

Company No SC450652

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

FOREST INDUSTRY SAFETY ACCORD (FISA) LIMITED

Incorporated 23 May 2013

(Adopted by special resolution on [6th of May 2017])



Pinsent Masons

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THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

of

FOREST INDUSTRY SAFETY ACCORD (FISA) LIMITED (the "Company")

**Incorporated 23 May 2014
(Adopted by special resolution on [])**

1. EXCLUSION OF MODEL ARTICLES

None of the regulations contained in the Companies (Model Articles) Regulations 2008 apply to the Company and these Articles alone are the Articles of Association of the Company.

2. INTERPRETATION

2.1 In these Articles, unless the context requires otherwise:-

| | |
|--------------------------------|--|
| "Act" | means the Companies Act 2006; |
| "Articles" | means these Articles of Association; |
| "Bankruptcy" | includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy; |
| "Business Day" | means a day other than a Saturday, Sunday or public holiday when banks in Edinburgh are open for business; |
| "Chairman" | has the meaning given in Article 25.1; |
| "Director" | means a director of the Company, and includes any person occupying the position of director, by whatever name called; |
| "Eligible Director" | means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of a particular matter); |
| "FISA Member" | means a member of the Company (as defined in section 112 of the Act) from time to time; |
| "Health and Safety Law" | means all or any applicable law, common law, statute, subordinate legislation, regulation, code of practice or guidance, European law, directives, regulations, decisions |

of the European Court, by-law, order, notice, instruction, demand, decree, injunction, decision, resolution or judgment applying from time to time, including any amendment or re-enactment of the same, and having the force of law which has as a purpose or effects the protection of the health, safety or welfare of any person;

"In-Forest Operations" means forestry operations such as, for example but not exclusively, ground preparation, tree planting, road construction, timber harvesting operations and any form of forest maintenance work, taking place within designated worksites and private access roads leading thereto;

"Key Strategic Management Decisions" means such matters as may be reserved to the Steering Group Representatives as adopted by resolution from time to time;

"Objects" means the objects of the Company set out in Article 4;

"Office Hours" means the hours between 9:00am and 5:00pm;

"Proxy Notice" has the meaning given in Article 37.1;

"Relevant Director" has the meaning given in Article 43.4;

"Relevant Loss" has the meaning given in Article 43.4;

"Rules" has the meaning given in Article 6.3;

"Saw Mills and Processors" means any wood processing facility or factory to which forest produce is delivered;

"Steering Group Committee" means any committee established pursuant to Article 10.2;

"Steering Group Representative " means a FISA Member elected to the Steering Group Committee pursuant to Article 10.2;

"Vice Chairman" has the meaning given in Article 25.3;

2.2 References in these Articles to a document includes, unless otherwise specified any document sent or supplied in electronic form.

2.3 References in these Articles to "**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

2.4 Unless the context otherwise requires:-

2.4.1 words importing the singular include the plural and vice versa;

2.4.2 words importing any gender include the other gender; and

2.4.3 words importing natural persons include corporations.

2.5 Words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles including the following words which are defined in the following sections of the Act:-

| Word(s)/Expression | Section number in Act |
|---------------------------|------------------------------|
| electronic form | section 1168 |
| hard copy form | section 1168 |
| ordinary resolution | section 282 |
| special resolution | section 283 |
| working day | section 1173 |
| Connected | sections 252 to 256 |

2.6 A reference to an article by number is to the relevant article of these Articles.

2.7 Headings used in these Articles shall not affect their construction or interpretation.

2.8 References to any statute or section of a statute shall include reference to any statutory amendment, extension, modification or re-enactment of such statute or section of a statute.

3. **LIABILITY OF MEMBERS AND WINDING UP**

3.1 The liability of each FISA Member is limited to £1. Every FISA Member must contribute £1 to the assets of the Company if it is wound up while he is a FISA Member or within one year after he ceases to be a FISA Member, for:-

3.1.1 payment of the debts and liabilities of the Company contracted before he ceased to be a FISA Member; and

3.1.2 the costs, charges and expenses of winding up; and

3.1.3 for the adjustment of the rights of the contributories among themselves.

