

THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
OF
THE SOUTHDOWN SHEEP SOCIETY
(Registered number: 35585)

Adopted by special resolution dated 10 August 2013

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“**Annual Member**” means any individual or company who is admitted to annual membership of the Society;

“**articles**” means these articles of association (as amended from time to time);

“**Council**” means the council of the Society;

“**Council Member**” means a member of the Council from time to time;

“**document**” includes, unless otherwise specified, any document sent or supplied in electronic form;

“**electronic form**” has the meaning given in section 1168 of the Companies Act 2006;

“**Honorary Member**” means any person elected by the Council as an honorary member in accordance with the articles;

“**Life Member**” means any individual admitted to life membership of the Society, or an Annual Member who has converted his membership to life membership on terms approved by the Council;

“**member**” has the meaning given in section 112 of the Companies Act 2006;

“**ordinary resolution**” has the meaning given in section 282 of the Companies Act 2006;

“**special resolution**” has the meaning given in section 283 of the Companies Act 2006;

“**Secretary**” means the secretary of the Society from time to time; and

“**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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Society.

OBJECTS, POWERS AND APPLICATION OF PROPERTY

Objects

2. The objects for which the Society is established (“**Objects**”) are to promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment by promoting biological diversity through the promotion and registration of Southdown sheep.

Powers

3. The Society has power to do anything calculated to further the Objects, or is conducive or incidental to doing so, including (without limitation) the following:

- (a) the encouragement of the breeding of Southdown sheep at home and abroad, and the maintenance of the purity of the breed;
- (b) the maintenance and publication of a flock book of recognised and pedigree sires and ewes, and of such other flock books (if any) which the Council may think fit, and the annual registration of the pedigrees of such sheep as are proved to the satisfaction of the Council to be eligible for entry;
- (c) the periodical compilation and publication of information connected with the breed such as particulars relating to shows and sales and such other general information in relation to the breeding and management of sheep and to sheep farming as the Council may think fit;
- (d) the arrangement of classes and the donation or augmentation of prizes and awards of such prizes and certificates of merit at various shows, and the appointment or recommendation of judges at such shows;
- (e) the investigation of cases of doubtful and suspected pedigrees;
- (f) the undertaking of the arbitration upon, and settlement of, disputes and questions relating to or connected with Southdown sheep or the breeding of Southdown sheep; and
- (g) such other powers which are incidental or ancillary to the attainment of the Objects.

Application of income and property

4. The income and property of the Society shall be applied solely towards the promotion of the Objects.

5. None of the income or property of the Society may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of

the Society. This does not prevent a member who is not also a Council Member receiving reasonable and proper remuneration for any goods or services supplied to the Society.

6. Subject in each case to the other provisions of these articles (including, without limitation, articles 4 and 5):

(a) a Council Member is not entitled to remuneration for their services to the Society as a Council Member (although they may be entitled to receive payment for other services which they undertake for the Society at the Council's reasonable discretion);

(b) a Council Member is entitled to be reimbursed from the property of the Society reasonable expenses properly incurred by him or when acting on behalf of the Society;

(c) a Council Member may receive an indemnity from the Society, or benefit from indemnity insurance cover purchased at the Society's expense.

LIABILITY OF MEMBERS

Liability of members

7. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Society in the event of its being wound up, while he is a member or within one year after he ceases to be a member, for—

(a) payment of the Society's debts and liabilities contracted before he ceases to be a member, and

(b) payment of the costs, charges and expenses of winding up.

COUNCIL MEMBERS

COUNCIL MEMBERS' POWERS AND RESPONSIBILITIES

Council Members' authority

8.—(1) Subject to the articles, the Council Members are responsible for the management of the Society's business, for which purpose they may exercise all the powers of the Society.

