

**Company Number SC34467**

**The Companies Acts 1985 to 1989**

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

**MEMORANDUM  
AND ARTICLES  
OF ASSOCIATION**

**CONFEDERATION OF FOREST INDUSTRIES (UK) LIMITED**

**THE COMPANIES ACTS 1985 TO 1989**

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

**MEMORANDUM OF ASSOCIATION**

**of**

**CONFEDERATION OF FOREST INDUSTRIES (UK) LIMITED**

- I. The name of the company (hereinafter called 'the Company') is Confederation of Forest Industries (UK).
- II. The registered office of the Company will be situated in Scotland.
- III. The objects for which the Company is established are:
  1. To represent the whole forest industry in the United Kingdom including, without prejudice to the generality of the foregoing, tree nurseries, growers, service providers, processors and professional bodies.
  2. To promote the profitability and productivity of forestry and forest industries in the United Kingdom and encourage the expansion of woodland cover and timber production for commercial and other objectives;
  3. To promote positive and beneficial policies with regard to the development of forestry and forest industries in the United Kingdom to the General Assembly of the United Nations its associated organisations and member Governments, the Council of Ministers of the European Communities, European Commission, European Parliament, the Government and Parliament of the United Kingdom, the Government of Northern Ireland, the National Assembly for Wales, the Scottish Executive, regional development agencies and local authorities in the United Kingdom, statutory and voluntary bodies and agencies in the United Kingdom and elsewhere;
  4. To promote sound principles and methods of management within forestry and forest industries; to provide information and advice on markets and marketing and on legal, fiscal and technical aspects relevant to the industry in the United Kingdom;
  5. To promote the domestic market for United Kingdom timber and forest products; and exports thereof;
  6. To promote research and other scientific work in connection with forestry, forest industries and allied trades and to represent to relevant bodies and agencies the needs and recommendations of forestry and forest industries in the United Kingdom in respect of all such research and scientific work;
  7. To promote and encourage the collection of statistics and relevant data as may be necessary or desirable for the efficiency of the United Kingdom forestry industry;

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8. To promote and aid the training and education of persons engaged or likely to be engaged in forestry or allied trades or industries;
9. To establish and maintain basic minimum operational standards of all those offering services in the industry and to promote professional development and education within the industry;
10. To solicit, receive and accept financial assistance, grants, donations, subscriptions, endowments, gifts (both inter vivos and testamentary) and loans of or of any interest in money, rents, heritable and other property whatsoever real or personal subject or not to any specific trusts or conditions or burdens;
11. To purchase, take on lease, or in exchange, hire or otherwise acquire real or personal property and rights or privileges, and to construct, maintain and alter buildings or erections;
12. To purchase or otherwise acquire plant and machinery including computer hardware and software, furniture, fixtures, fittings and all other effects of every description;
13. To borrow or raise money on such terms and on such security as may be thought fit with such consents as are required by law;
14. To make any donations in cash or assets or establish or support or aid in the establishment or support of and to lend money (with or without security) to or for any charitable associations or institutions;
15. To engage and pay any person or persons whether on a full-time or part-time basis or whether as consultant or employee to supervise, organise, carry on the work of and advise the Company and to make any reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees or former employees and their wives, husbands and other dependants;
16. To publish, acquire and disseminate information, books, papers, periodicals, statements bearing on forestry and silviculture or allied trades or industries; on the marketing or utilisation of timber; on matters of interest to the membership; and on the views, policies, and recommendations of the private sector.
17. To apply to the Government, public bodies, municipalities, county and other councils, corporations, companies or persons for and to receive grants of money and of land, gifts, subscriptions and other assistance to further the objects of the Company to negotiate with such authorities and to conform to any proper conditions upon which such grants and other payments and assistance may be made.
18. To promote or acquire any company, association, undertaking, business or assets for the purpose of carrying on or exercising any of the objects or powers of the Company; to assign or delegate the carrying out or exercising of any such objects or powers; to establish branches or agencies and to appoint representatives to act on behalf of the Company in any of its affairs; to work in union on such terms and in such manner as may be thought desirable with, or to become a member of, any company or association which is or may be authorised to do any of the things which the Company is authorised to do or under-take; and to subscribe to the funds of, and in any manner to finance the activities of, any company or association having objects which in the opinion

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of the Company are likely to be of benefit to timber growers in the United Kingdom.