3.2 If upon a winding up or dissolution of the Company and after satisfaction of its debts, there remains any assets or property, such assets or property must be given or transferred to some other body or charitable institution (whether incorporated or not) whose objects are similar to the Objects and whose constitution prohibits the distribution of its income and property among its or their members to the extent at least as great as is imposed on the Company under Article 4.

3.3 The FISA Members must, prior to the dissolution of the Company, determine the identity of the body or institution referred to in Article 3.2. If no such determination has been made the Directors or the Steering Group Representatives must ask an organisation with similar objectives to those referred to in Article 3.2 to make such determination.

4. **COMPANY'S OBJECTS**

4.1 The object and purpose for which the Company is established is to implement the UK Forest Safety Accord for the benefit of the forestry industry as a whole by carrying on the following activities throughout the United Kingdom and the Republic of Ireland:

4.1.1 setting and promoting health and safety good practice standards for the forestry industry;

4.1.2 developing and providing health and safety guidance for adoption across the various sectors of the forestry industry;

- 4.1.3 raising awareness and increasing the profile of health and safety in the forestry industry and promoting behavioural change within the various sectors; and
- 4.1.4 offering information, events and technical resources to promote the raising of health and safety standards in the forest industry (the "**Objects**");
- 4.2 The Company's Objects relate only to In-Forest Operations and the associated supply chain (eg. timber haulage) and do not extend to operations within Saw Mills and Processors.
- 5. **POWERS**
- 5.1 In furtherance only of the foregoing Objects (but not otherwise), the Company has the following powers:-
 - 5.1.1 to undertake and organise schemes for the raising of money, other financial support and assistance in kind, and appeals both public and private, and resulting from such schemes or appeals, to receive and accept by way of gifts, donations, covenants, legacies, bequests, grants, sponsorship, subscriptions or otherwise money, assistance in kind and property, of any nature or description (including freehold, heritable, leasehold, moveable, real or personal, tangible or intangible property), for the purpose of furthering the Objects and to accept the same either unconditionally or subject to such conditions as may be agreed but so that no such conditions shall be inconsistent with the Objects;
 - 5.1.2 to act in concert, consult, collaborate or make arrangements with any company, corporation, central government department, local or public authority, society, association or other agency, body, person or organisation now or hereafter constituted with a view to promoting any of the Objects;
 - 5.1.3 to receive and raise money for the purposes of the Company by borrowing on such terms and on such security as may be thought fit;
 - 5.1.4 to lend or advance money or give credit with or without security to such persons and companies and on such terms as may be thought fit and to guarantee and/or give security for the payment of money by, or the performance of obligations of any kind (including without prejudice to the generality hereof the payment or repayment of principal, interest, dividends and premiums on, and any other monies due in respect of, any stocks, shares, debentures, debenture stock or other securities or borrowings) by the Company;
 - 5.1.5 to invest and reinvest the funds and assets of the Company not immediately required in such securities, shares, stocks, debentures, loan stock, other investments or property, whether freehold, heritable, leasehold, moveable, real or personal, tangible or intangible or otherwise as the Directors think fit;
 - 5.1.6 to form a guarantee fund or funds and to receive guarantees from public bodies, corporations, firms or other persons, whether members of the Company or not, guaranteeing sums of money for the purposes of, or in connection with, the carrying out of the Objects of the Company or promoting any entertainment function or event pursuant to the Objects or any of them and defraying the expense incurred in promoting any such entertainment function or event or any loss resulting therefrom and that on such terms as the Directors may think fit, and which guarantee may be in favour of the Company or of any bank, corporation, firm or person who/which shall lend money to the Company;