(2) Without prejudice to the foregoing provision of this article, the Council shall be entrusted with and perform the following powers and duties:

(a) to admit and register members of the Society;

(b) to receive contributions, gifts or subscriptions yearly or otherwise from persons wishing to aid the objects of the Society but without admitting such persons as members;

(c) to fix the amount and frequency of any subscriptions payable by members and to make, amend and revoke from time to time bye-laws, rules and regulations to be observed by members for the government and work of the Society, and for shows held by or in connection therewith;

(d) to impose such reasonable fines or penalties (including suspension of the right to vote or any other the rights or privileges generally conferred on members) for breach of the articles or any bye-laws, rules or regulations made by the Council pursuant to the articles as they think proper, provided that no fine or penalty shall exceed the sum of £20,000;

(e) to make such regulations as to the entry and registration of sheep in the flock book as they think proper;

(f) to establish and support regional groups to run local social and instructional events with a view to promoting the Society's objects; and

(g) to dispose of the funds of the Society for the promotion of the Society's objects, and to pay the costs, charges and expenses incidental to the promotion and operation of the Society.

(3) Each Council Member shall be a director of the Society for the purposes of the Companies Act 2006 and otherwise, and accordingly each Council Member shall be subject to all the duties imposed upon directors pursuant to the Companies Act 2006.

Members' reserve power

9.—(1) The members may, by special resolution, direct the Council to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the Council Members have done before the passing of the resolution.

Council Members may delegate

10.—Subject to the articles, the Council may delegate any of the powers which are conferred on them under the articles to a committee of the Council on such terms as they may reasonably decide. The Council may revoke any such delegation in whole or part, or alter its terms and conditions.

Committees

11.—(1) Committees to which the Council delegates any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by the Council.

(2) The Council may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY THE COUNCIL

Council Members to take decisions collectively

12.— Any decision of the Council must be either a majority decision of the Council Members at a meeting or a decision taken in accordance with article 13.

Unanimous decisions

13.—(1) A decision of the Council is taken in accordance with this article when all eligible Council Members indicate to each other by any means that they share a common view on a matter.

(2) Decisions of the Council may take the form of a resolution in writing, copies of which have been signed by each eligible Council Member or to which each eligible Council Member has otherwise indicated agreement in writing.

(3) References in this article to eligible Council Members are to Council Members who would have been entitled to vote on the matter had it been proposed as a resolution at a Council meeting.

(4) A decision may not be taken in accordance with this article if the eligible Council Members would not have formed a quorum at such a meeting.

Calling a Council meeting

14.—(1) Any Council Member may call a Council Members' meeting by giving notice of the meeting to the Council Members or by authorising the Secretary to give such notice.

(2) Notice of any Council meeting must indicate—

(a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that Council Members 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.

(3) Notice of a Council meeting must be given to each Council Member, but need not be in writing.

(4) At least 21 days' notice must be given of each Council meeting. Notice of a Council meeting need not be given to Council Members who waive their entitlement to notice of that meeting, by giving notice to that effect to the Society not more than 7 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.

Participation in Council meetings

15.—(1) Subject to the articles, Council Members participate in a Council meeting when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether Council Members are participating in a Council meeting, it is irrelevant where any Council Member is or how they communicate with each other.

(3) If all the Council Members 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.

Quorum for Council meetings

16.—(1) At a Council meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for Council Members' meetings may be fixed from time to time by a decision of the Council Members, but unless otherwise fixed it is five.

(3) If the total number of Council Members for the time being is less than the quorum required, the Council Members must not take any decision other than a decision—

(a) to appoint further Council Members, or

(b) to call a general meeting so as to enable the members to appoint further Council Members.

Chairing of Council meetings

17.—(1) The Council Members may nominate one of their number to chair their meetings, and another Council Member to chair meetings in his or her absence. Such nominations shall be made in accordance with article 22(4) or in such other manner and/or at such other time as the Council may from time to time resolve.

(2) The persons so nominated for the time being are known as the Chairman and Vice-Chairman respectively.