19. To carry on the business of commission agents, factors, general merchants and dealers in every description of goods, exporters and importers, concessionaires, wholesale and retail traders, carriers, warehousemen, designers, advertising contractors or agents, or trustees, brokers, or agents for any company.
20. To manufacture, refine, repair, purchase, sell, export, import, deal in or let on hire all kinds of goods substances and other articles which may be advantageous to the Company or which any of the customers or other companies having dealings with the Company may from time to time require.
21. To carry on any other activity and do anything of any nature which may seem to the Company capable of being conveniently carried on or done by the Company in connection with the above, or may seem to the Company calculated directly or indirectly to benefit the Company.
22. To purchase, feu, lease, hire, take in, exchange or otherwise acquire any property, heritable or moveable, real or personal any rights or privileges which the Company may think necessary or desirable with reference to any of its objects.
23. To acquire by purchase, licence or otherwise and to exercise and use any invention or any patent rights or protection in any part of the world for any invention; as also to grant licences to exercise and use any patent belonging to the Company and that for such royalties and considerations as may be agreed on with the licensees.
24. To sell, feu, exchange, lease or otherwise deal with or dispose of the whole or any part of the whole or any part of the property of the Company or any right over or any interest in the same in such manner, upon such terms, and subject to such conditions as the Company may think proper.
25. To insure the Company against loss and damage by fire accident or otherwise howsoever and that by effecting insurances with outsiders or by establishing and accumulating any refund for that purpose or otherwise, provided that nothing herein contained shall empower the Company to carry on the business of life assurance, accident assurance, industrial assurance, motor assurance, or any business of insurance or re-insurance within the meaning of the Insurance Companies Act 1958, or any Act amending, extending or re-enacting the same.
26. To raise or borrow money with or without security or to secure repayment thereof in such manner and on such terms as may seem expedient, including the issue of Bonds, Bills, Promissory Notes, Mortgages, Standard Securities, Floating Charges, Debentures or Debenture Stock, perpetual or otherwise, and charged or not charged upon the whole or any part of the Company's property and its uncalled capital for the time being and that at such rate of interests and repayable in such manner as may be deemed expedient and to renew, re-issue, redeem or pay off any such securities.
27. To draw, make, accept, endorse, discount, execute and issue Bills of Exchange, Bills of Lading, Promissory Notes and other instruments, negotiable or transferable by delivery or order or otherwise and also to grant

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bank guarantees against delivery of goods or otherwise as may be necessary for conducting the Company's business as exporters and importers and general agents.

28. To invest and deal with the available moneys of the Company upon such securities including personal obligations and in such manner as may from time to time be determined and to lend and advance money with or without security to any company, firm or person transacting or dealing with the Company upon such terms as may be resolved, as also to give guarantees and carry on and transact guarantee business.
29. To promote any company or companies for the purpose of carrying on any business which the Company is authorised to carry on or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
30. To secure any payment of any sums of money and the observance of obligations by any company, society, or individual in such manner as the Company may think fit and by way of such security to assign, dispose, mortgage, pledge, or charge the whole or any part of the undertaking, property, assets or revenue of the Company, present or future, including uncalled capital with powers of sale and other usual and necessary powers.
31. To amalgamate, merge or otherwise combine and join with and in any company, corporate body or association; and to sell or dispose of the whole or any part of the undertaking of the Company for such consideration as the Company may think fit and in particular for fully or partly paid up shares or obligations of any other company; or to acquire the whole or any part of the undertaking of any Company or Organisation on such terms as the Company may deem fit.
32. To indemnify and secure any company, firm or person against debt or liability incurred or undertaken for behalf of the Company or against any costs, losses or expenses in connection with the business or the affairs of the Company.
33. To carry out the objects of the Company as principals, agents, contractors, trustees or otherwise and by or through agents, trustees or otherwise and either alone or in conjunction with others.
34. To establish, maintain control, and manage branches of the Company in the United Kingdom and elsewhere and from time to time to determine the constitutions, privileges, obligations and duties of such branches, and when thought expedient to discontinue the same.
35. To do all such other things as in the opinion of the Company may be incidental, conducive or ancillary to the attainment of any of the above objects or powers.
36. To do any of the above things in the United Kingdom and in any other territories.

AND IT IS HEREBY DECLARED that the word "Company" in this clause shall (except where referring to the Company) be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in United Kingdom or elsewhere, and the intention is that the objects specified in each paragraph of this clause shall, except if at all where otherwise expressed, be in nowise limited or restricted by reference from the terms of any other paragraph or the name of the Company, or the order in

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which such objects are stated, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and independent company.

Provided that the Company shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others by any regulation, restriction or condition which, if an object of the Company, would make it a Trade Union.

