

# The Companies Acts 1985 and 1989

## Company Limited By Guarantee And Not Having A Share Capital

### ARTICLES OF ASSOCIATION

of

#### **NABAS - The Balloon Association Limited**

(as amended by special resolution passed by the Company on 19<sup>th</sup> May 2008)

#### **Interpretation**

1 In these Articles:

|                      |   |
|----------------------|---|
| ‘the Act’            | means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force   |
| ‘the Articles’       | means the Articles of the Company   |
| ‘Clear Days’         | in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect   |
| ‘Executed’           | includes any mode of execution  |
| ‘Office’             | means the registered office of the Company  |
| ‘the Seal’           | means the common seal of the Company  |
| ‘Secretary’          | means the Secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint, assistant or deputy secretary  |
| ‘the United Kingdom’ | means Great Britain and Northern Ireland unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company. |

#### **Members**

- 2 The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the Articles shall be members of the Company. No person shall be admitted a member of the Company unless he is approved by the directors. Every person who wishes to become a member shall deliver to the Company an application for membership in such form as the directors require executed by him.
- 3 The directors may establish different classes of membership and prescribe their respective privileges and duties and set the amounts of any subscription fees. Any changes made to the subscription fees shall be notified to members not less than 30 days before they are implemented.
- 4 A member may at any time withdraw from the Company by giving at least 7 clear days’ notice to the Company. Membership shall not be transferable and shall cease on death or (in the case of an organisation) if the member ceases to exist.
- 5 The directors may also at their discretion terminate the membership of any member in the following circumstances:
  - 5.1 if such member has failed to pay the relevant subscription fee within three months of the due date; or
  - 5.2 on the grounds that in their reasonable opinion the members continued membership is harmful to the Company (but only after notifying the member in writing and considering the matter in the light of any written representations which the member concerned puts forward within 14 clear days after receiving notice).

#### **General meetings**

- 6 The Company shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting in each year shall be held at such time and place as the directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 7 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than 8 weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

#### **Notice of general meetings**

- 8 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least 21 Clear Days' notice. All other extraordinary general meetings shall be called by at least 14 Clear Days' notice. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.  
The notice shall be given to all the members and to the directors and auditors.
- 9 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### **Proceedings at general meetings**

- 10 No business shall be transacted at any meeting unless a quorum is present. Ten persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 11 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time as the directors may determine.
- 12 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 13 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 14 The chairman may, with the consent of a 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 an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least 7 Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 15 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chairman; or
  - (b) by at least two members having the right to vote at the meeting; or
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

- 16 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 17 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand

was made.

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

### **Votes of members**

- 22 On a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote.
- 23 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 24 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 25 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

I/We                      of

being a member/members of the above-named Company, hereby appoint

of                      or failing him

of

as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on                      20                      and at any adjournment thereof.

Signed on                      20                      .

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

I/We                      of

being a member/members of the above-named Company, hereby appoint

of                      or failing him

of

as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company, to be held on 20 , and at an adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 +for +against

Resolution No 2 +for +against

+ strike out whichever is not desired.

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

Signed this day of 20 .

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

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

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

28 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

#### **Number of directors**

29 Unless otherwise determined by ordinary resolution, the maximum number of directors (other than alternate directors) shall not exceed nine (including the chairman, vice-chairman and treasurer) and the minimum number of directors shall be not less than five provided that the majority of the directors at any time represent retailers or decorators in the balloon industry or an associated trade.

#### **Alternate directors**

30 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

31 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

32 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his re-appointment.

33 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other matter approved by the directors.