- 5.1.7 to fund research and appoint third parties (including members of the Company) to carry out research projects;
- 5.1.8 to contribute and develop training and accreditation activity relating to its Objects;
- 5.1.9 to encourage and promote the adoption of health and safety good practice and set standards in relation to health and safety training (all with due regards to requirements of Health and Safety Law);
- 5.1.10 to promote or establish or concur in promoting or establishing any other company or body for any purpose which may, directly or indirectly, benefit or advance the objects or interests of the Company and to acquire and hold as investments of the Company or otherwise deal with as may be considered fit any shares, stock, debentures, debenture stock or securities of any such company;
- 5.1.11 to hold conferences, meetings, lectures and exhibitions for the consideration and discussion of matters concerning or affecting or incidental to the Objects and to issue reports of proceedings of conferences, meetings, lectures and exhibitions and generally to collect, collate, exchange and publish information and advice in furtherance of the Objects;
- 5.1.12 to facilitate education and training courses concerned with the Objects including, without limiting the generality of the foregoing, seminars, study groups, discussions and courses;
- 5.1.13 to provide and arrange facilities for travel, accommodation and catering for persons involved in the Company's activities;
- 5.1.14 to prepare, edit, print, publish, issue, acquire, sell and circulate (or to assist in the same) such books, papers, magazines, periodicals, gazettes, publications, circulars and other literary undertakings and films and other visual or audio aids as the Company may think desirable for the promotion of the Objects;
- 5.1.15 to establish and maintain a library and collection of literature, films, recordings and other materials relating to all things connected with or incidental to any of the Objects;
- 5.1.16 to apply for, purchase or otherwise acquire and protect any patents, patent rights, know how, concessions and other intellectual property rights which may appear likely to be advantageous or useful for the furtherance of the Objects and to deal with or dispose of such intellectual property rights as the Directors from time to time direct;
- 5.1.17 to apply for and hold all necessary permissions, licences and authorities which are necessary or desirable for or in connection with the carrying out of the Company's activities;
- 5.1.18 to enter into agreements and arrangements with international, national and local authorities and other bodies and persons;
- 5.1.19 to operate, carry on and supply any ancillary businesses or services necessary or desirable in connection with the Company's activities;
- 5.1.20 to draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments;

- 5.1.21 to purchase, develop, take on, lease, or otherwise acquire and hold, sell, exchange, feu, lease, mortgage, charge, hire or otherwise deal with or dispose of any lands, houses, buildings, equipment, goods and other property whether freehold, heritable, leasehold, moveable, real or personal, tangible or intangible or otherwise, and any rights or privileges necessary or convenient for the purposes of the Company and to erect, construct, lay down, enlarge, alter and maintain and from time to time renew any buildings and other works necessary or convenient for the purposes of the Company;
- 5.1.22 for the benefit of any persons who are or shall have been, at any time, in the employment or service of the Company and/or the spouses and surviving spouses, families or dependants of such persons:-
- (a) to grant, pay or provide or procure the grant, payment or provision of donations, allowances, pensions or emoluments to and to procure the establishment and maintenance of or participate in, or contribute to any non contributory or contributory pension or superannuation fund or arrangement or life assurance scheme or arrangement;
 - (b) to establish, subsidise, subscribe to or support or procure the establishment or subsidy of or subscription to any institution, associations, clubs, funds or trusts; and
 - (c) to make payments for or towards the insurance of any such persons as aforesaid in respect of the performance of their duties to the Company; and
- 5.1.23 to do or procure to be done any of the matters referred to in Articles 5.1.1 to 5.1.22 by the Company either alone or in conjunction with any other company or person;
- 5.1.24 to employ or engage all such officers, employees, consultants, advisers and agents as may be required for the purposes of the Company;
- 5.1.25 to undertake and execute any charitable trusts, gratuitously or otherwise, the undertaking or execution of which may be incidental to the attainment of the objects of the Company or any of them;
- 5.1.26 to amalgamate with or affiliate to the Company or acquire the assets of any company, society, institution, public body (including any local authority) or person having any objects similar to those of the Company in such manner and that on such terms and conditions as may be found expedient and as may be approved by the Company in general meeting, and/or to sell or otherwise dispose of the whole or any part of the property, undertaking and assets of the Company to any such company, society, institution, public body (including any local authority) or person and that in such manner and that on such terms and conditions as may be approved by the Company in general meeting;
- 5.1.27 to enter into any agreements and/or arrangements with any government or authority, national, supreme, municipal, local or otherwise and to obtain from any such government or authority any rights, concessions, privileges that may seem to further any or all of the Objects;
- 5.1.28 to enter into partnership or into any arrangement for joint, shared or mutual promotion, investment or development, union of interests, reciprocal concessions or co-operation with any person, partnership or company carrying on, engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business capable of being conducted so as to directly or indirectly further the Objects of the Company and to take or otherwise acquire and hold shares or