- IV. 1. Subject to paragraph two of this Clause:
- (a) The income and property of the Company shall be applied solely towards the promotion of its objects as set out in Clause III) of this Memorandum of Association; and
  - (b) No part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to the Members of the Company;
2. The Company shall, notwithstanding the provisions of paragraph one of this Clause be entitled:
- (a) To pay reasonable and proper remuneration to any Director or Member of the Company in return for services actually rendered to the Company;
  - (b) To pay interest at a rate not exceeding a commercial rate on money lent to the Company by any Director or Member of the Company;
  - (c) To pay rent at a rate not exceeding a reasonable market rent for premises let to the Company by any Director or Member of the Company.
- V. The liability of the members is limited.
- VI. Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year afterwards for payment of the debts and liabilities of the Company contracted before he ceases to be a member and of the costs, charges and expenses of winding-up and for the adjustment of the rights of the contributories among themselves, such amount as may be fixed by the Board of the Company from time to time but which amount shall not in any event exceed £5.00.
- VII. If upon the winding-up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members or the Company but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Company and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as does Clause IV of this Memorandum of Association such institution or institutions to be determined by the members of the Company at or before the time of dissolution and if and so far as effect cannot be given to the foregoing provisions then to some charitable object.
- VIII. True accounts shall be kept of the sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place

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and of the property credits and liabilities of the Company. Once at least in every year the Accounts of the Company shall be examined and the correctness of the income and expenditure account of the balance sheet ascertained by one or more properly qualified auditor or auditors.

**THE COMPANIES ACTS 1985 to 1989**

**COMPANY LIMITED BY GUARANTEE**

**ARTICLES OF ASSOCIATION**

**of**

**CONFEDERATION OF FOREST INDUSTRIES (UK) LIMITED**

**I. INTERPRETATION**

1. In these Articles, if not inconsistent with the subject or context, the following words and expressions shall have the respective meanings hereby assigned to them: -
  - (a) "The Act" means the Companies Act 1985, and every statutory modification or re-enactment thereof for the time being in force.
  - (b) "Articles" means these Articles of Association as from time to time altered in terms of the Act.
  - (c) "Board" means a quorum of the Board of Directors for the time being assembled at any place in accordance with the Articles.
  - (d) "Branch" means a committee established by the Board within a Region for the purposes of running the business of the Organisation within that territory as may be defined by the Board.
  - (e) "Bye-Laws" means the rules and procedures of the Organisation as established by Resolution of the Board, for the time being in force.
  - (f) "Country" shall mean England, Scotland, Northern Ireland or Wales.
  - (g) "Country Committee" means a committee established by the Board within each Country for the purposes of running the business of the Organisation in that Country.
  - (h) "Managing Council" means the body established by the Board for the purposes of running the business of the Organisation within that Sectoral Division
  - (i) "The Organisation" means the Confederation of Forest Industries (UK)
  - (j) "Person" includes a corporate body, association, firm, trust or individual.
  - (k) "Regions" means the districts in the United Kingdom into which the United Kingdom is divided for the purposes of administration and management which may in turn be sub-divided into smaller areas which shall be known as branches.
  - (l) "Sectoral Division" means a subdivision of the total membership of the Organisation sharing common business interests, as established by resolution of the Board.

## II. MEMBERSHIP

- A. General
2. For the purposes of registration the number of members of the Organisation is declared to be unlimited.
3. The subscribers to the Organisation's Memorandum of Association shall be the first ordinary members and subject as hereinafter mentioned it shall rest with the Board to determine the terms and conditions on which subsequent members shall be admitted.
4. The membership of the Organisation shall consist of persons with the following status:-
  - (a) Voting Members who shall be:
    - (i) persons, bodies corporate or unincorporated which are actively engaged in the practice of timber growing, forestry management or are forest products processors, manufacturers, retailers, and wholesalers, suppliers of goods and services to the wood chain, environmental interest groups, social interest groups, and statutory bodies and any such bodies as the Board may admit to membership of the Organisation.
    - (ii) Honorary members who shall be persons whether entitled or not to become members under the foregoing provisions who are admitted to membership by the Board for special services or for special causes upon such terms as to the payment of subscription or otherwise as the Board shall decide.
  - (b) Non-Voting Members including Associate members and Student members and any such persons as the Board may admit to this class of membership of the Organisation.
5. Each member, whether voting or non-voting, shall elect to be affiliated with one Sectoral Division of the organisation (as to which see Article 61)
6. The Board may refuse to admit to membership any applicant without giving any reason.
7. Members other than Voting members shall be entitled to such of the privileges and benefits of the Organisation as the Board may from time to time determine, but without power to vote at any General Meeting of the Organisation.
8. A corporation, a body of trustees or firm being a member shall nominate a person to act as its representative with power to attend meetings of the Organisation, whether general, regional or branch, and vote and generally exercise all rights of membership on behalf of the corporation, body of trustees or firm in question. A corporation, body of trustees or firm may from time to time revoke such nominations and nominate another representative in his place. Any director or secretary of a corporation or any trustee or a body of trustees or any partner of a firm not being the representative duly nominated for that corporation, body of trustees or firm, may attend

any general meeting of the Organisation without any voting right thereat.

