stand adjourned to such day, and at such time and place, as shall be appointed by the chairman of such General Meeting.
- 8.6 All questions at any General Meeting shall, unless a poll is demanded by at least five of the Association Members present in person, be decided by a majority of votes of those present by a show of hands, and if the votes be equal the chairman of the General Meeting shall have an additional or casting vote. Any such demand for a poll shall be made before or as soon as practicable after any show of hands from those present.
- 8.7 Unless a poll is duly demanded in accordance with Article 8.6, any declaration by the chairman of that General Meeting that a resolution has been carried or carried unanimously, or carried by a particular majority, or lost, or lost by a particular majority and any entry to that effect in the minutes of the General Meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recording in favour of or against the resolution.
- 8.8 The demand for a poll (made in accordance with Article 8.6) may, before the poll is taken, be withdrawn but only with the consent of the chairman of that General Meeting 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.
- 8.9 The President or, in his absence, the Vice President shall be entitled to preside as chairman at all General Meetings, and in the absence of both of them a chairman shall be elected from Board Directors present at the General Meeting before any other business is transacted unless and until the President or the Vice President be present. No poll may be demanded on the election of a chairman.
- 8.10 If at any General Meeting a poll is demanded (in accordance with Article 8.6), such poll shall be taken at such place and time, and in such manner, as the chairman of such General Meeting shall direct. If on any such poll there shall be an equality of votes, the chairman of such General Meeting, at which such poll shall be demanded, shall be entitled to a casting vote in addition to his vote as an Association Member. The result of every such poll shall be deemed to be the resolution of the issue in respect of which the poll was demanded.
- 8.11 The Chief Executive shall be entitled to attend and speak at any General Meeting notwithstanding that he might not be an Association Member.

## **9 VOTING AT GENERAL MEETINGS**

- 9.1 At any General Meeting every Association Member present in person shall have one vote, and upon a poll every Association Member present in person or by proxy shall have one vote. Before any vote, the chairman of the General Meeting shall be entitled to require every Association Member present and intending to vote to furnish his full name and address in writing to such chairman. An Association Member which is a corporation may vote in person by a representative but that representative may be required to provide evidence of his authority before his vote is counted.
- 9.2 No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to, is tendered, and every vote not disallowed at such General Meeting shall be valid. Any objection made in due time shall be

referred to the chairman of such General Meeting whose decision shall be final and conclusive.

9.3 An instrument appointing a proxy of an Association Member shall be in writing, executed by or on behalf of the appointer and shall be in such form as the Chief Executive shall from time to time prescribe, approve or accept.

9.4 The instrument appointing a proxy and any authority under which it is executed may:

9.4.1 be deposited at the Office not later than twenty-four hours before the commencement of the General Meeting or adjourned General Meeting at which the proxy is to take effect; or

9.4.2 where the poll is not taken forthwith but is to be taken at an adjourned General Meeting, be delivered at the General Meeting at which the poll was demanded to the chairman of that General Meeting or to the Chief Executive,

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

## **10 COMMITTEES**

10.1 There shall be an Audit Committee, Executive Committee and Nominations Committee all of which will undertake their respective roles and responsibilities in accordance with terms of reference agreed by the Board from time to time.

10.2 The chairman of the Audit Committee shall be appointed by the Board and the members of the Audit Committee shall be appointed by the chairman of the Audit Committee in consultation with the Board.

10.3 The Board may determine the procedure for the conduct of the business of any committee of the Association or of the Board subject to the provisions of these Articles and failing any such determination the chairman of any such Committee may so determine. Minutes of any such committee meeting shall be required to be kept only if the Board or the chairman of the relevant committee shall so decide.

## **11 THE CHIEF EXECUTIVE**

11.1 The Board shall appoint a Chief Executive for such a term, and at such a salary, and upon such conditions as it may determine and any Chief Executive may be removed by the Board at any time. He shall prepare and keep or shall cause to be prepared and kept a record of the minutes of proceedings of every Board Meeting and General Meeting in a book or books to be kept for that purpose. Such minutes, if signed by the President, shall (when so recorded and signed) be receivable in evidence of the proceedings so recorded without further proof. The Chief Executive shall also (unless otherwise directed by the Board or the President) conduct all correspondence and send out all necessary notices. During the temporary absence of the Chief Executive for any reason, the Board may appoint a deputy to perform the duties of the Chief Executive.