stock in or securities of, and to make grants to or otherwise assist any person, partnership or company and to sell, hold, re issue with or without guarantee or otherwise deal with such shares, stock or securities;

- 5.1.29 to make such charge for any of its services as the Company thinks fit including, without prejudice to the foregoing generality, interest charges on loans made by the Company;
- 5.1.30 to pay any or all expenses incurred in connection with the promotion, formation, incorporation, conduct and winding up of the Company and to contract with any person to pay the same;
- 5.1.31 to effect insurance of any kind (which may include officers' liability insurance);
- 5.1.32 to carry on any other activity which may seem to the Company capable of being conveniently carried on in connection with any activity which the Company is authorised to carry on or may seem to the Company calculated directly or indirectly to benefit the Company or to enhance the value of or render profitable any of the Company's properties or rights;
- 5.1.33 to do all such other acts and things as may be incidental or conducive to the attainment of the Objects of the Company or any of them, provided that:-
 - (a) if the Company holds any property which may be subject to any trusts, the Company must only deal with or invest the same in such manner as allowed by law, having regard to such trusts; and
 - (b) the Objects do not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

6. **DIRECTORS' AUTHORITY**

- 6.1 Subject to these Articles, the Directors are responsible for the general management of the Company's business and in particular shall:
 - 6.1.1 establish appropriate operating procedures and business plans for the Company;
 - 6.1.2 oversee the organisational management of the Company;
 - 6.1.3 manage and review the cashflow and accounts of the Company;
 - 6.1.4 ensure the Company's affairs are in good order; and
 - 6.1.5 ensure frequent liaisons with the Steering Group Representatives in relation to the matters set out in Articles 6.1.1 to 6.1.4 above.
- 6.2 The Directors shall refer all Key Strategic Management Decisions to the Steering Group Committee.
- 6.3 The Company may adopt such Rules to govern the operation and business of the Company including, without limitation rules for (a) the purposes of determining how the classes of and conditions of membership (including any membership fee payable) are to be established; and (b) the appointment of persons to, and operation of, the Steering Group Committee by resolution from time to time (the "**Rules**"), provided they are not in conflict with these Articles.

7. DIVIDENDS

7.1 None of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit, to any FISA Member.

7.2 Except in accordance with Article 3.2 no transfer shall be permitted of the business and/or assets of the Company unless such transfer is made to some other body or charitable institution (whether incorporated or not) whose objects are similar to the Objects.

7.3 Nothing in this Article 7 prevents payment in good faith by the Company of:

7.3.1 reasonable remuneration to any FISA Member who is an officer or employee of the Company or who otherwise provides services to the Company;

7.3.2 interest on money lent by any FISA Member at an agreed rate not exceeding 2% less than the base lending rate of a clearing bank selected by the Directors;

7.3.3 rent for premises let by any FISA Member to the Company;

7.3.4 remuneration or other benefit in money or money's worth to any company of which a FISA Member is itself a member holding not more than 1% of the issued share capital of that company;

7.3.5 any premium in respect of any such insurance as permitted by Article 43.