(3) If no Chairman or Vice-Chairman has been nominated or neither of them is present within fifteen minutes of the time at which the meeting was to start, the participating Council Members must appoint one of themselves to chair it.

Casting vote

18. If the numbers of votes for and against a proposal are equal, the Chairman, Vice-Chairman or other Council Member chairing the meeting (as applicable) has a casting vote.

Conflicts of interest

19.—(1) The Council may (subject to such terms and conditions, if any, as the Council may think fit to impose from time to time, and subject always to its right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law any matter which would otherwise result in a Council Member infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Society and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties).

(2) The authorisation is only effective if:

(a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Council Member in question or any other interested Council Member; and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

(3) Unless the Council otherwise directs, a Council Member may vote at a meeting of the Council or of a committee of the Council on any resolution concerning a matter in relation to which he has an interest, if the Council has authorised the conflict or possible conflict to which that interest gives, or may give, rise.

(4) The foregoing provisions of this article shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Society, to which the following provisions shall apply.

(5) Any Council Member may be interested in an existing or proposed transaction or arrangement with the Society provided that he complies with his obligation to declare any such interest in accordance with the Companies Act 2006. Having duly declared any such interest or duty, a Council Member may vote at a meeting of the Council or of a committee of the Council on any resolution concerning a matter in which he has an interest, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty.

Records of decisions to be kept

20. The Council must ensure that the Society keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Council.

Council Members' discretion to make further rules

21. Subject to the articles, the Council may make any rule which they think fit about how the Council takes decisions, and about how such rules are to be recorded or communicated to Council Members.

APPOINTMENT OF COUNCIL MEMBERS

Appointment of Council Members

22.—(1) The Council shall consist of such number of Council Members as the Council shall decide from time to time provided that such number shall be not less than twelve nor more than eighteen.

(2) Any member shall be eligible for election as a Council Member irrespective of his or her age and no Council Member shall be required to vacate his or her office by reason of attaining the age of 70 or any other age.

(3) The following shall be ex officio members of the Council, if not elected Council Members: the President, the President-Elect, and the Honorary Treasurer. The President, President Elect and Honorary Treasurer shall be appointed by the Council at a meeting prior to the annual general meeting in each year and they shall hold office from the conclusion of that annual general meeting until the conclusion of the next annual general meeting when they shall retire, but shall then be eligible for re-

appointment. No Vice President shall be a member of the Council unless elected as a Council Member.

(4) The Chairman and Vice-Chairman shall be nominated by the Council at their meeting immediately following the annual general meeting in each year and they shall hold office until the first Council meeting following the next annual general meeting when they shall retire, but shall then be eligible for re-appointment.

(5) At each annual general meeting one third of the elected members of the Council, or, if their number is not a multiple of three, the number nearest to, but not exceeding one third shall retire from office and be eligible for re-election. The one third, or other nearest number to retire, shall be those who have been longest in office. As between two or more Council Members who have been in office an equal length of time, the Council Member or members to retire shall, in the absence of agreement between them, be determined by ballot of the members on such terms and subject to such rules as the Council shall decide, acting reasonably and fairly as between each candidate. The length of time a member has been in office shall be computed from his most recent election or appointment. A retiring member shall be eligible for re-election and shall act as a Council Member throughout the meeting at which he retires.

(6) At each annual general meeting, the members present shall elect by ballot such number of Council Members as may be required to replace the elected Council Members who are retiring at such annual general meeting. Alternatively the Council may determine that the election of Council Members shall be determined by postal ballot of the members, on such terms and subject to such rules as the Council shall decide, acting reasonably and fairly as between each candidate.

(7) The Council may co-opt up to three additional members of the Council who must be members of the Society, who will remain on the Council only until the next annual general meeting.

(8) The Council may fill any vacancy amongst the Council or the officers of the Society between one annual general meeting and the next, and the Council Members or officers so appointed shall retire at the succeeding annual general meeting, but shall then be eligible for re-election.