9. A member shall cease to be a member of the Organisation:
  - (a) on receipt by the Organisation of notice in writing to the Organisation that he resigns his membership or, in the event that such notice indicates that the resignation is to take effect on some future date, on that future date provided the annual subscription has been paid by the member for the period up to that future date;
  - (b) if he (being a company) goes into liquidation, receivership, administrative receivership or administration or if he (being an individual) dies or becomes of unsound mind, or (being an individual or firm) becomes bankrupt, or compounds with creditors;
  - (c) if he fails to pay the annual subscription to the Organisation within three months of its becoming due; or
  - (d) if he ceases to retain the qualifications in respect of which he was admitted to membership.
10. If any member fails to observe any of the Articles or Bye-laws or is guilty of conduct which renders him unfit to remain a member, the Board may suspend his membership while the Board investigates the matter. The Board shall create and maintain a disciplinary procedure that shall include a process of appeal against any decision of the Board to an independent arbiter.
11. A person who ceases to be a member under the foregoing provisions shall remain liable to perform or fulfil any obligations under the Articles or Bye-Laws which, prior to his ceasing to be a member, should have been performed or fulfilled by him, but a person who has been removed from membership by the Board shall not be entitled to recover the unexpired proportion of any subscription that such a member has paid.
- B. Subscriptions
12. Unless otherwise resolved by the Board from time to time the financial year of the Organisation shall extend from the 1st day of January until the 31st day of December.
13. Every member shall pay a minimum annual subscription as may from time to time be fixed by the Board, which may at their discretion amend the scale of subscription as and when and in whatsoever manner they consider fit. The Board may create special categories or groups of membership distinguished in such manner as may be so decided for the best interests of the Organisation and in making such decision shall not be limited by the designations in Article 4 for the purposes of determining the rates of subscription payable by such categories or groups or otherwise. The decision of the Board as to the category or group in which any member falls for the purposes of determining his rate of subscription shall be conclusive and binding on all members.

### III. GENERAL MEETINGS

14. The Organisation shall in each 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 fifteen months shall elapse between the date of one Annual General Meeting of the Organisation and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall appoint.
15. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
16. The Board may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default, by such requisitionists as provided by Section 368 of the Act.

### IV. NOTICE OF GENERAL MEETINGS

17. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice in writing and a meeting of the Organisation other than an Annual General Meeting or a meeting for the passing of an ordinary resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting, and in case of special business the general nature of that business, and shall be given in such manner if any as may be prescribed by the Organisation in General Meeting to such persons as are entitled to receive such notices from the Organisation provided that a meeting of the Organisation shall notwithstanding that it is called by shorter notice than above specified be deemed to have been duly called if it is so agreed by all members entitled to attend and vote thereat; or in the case of a meeting other than an Annual General Meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than 95% of the total voting rights of that meeting of all the members.
18. 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.

### V. PROCEEDINGS AT GENERAL MEETINGS

19. The ordinary business of an Annual General Meeting shall be:-
  - (a) to elect a Chairman and Vice Chairman of the Organisation;
  - (b) to receive and consider the accounts and balance sheets and the reports of the Board and the auditors;
  - (c) to appoint an auditor or auditors and fix his or their remuneration; and
  - (d) to transact any other business which under these presents ought to be transacted at an Annual General Meeting.

All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all that is transacted at an Annual General Meeting with the exception of the business mentioned in heads (a), (b), (c) and (d) of this Article.

20. The quorum for a General Meeting shall be twenty members present personally or by proxy and entitled to vote. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting shall be dissolved.
21. The Chairman of the Board shall preside as Chairman at every General Meeting of the Organisation, or if there is no such Chairman, or if he be not present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Board shall elect one of their number to be Chairman of the meeting. If no member of the Board is present or willing to act, the members present shall elect one of their number to be Chairman of the meeting.
22. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
23. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded
  - (a) by the Chairman of the meeting;
  - (b) by two members of the Board present in person;
  - (c) by at least three members present in person or by proxy; or
  - (d) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of proceedings of the Organisation shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
24. Every question submitted to a General Meeting shall unless a poll is demanded be decided in the first instance by a show of hands; in the case of an equality of votes the Chairman shall either on a show of hands or at a poll have a second or casting vote.
25. At any General Meeting a poll may be demanded upon any resolution other than the election of a Chairman of the meeting.