8. STEERING GROUP REPRESENTATIVES' RESERVE POWER

8.1 The Steering Group Representatives may, by special resolution (being a resolution approved by not less than 75% of the Steering Group Representatives), direct the Directors to take, or refrain from taking, any specified action within the scope of the Key Strategic Management Decisions.

8.2 No such special resolution:

8.2.1 invalidates anything which the Directors have done before the passing of the resolution; or

8.2.2 will direct the Directors to take any action which would conflict with legislation or any other law or compromise any of the Directors' legal responsibilities.

9. DIRECTORS MAY DELEGATE

9.1 The Directors may delegate any of the powers which are conferred on them under these Articles:-

9.1.1 to such person or committee;

9.1.2 by such means (including by power of attorney);

9.1.3 to such an extent;

9.1.4 in relation to such matters or territories; and

9.1.5 on such terms and conditions,

as they think fit.

9.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

9.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

10. **COMMITTEES**

10.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.

10.2 The FISA Members shall elect in accordance with the Rules, FISA Members to a sub-committee for the purposes of approving Strategic Management Decisions (the "**Steering Group Committee**"). The provisions of these Articles 12 to 16 (inclusive) shall apply mutatis mutandis to the meetings of the Steering Group Committee.

11. **NUMBER AND METHODS OF APPOINTING DIRECTORS**

11.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director by the Steering Group Committee by ordinary resolution.

11.2 A Director shall serve for a maximum period of two years from the date of appointment as a Director. At the end of this period, a Director shall immediately resign but shall be eligible for immediate re-appointment provided he is willing to be re-appointed.

11.3 If, as a result of death, the Company has no Steering Group Representatives and no Directors, the personal representatives of the last Steering Group Representative to have died have the right, by notice in writing, to appoint a person to be a Director. Where two or more Steering Group Representatives die in circumstances rendering it uncertain who was the last to die, a younger Steering Group Representative is deemed to have survived an older Steering Group Representative.

11.4 The number of Directors must not be less than two and no more than six

12. **DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

12.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 13.

12.2 All acts done by a meeting of Directors, or a committee of Directors or by any Director shall be valid notwithstanding the participation in any vote of a Director who:-

12.2.1 was not entitled to vote on the matter, whether by reason of conflict of interest or otherwise;

12.2.2 as a result of a defect in the appointment of such Director such Director had not been properly appointed; or

12.2.3 was disqualified from holding office; or

12.2.4 had been obliged by these Articles to vacate office or had previously retired,

if without the vote of that Director and that Director being counted in the quorum the decision has been made by a majority of the Directors at a quorate meeting.

12.3 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

12.4 Such a decision may take the form of a resolution in writing, where each Director has one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.

12.5 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a Directors' meeting.

13. **DECISIONS NOT TAKEN AT A MEETING**

13.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

13.2 Such a decision may take the form of a resolution in writing, where each Director has one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.

13.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting.

14. **CALLING A DIRECTORS' MEETING**

14.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.

14.2 Notice of any Directors' meeting must indicate:-

14.2.1 its proposed date and time;

14.2.2 where it is to take place; and

14.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

14.3 Except where all of the Directors agree to a shorter period of notice of a Directors' meeting, at least seven days' notice must be given to each Director. Notice of a Directors' meeting must be given to each Director but need not be in writing and may be made by electronic communication.

14.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

15. **PARTICIPATION IN DIRECTORS' MEETINGS**

15.1 Directors participate in a Directors' meeting, or part of a Directors' meeting, when:-

15.1.1 the meeting has been called and takes place in accordance with these Articles; and

15.1.2 the Directors can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

15.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

15.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

16. **QUORUM FOR DIRECTORS' MEETINGS**

16.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

16.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed is two (in the case of a meeting of the Steering Group Committee the quorum is sixty per cent of the Steering Group Representatives comprising the Steering Group Committee).

16.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:-

16.3.1 to appoint further Directors, or

16.3.2 to call a Steering Group Committee meeting so as to enable the Steering Group Committee to appoint further Directors.