11.2 The Chief Executive shall be the secretary of the Association for the purposes of the Act but only for so long as he remains the Chief Executive.

11.3 The Chief Executive shall have charge of all money belonging to the Association subject to such limitations as the Board may decide, and his receipt shall be a discharge for all subscriptions and other money payable to the Association.

11.4 The Chief Executive shall make all disbursements authorised by the Board and cause true accounts kept of sums of money received and expended.

11.5 The financial books and accounts of the Association shall be open to the inspection of the Board Directors at such time, and subject to such restrictions, as may be imposed by the Board.

- 11.6 The Chief Executive shall maintain on a day-to-day basis the statutory books of the Association subject to the direction of the President insofar as they do not conflict with the directions (if any) of the Board.

## **12 SCOTLAND REPRESENTATIVE**

- 12.1 The Board may from time to time designate a Board Director who is resident in Scotland as the Scotland Representative.
- 12.2 If there are no Board Directors who are resident in Scotland, the Board may, from time to time, designate an Association Member to act as the Scotland Representative.
- 12.3 In accordance with Article 6, the Board may appoint the Scotland Representative to the Board as an Appointed Director.

## **13 NOTICES**

- 13.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a Board Meeting need not be in writing.
- 13.2 The Association may give any notice to an Association Member either personally or by sending it by post in a prepaid envelope addressed to the Association Member at his registered address or by leaving it at that address.
- 13.3 An Association Member whose registered office is not within the United Kingdom and who gives to the Association an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Association.
- 13.4 An Association Member present, either in person or by proxy, at any General Meeting shall be deemed to have received notice of the General Meeting and, where requisite, of the purposes for which it was called.
- 13.5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of forty-eight hours (plus any intervening Sundays and bank holidays) after the envelope containing it was posted unless there is evidence that it was actually delivered sooner.

## **14 INDEMNITY**

- 14.1 Every Board Director or other officer of the Association shall be entitled to be indemnified out of the assets of the Association against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the court, and no Board Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Association in the execution of the duties of his office or in relation thereto; but this Article 14.1 shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.
- 14.2 Without prejudice to the provisions of Article 14.1, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons which are or were at any time Board Directors or officers or employees of the Association or of any other company in which the Association had any interest whether direct or indirect or which is in any way allied to or associated with the Association, or of any subsidiary of the Association or of any such other company, or for the benefit of any persons who are or were at any time trustees of the Association, or who are or were at any time trustees of any pension fund in which employees of the Association or of any other such company or subsidiary are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by

such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or officers in relation to the Association or any other such company, subsidiary undertaking or pension fund.

- 14.3 Notwithstanding Article 15.1, a Board Director entitled to vote shall be free to vote on any proposal concerning any insurance which the Association is empowered to purchase and/or maintain for or for the benefit of any Board Directors or Association Members or for persons who include Board Directors provided that for the purposes of this Article 14.3, insurance shall mean only insurance against liability incurred by such a person in respect of any act or omission by him referred to in Article 15.1 or any other insurance which the Association is empowered to purchase and or maintain for or for the benefit of any groups of persons consisting of or including Board Directors.

## 15 **BOARD DIRECTORS' INTERESTS**

- 15.1 Subject to the provisions of the Act and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Board Director:

15.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Association or in which the Association is otherwise interested;

15.1.2 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 Association or in which the Association is otherwise interested; and/or

15.1.3 shall not, by reason of his office, be accountable to the Association 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.

- 15.2 For the purposes of Article 15.1:

15.2.1 a general notice given to the Board that a Board 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 Board Director has an interest in any such transaction of the nature and extent so specified; and

15.2.2 an interest of which a Board 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.

- 15.3 An interest in a Racehorse and/or directorship of the BHA and/or membership of The Jockey Club (company no. RC000287) and/or the BHA and/or any other association or group concerned with horseracing shall not of itself be regarded as an interest or duty which is material for the purposes of Article 15.4.

- 15.4 Save as otherwise provided by the Articles or as otherwise agreed by those Board Directors who have no conflicting interest or duty, a Board Director shall not be entitled to vote at a Board Meeting or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Association.

- 15.5 A Board Director present at a Board Meeting shall be counted in the quorum present at that Board Meeting in relation to a resolution on which he is not entitled to vote.

- 15.6 The Association may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Board Director from voting at a Board Meeting or of a committee of the Board.