34 Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

## **Powers of directors**

- 35 Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 36 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

## **Delegation of directors' powers**

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

## **Appointment and retirement of directors**

- 38 All directors must be members.
- 39 One-third of the directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office on 31 May each year.
- 40 Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment (either as a member of the management committee of the trading association known as NABAS or as a director of the Company) but as between persons who became or were last re-appointed members of such management committee or as directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 41 No person shall be appointed or re-appointed a director unless:
- (a) he is recommended by the directors; or
  - (b) he has been nominated for appointment or re-appointment by a member and has confirmed his willingness to be so appointed or re-appointed by no later than the last day of February in the relevant calendar year.
- 42 Subject as aforesaid, a director who retires by annual rotation may, if willing to act, be re-appointed for a further period of 3 years, however, no director\* may serve on the committee for more than 6 consecutive years and must stand down for a period of one year before being eligible to re-stand for election. However if, after having made significant efforts to find a candidate, another candidate is not forthcoming, a director may be asked to re-stand (or be co-opted) having already served 2 terms (6 years).
- \* If a director due to retire, following 6 consecutive years, holds the position of Chairman, but has not held the position of Chairman for the full term of three years then this clause does not apply until the full term of office of Chairman has been served.
- 43 The directors shall notify all members of those persons who have either been approved or nominated for appointment or re-appointment as directors in accordance with regulation 42 by no later than 7 May in the relevant calendar year. Such notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors unless otherwise determined by the directors. The identity of those persons to be appointed or re-appointed in any year to office as directors shall be determined by way of a poll, with the closing date for votes taken by way of poll being 21 May in the relevant calendar year. The appointment or re-appointment of any person as a director shall be effective from 31 May in that year and the directors shall confirm such appointment or re-appointment at their next meeting.
- 44 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
- 45 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. A director so appointed shall hold office only until 31 May following such appointment and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not re-appointed by members he shall vacate his office on 31 May following his appointment

by the directors.

### **Disqualification and removal of directors**

- 46 The office of a director shall be vacated if:
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - (d) he resigns his office by notice to the Company; or
  - (e) he shall have been absent without permission from 3 or more consecutive meetings of directors and the directors resolve that his office be vacated; or
  - (f) he ceases to be a member, or
  - (g) he brings the name of NABAS into disrepute and the directors resolve that his office be vacated.

### **Directors' expenses**

- 47 The directors may be paid all travelling expenses properly incurred by them in connection with their attendance at meetings of directors not exceeding £50 or such other amount as may be determined from time to time by the directors and the directors may be paid such other expenses in such other circumstances as the directors may from time to time agree.

### **Directors' appointments and interests**

- 48 Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.
- 49 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (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 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.
- 50 For the purposes of regulation 49:
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
  - (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.

## Proceedings of directors

- 53 Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the Secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. Except as provided in Regulation 55, in the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 54 The quorum for the transaction of the business of the directors shall be five or such other number as is unanimously agreed by the directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 55 The continuing directors may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors may act only for the purpose of filling vacancies or of calling a general meeting.
- 56 The directors may appoint three of their number to be chairman, vice-chairman and treasurer of the board of directors and may at any time remove any of them from such office provided that those directors who represent retailers or decorators in the balloon industry or an associated trade (and not also representing or being in any way connected with wholesalers or manufacturers in any such trade) and who are entitled to vote shall have two votes to every one vote of the other directors in relation to any decision taken as to the appointment or removal of the chairman. The normal term of office for the Chairman shall be three years.
- 57 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 58 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors as (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 59 Save as otherwise provided by the Articles, a director shall not vote at a meeting of directors or of a committee of directors 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 Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiaries; or
  - (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security.
- For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 60 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 61 The Company 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 director from voting at a meeting of directors or of a committee of directors.
- 62 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 63 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

## **Secretary**

64 Subject to the provisions of the Act, the Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

## **Minutes**

65 The directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

## **The Seal**

66 The Seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a director and by the Secretary or by two directors.

## **Accounts**

67 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

## **Notices**

68 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.

69 The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. A member whose registered address is not within the United Kingdom and who gives to the Company 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 Company.

70 A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

71 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 48 hours after the envelope containing it was posted.

## **Indemnity**

72 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.