17. **CONFLICTS OF INTERESTS**

17.1 Each of the Directors shall, in exercising his functions in his capacity as a Director, act in the interests of the Company, and in particular must:-

17.1.1 act in good faith in a way that would be most likely to promote the success of the Company to the benefit of the purposes of the Company;

17.1.2 seek, in good faith, to ensure that the Company acts in a manner which is consistent with and furthers its purposes;

17.1.3 act with such care and diligence as is reasonable to expect a person who is managing the affairs of another person, having regard in particular:-

(a) to any special knowledge or experience that he has or holds himself out as having, and

(b) if he acts in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession; and

17.1.4 ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the Act or any other law.

17.2 Subject to Article 17.3, where there are circumstances capable of giving rise to a conflict of interest between the Company and a Director, the Director must declare the conflicting interest; and

(a) be absent from the meeting for the deliberation of that matter (unless expressly invited to remain in order to provide information);

(b) not participate in any deliberation;

(c) not be counted in the quorum for that part of the meeting; and

(d) be absent during the vote and have no vote on the matter.

- 17.3 The Directors may authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 17.4 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 17.5 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question must, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.
- 17.6 If any question arises at a meeting of Directors or of a committee of Directors as to the right of the chairman to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question must be decided by a decision of the Directors at that meeting, for which purpose the chairman must not be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 17.7 A Director who is interested in an actual or proposed transaction or arrangement with the Company is not to be counted as participating in the decision-making process for quorum and voting purposes unless:
- 17.7.1 the Company disapplies, by special resolution, any provision in the Articles which would otherwise prevent a Director from being counted as participating in the decision making process; or
- 17.7.2 the Director's interest arises from a Permitted Cause.
- 17.8 For the purposes of this Article 17.8 "Permitted Cause" means:
- 17.8.1 a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company; or
- 17.8.2 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company which do not provide special benefits for directors or former directors.

18. **RECORDS OF DECISIONS TO BE KEPT**

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken by the Directors.

19. **TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a Director as soon as:-

- 19.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law; or
- 19.2 a bankruptcy order is made against that person; or
- 19.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- 19.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or

- 19.5 he has been absent without permission or reasonable explanation from more than 3 consecutive meetings of the Directors and the Directors consent to the termination of that Director's appointment;
- 19.6 he resigns from office by notice in writing to the Company;
- 19.7 two years from the date of his appointment as Director expires (subject to reappointment in terms of Article 11.2);
- 19.8 he resigns or is removed as Chairman, Vice Chairman or Chief Executive Officer of the Company (if applicable);
- 19.9 he is deemed by the Directors and/or the Steering Group Representatives to be acting against the interests of, or fails to uphold, the Objects of the Company.

20. **DIRECTORS' EXPENSES**

The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:-

- 20.1 meetings of Directors or committees of Directors; or
- 20.2 general meetings,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

21. **ACCOUNTS**

21.1 For each financial year, the Directors shall:-

- 21.1.1 cause accounting records to be kept as required by the Act;
- 21.1.2 cause a statement of account to be prepared as required by the Act;
- 21.1.3 cause a report on the activities of the Company to be prepared;
- 21.1.4 ensure the accounts of the Company are subjected to an independent audit; and
- 21.1.5 cause the accounting records and statements of accounts to be preserved for a period of 6 years from the end of the financial year to which they relate.

22. **STEERING GROUP REPRESENTATIVES**

The number of Steering Group Representatives within the Steering Group Committee must not be less than fifteen and no more than twenty eight with positions allocated by the Directors in accordance with the Rules. The quorum for a meeting of the Steering Group Representatives is sixty per cent of the Steering Group Representatives comprising the Steering Group Committee.

23. **TERMINATION OF FISA MEMBERSHIP**

- 23.1 A FISA Member may withdraw from membership of the Company by giving seven days' notice to the Company in writing.
- 23.2 Membership is not transferable.