Termination of Council Member's appointment

23. A person ceases to be a Council Member as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) 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; or
- (c) notification is received by the Society from the Council Member that the Council Member is resigning from office, and such resignation has taken effect in accordance with its terms.

Council Members' remuneration

24.—(1) Council Members may undertake any services for the Society that the Council decides.

(2) Save as provided in article 6 and the following provisions of this article 24, Council Members are not entitled to receive remuneration for their services to the Society.

(3) The Secretary from time to time, provided that he or she has not been elected as a Council Member, may be remunerated for their services as Secretary and in respect of his or her duties in relation to the administration of the Society, as the Council may reasonably decide.

Council Members' expenses

25. Subject to such reasonable policy as the Council may adopt from time to time, the Society may pay any reasonable expenses which the Council Members properly incur in connection with their attendance at—

- (a) meetings of Council Members or committees of Council Members,
- (b) general meetings, or
- (c) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Society.

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

Classes of membership

26.—(1) Every member shall be a Life Member, an Annual Member or an Honorary Member.

(2) Annual Members may become Life Members upon such terms as the Council may from time to time decide.

(3) Groups of two or more individuals may, at the discretion of the Council, be designated as joint Annual Members ("Joint Members"). Joint Members shall together count as one member for the purposes of determining a quorum and for voting purposes.

(4) The Council shall be empowered to create new classes of membership from time to time, and to designate the rights and benefits to which members of any such class shall be entitled, and the applicable membership fee.

Corporate members

27.— Each corporate member shall upon becoming a member, by notice in writing to the Secretary, nominate an individual to represent it and vote on its behalf at general meetings. A corporate member may remove and replace any such representative by notice in writing to the Secretary, and such notice shall be deemed to take effect seven days after receipt of such notice by the Council. Any representative appointed by a corporate member from time to time shall be regarded as the relevant corporation's authorised representative for the purposes of section 323 of the Companies Act 2006.

Entrance and subscription fees

28.—(1) All Annual Members and Life Members shall pay an entrance fee on becoming members of the Society. In addition to the entrance fee, Life Members shall pay a one-off life subscription fee and Annual Members shall pay an annual subscription fee. Each Annual Member shall pay their annual membership in advance by no later than the first day of January in each year, unless he has given written notice to the Secretary before that date of his intention to resign as a member.

(2) Joint Members shall pay one annual membership fee between them, or such other fee as the Council shall decide from time to time.

(3) All entrance fees and subscription fees shall be determined from time to time by the Council.

Honorary Membership

29.— The Council may from time to time appoint and remove as an Honorary Member any person as it sees fit. Honorary Members shall not be required to pay an entrance fee or other subscription fee. Honorary Members shall be entitled to receive notice of and attend general meetings (but shall not be entitled to vote) and shall be entitled to such other rights and privileges as the Council shall from time to time decide.

Termination of membership

30.—(1) A member may resign his membership of the Society by giving 7 days' notice to the Society in writing.

(2) Membership is not transferable.

(3) A person's membership terminates when that person dies or ceases to exist.

(4) The Council shall have a right (but not an obligation) to exclude from the Society any member who fails to pay any subscription amount or fine which has been overdue for a period of at least twelve calendar months (provided that the member in question has been given a reasonable opportunity to pay such amount) and the member in question shall have no right of appeal the decision of the Council. The Council shall procure that the member in question is promptly notified following a decision to exclude him, upon which the Council may cause the excluded member's name to be removed from the register of members.

Continuing liability of ex-members

31.— The liability of a member who shall resign his membership or be removed from the Society to pay any entrance fee, subscription fee, fine or penalty which has become due from him prior to his withdrawal or removal shall not cease on his resignation or removal, and the Society may take such steps as shall be necessary for the recovery of such entrance fee, subscription fee, fine or penalty.