- 23.3 A person's membership terminates when:-
- 23.3.1 he dies;
 - 23.3.2 the organisation he represents ceases to exist;
 - 23.3.3 a bankruptcy order is made against him;
 - 23.3.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 23.3.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
 - 23.3.6 in the view of the Directors or the Steering Group Representatives he has carried out any act or thing prejudicial to the interests of the Company (or omitted to do any act or thing the result of which omission is prejudicial to the interests of the Company) and written notice has been given to him of the termination of his membership and the relevant FISA Member has been given the right to be heard by the Directors and/or Steering Group Representatives before a final decision is made;
 - 23.3.7 in the view of the Directors or the Steering Group Representatives, it is not in the best interests of the Company that that person's membership continues and, the Directors or the Steering Group Representatives have convened a general meeting of the Company and such FISA Member has been removed by ordinary resolution to that effect; or
 - 23.3.8 he fails to pay any fee associated with his membership within 60 days of the fee falling due.
- 23.4 There shall be a right to appeal to a single, independent arbiter from a decision of the Directors or Steering Group Representatives to terminate the membership of a FISA Member.
- 23.5 In the event of the requirement to make a referral to an arbiter in accordance with Article 23.4 the appointment of an arbitrator is to be agreed between the FISA Member and the Company, or failing agreement within thirty days from the date of the decision to terminate the membership of the FISA Member, by an arbitrator to be appointed by the President or a Vice President of the Chartered Institute of Arbitrators.
24. **TERMINATION OF POSITION AS STEERING GROUP REPRESENTATIVE**
- 24.1 A Steering Group Representative may withdraw from the position of Steering Group Representative by giving seven days' notice to the Company in writing.
- 24.2 A person ceases to be a Steering Group Representative when:-
- 24.2.1 he ceases to be a FISA Member for any reason; or
 - 24.2.2 he is required to retire by rotation in accordance with the Rules.
25. **THE CHAIRMAN VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**
- 25.1 The Steering Group Committee shall have power to appoint any person to become chairman of the Company and the Steering Group Committee (the "**Chairman**") by resolution. The Chairman shall hold office for a period of two years but shall be eligible for re-election.

- 25.2 On appointment as Chairman, the Chairman shall also be appointed as a Director of the Company and if the number of votes for and against a proposal at a meeting of Directors are equal, the Chairman has a casting vote.
- 25.3 The Steering Group Committee shall have power by resolution to appoint any person to become vice chairman of the Company (the "**Vice Chairman**") and the Steering Group Committee.
- 25.4 On appointment as Vice Chairman, the Vice Chairman shall also be appointed as a Director of the Company.
- 25.5 The Vice Chairman may deputise for the Chairman as and when necessary.
- 25.6 On appointment of the Chief Executive Office in accordance with the Rules, the Chief Executive Officer shall also be appointed as a Director of the Company.

26. **ANNUAL GENERAL MEETING**

- 26.1 The Company shall hold Annual General Meeting each calendar year.
- 26.2 The Company shall hold at least 2 general meetings each calendar year.
- 26.3 The Steering Group Representatives, Chairman and Vice Chairman will be confirmed at the Annual General Meeting.

27. **NOTICE OF GENERAL MEETINGS**

The notice of a general meeting of the Company must state:-

- 27.1 the time and date of the meeting;
- 27.2 the place of the meeting; and
- 27.3 the general matters of the business to be transacted.

28. **ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 28.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 28.2 A person is able to exercise the right to vote at a general meeting when:-
- 28.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 28.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 28.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 28.4 In determining attendance at a general meeting, it is immaterial whether any two or more FISA Members attending it are in the same place as each other.
- 28.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

29. **QUORUM FOR GENERAL MEETINGS**

No business is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The quorum at any general meeting of the Company shall be five FISA Members composed from at least five different sectors of the Forest Industry as set out in the Rules from time to time, present in person or by proxy or by corporate representative save where the Company only has one FISA Member in which case the quorum shall be one person present in person or by proxy or by corporate representative.