ORGANISATION OF GENERAL MEETINGS

Calling general meetings

32.—(1) The Council shall convene an annual general meeting each year, the business of which shall be to consider the accounts of the Society and the report of the Council since the preceding annual general meeting, to elect the Council for the ensuing year, and to transact all such other business as the Council thinks fit or is necessary or desirable in accordance with the articles and the Companies Act 2006.

(2) Any member may, on giving not less than one month's notice to the Secretary, submit any resolution for consideration at such annual general meeting.

(3) A general meeting (other than the annual general meeting) may be convened at any time by the Council, and shall be convened by the Council whenever a requisition signed by not less than ten members of the Society, and stating generally the object of such meeting, is served on the Secretary. If the Council shall not have convened a general meeting within 21 days after the service of such requisition, the requisitionists or any ten members of the Society may convene a general meeting in accordance with the requisition.

(4) A general meeting of the Society (other than an adjourned meeting) must be called by notice of—

(a) in the case of an annual general meeting, at least 21 days, and

(b) in any other case, at least 14 days.

(5) A general meeting shall be held at such place as the Council or the requisitionists (as the case may be) shall appoint.

Attendance and speaking at general meetings

33.—(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.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) 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.

(3) The Council may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

Quorum for general meetings

34.—(1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

(2) A quorum shall be ten members if the number of members of the Society at the time of such meeting shall be 100 or less, and one for every 20 members if the number of members of the Society exceeds 100 (subject always to a minimum of 10 members).

Chairing general meetings

35.—(1) The President, or in his absence or if there is no President, the Chairman, or in his absence or if there is no Chairman the Vice-Chairman shall chair general meetings if present and willing to do so.

(2) If there is no President, Chairman or Vice-Chairman holding office, or none of them is present and willing to chair the meeting within fifteen minutes of the time at which a meeting was due to start, the meeting must appoint a Council Member or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by Council Members and non-members

36.—(1) Council Members may attend and speak at general meetings.

(2) The chairman of the meeting may permit other persons who are not members of the Society to attend and speak at a general meeting.

Adjournment

37.—(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.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment, and the chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) 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 Council, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Society 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)—

(a) to the same persons to whom notice of the Society's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(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.

VOTING AT GENERAL MEETINGS

Voting: general

38.—(1) 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 the articles.

(2) Subject to article 26(3), every member shall have one vote, save that no member whose subscription is in arrears or who owes any other money to the Society shall be entitled to exercise his vote or take part in any general meeting of the Society.

(3) A poll may be demanded by five or more members, and if so demanded it shall be taken immediately in such manner as the chairman directs.

(4) In the case of an equality of votes at any general meeting the chairman shall not be entitled to a casting vote.

Errors and disputes

39.—(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.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final.

Amendments to resolutions

40.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(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.

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

41.—(1) Subject to the articles, anything sent or supplied by or to the Society under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Society.

(2) Subject to the articles, any notice or document to be sent or supplied to a Council Member in connection with the taking of decisions by the Council may also be sent or supplied by the means by which that Council Member has asked to be sent or supplied with such notices or documents for the time being.

No right to inspect accounts and other records

42. Except as provided by law or authorised by the Council or an ordinary resolution of the Society, no person is entitled to inspect any of the Society's accounting or other records or documents merely by virtue of being a member.

COUNCIL MEMBERS' INDEMNITY AND INSURANCE

Indemnity

43.—(1) Subject to paragraph (2), a Council Member or former Council Member shall be indemnified out of the Society's assets against—

(a) any liability incurred by that Council Member or former Council Member in connection with any negligence, default, breach of duty or breach of trust in relation to the Society, and

(b) any other liability incurred by that Council Member or former Council Member as an officer of the Society.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act 2006 or by any other provision of law.

Insurance

44. The Council Members may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of a Council Member or former Council Member in respect of any loss or liability which has been or may be incurred by such Council Member or former Council Member in connection with his duties or powers in relation to the Society.