30. **CHAIRING GENERAL MEETINGS**

30.1 The Chairman shall chair general meetings if present and willing to do so.

30.2 If the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start the Vice Chairman shall chair the meeting.

30.3 If the Vice Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start :-

30.3.1 the Directors present, or

30.3.2 (if no Directors are present), the meeting,

must appoint a Director or a Steering Group Representative to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

30.4 The person chairing a meeting in accordance with this Article 30 is referred to as the "chairman of the meeting".

31. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS**

The chairman of the meeting may permit other persons who are not FISA Members of the Company to attend and speak at a general meeting.

32. **ADJOURNMENT**

32.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

32.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

32.2.1 the meeting consents to an adjournment, or

32.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

32.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

32.4 When adjourning a general meeting, the chairman of the meeting must:-

32.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

- 32.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 32.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- 32.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and
- 32.5.2 containing the same information which such notice is required to contain.
- 32.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.
33. **VOTING: GENERAL**
- A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.
34. **ERRORS AND DISPUTES**
- 34.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 34.2 Any such objection must be referred to the chairman of the meeting whose decision is final.
35. **POLL VOTES**
- 35.1 A poll on a resolution may be demanded:-
- 35.1.1 in advance of the general meeting where it is to be put to the vote, or
- 35.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 35.2 A poll may be demanded by:-
- 35.2.1 the chairman of the meeting;
- 35.2.2 the Directors;
- 35.2.3 the Steering Group Representatives;
- 35.2.4 two or more persons having the right to vote on the resolution; or
- 35.2.5 a person or persons representing not less than one tenth of the total voting rights of all the FISA Members having the right to vote on the resolution.
- 35.3 A demand for a poll may be withdrawn if:-
- 35.3.1 the poll has not yet been taken, and
- 35.3.2 the chairman of the meeting consents to the withdrawal.
- 35.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

36. **WRITTEN RESOLUTIONS**

A resolution in writing executed by or on behalf of each FISA Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more FISA Members.

37. **CONTENT OF PROXY NOTICES**

37.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:-

37.1.1 states the name and address of the FISA Member appointing the proxy;

37.1.2 identifies the person appointed to be that FISA Member' proxy and the general meeting in relation to which that person is appointed;

37.1.3 is signed by or on behalf of the FISA Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

37.1.4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

37.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

37.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

37.4 Unless a proxy notice indicates otherwise, it must be treated as:-

37.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

37.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

38. **DELIVERY OF PROXY NOTICES**

38.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

38.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

38.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

38.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

39. **AMENDMENTS TO RESOLUTIONS**

39.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-

- 39.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- 39.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 39.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
 - 39.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 39.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 39.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

40. **NOTICES AND COMMUNICATION**

- 40.1 The Company may send, supply or give any document, information or notice to a FISA Member by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant FISA Member (provided that member has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act.
- 40.2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 40.3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act.
- 40.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
 - 40.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 40.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 40.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

40.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

40.5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.

40.6 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

40.7 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

40.8 Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

41. **MEANS OF COMMUNICATION TO BE USED**

41.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.

41.2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

41.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

42. **RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Any FISA Member shall be entitled to inspect any of the Company's accounting or other records or documents during Office Hours on a Business Day provided they give the Company 5 days written notice.

43. **INDEMNITY AND INSURANCE**

43.1 Subject to Article 43.2, but without prejudice to any indemnity to which he is otherwise entitled, a Relevant Director may be indemnified out of the Company's assets against:-

- 43.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company; and/or
- 43.1.2 any other liability incurred by that Director as an officer of the Company or an associated company.
- 43.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 43.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.
- 43.4 In this article:-

"Relevant Director" means any Director or former Director of the Company

"Relevant Loss" means any loss or liability which has been or may be incurred by a Relevant Director acting reasonably in connection with that Director's duties or powers in relation to the Company