26. A poll shall be taken at such time as the Chairman of the meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
27. Subject to the provisions of the Act a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations, trustees or firms by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Organisation duly convened and held.
28. Any Member desirous of moving any resolution at the Annual General Meeting shall give notice in writing to the Company Secretary not later than 60 days before the Annual General Meeting provided that the Member shall have the written support of not less than ten Voting Members. The Company Secretary will thereupon ensure that the resolution is added to the Agenda as an Ordinary, or, as the Articles require, Special Resolution.

VI. VOTES AT GENERAL MEETINGS

29. At any General Meeting each Voting member, in the event of a poll, shall have one vote.
30. The receiver, curator bonis or other persons entitled to administer the estate of a Voting member of unsound mind shall be entitled on behalf of such a member to attend and vote either in person or by proxy at any General Meeting of the Organisation.
31. No Voting member shall be entitled to vote at any General Meeting unless all monies presently payable by him to the Organisation have been paid.
32. On a poll, votes may be given either personally or by proxy.
33. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation either under the hand of two of its directors or one director and the secretary or of one officer or attorney so authorised. A proxy need not be a member of the Organisation. A proxy shall, in the absence of the member by whom he is appointed, have the same right as his appointer to speak or demand a poll at a meeting.
34. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed shall be deposited at the registered office of the Organisation not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in any common form or in such other form as the Board may approve. Instruments of proxy need not be witnessed.
35. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death of the principal or the

revocation of the instrument of proxy or the authority under which the instrument of proxy was executed, provided that no intimation of such death or revocation shall have been received by the Organisation before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

36. Without prejudice to the provisions of Article 8 any member (being a corporation) may by resolution of its Board of Directors or other governing body at any time authorise such person as it thinks fit to act as its representative at any General Meeting, and a person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents (including the power of forming one of a quorum) as that corporation could exercise if it were an individual member.

#### VII. POWER TO AMEND THE ARTICLES AND TO MAKE RULES

37. The Organisation in General Meeting may amend these Articles in accordance with the terms of the Act as may seem expedient for the proper administration and management of the Organisation's business or conducive to attaining any of the objects of the Organisation.
38. Without prejudice to the provisions of Article 53, the Board may make such further rules, regulations and bye-laws for the conduct of its business in accordance with its powers under these presents, for the conduct of its business or of the management of the Organisation as from time to time seem necessary, provided that none of the rules, regulations and bye-laws made in pursuance of these Articles contravene the terms of the Act, and any regulations amending the electoral procedures and voting rights of members as laid down in these Articles must be confirmed by the Organisation in General Meeting.

#### VIII. BOARD OF DIRECTORS

39. Unless otherwise determined by the Organisation in General Meeting the number of the Board shall not be less than 5 persons but shall not be subject to any maximum number. The quorum necessary for the transaction of the business of the Board may be fixed by the members of the Board and unless so fixed shall be five.
40. The Board shall consist of:
- (a) Chairman and Vice Chairman (as to whom see Articles 41-42);
  - (b) Two Directors appointed by each sectoral division of the Organisation (as to whom see Article 43);
  - (c) One Director appointed by each approved non-member association (as to whom see Article 44)
  - (d) One Director appointed by each qualifying corporate contributor (as to whom see Article 45)
  - (e) The Finance Director of the Organisation (as to whom see Article 46);
  - (f) The Chief Executive of the Organisation (as to whom see Article 54).

41. Chairman and Vice Chairman  
The Managing Councils of the Organisation's Sectoral Divisions shall, by rotation, appoint the Chairman and Vice-Chairman of the Board. The sequence of that rotation shall be agreed and subsequently adjusted, with any increase or decrease in the number of Sectoral Divisions, by the Board. An appointee will normally be a member of the relevant Managing Council, but may be an affiliate of the Sectoral Division whose appointment is supported by a majority of the members of that Managing Council. The Chairman's appointment shall be for a two year period and, in the event that (s)he demits office, for any reason, prior to the completion of the full period, the relevant Managing Council shall have the option either to nominate an alternative for the residual period or to recommend that the Vice-Chairman is invited to succeed to the position with immediate effect. The Vice-Chairman's appointment will be for a two year period and the incumbent will subsequently succeed to the position of Chairman. In the event that the Vice-Chairman demits office, for any reason, prior to the completion of two year's service, or is unable or not willing to succeed the Chairman, the relevant managing council shall nominate an alternative.
42. If at any meeting of the Board the Chairman is not present, the Vice Chairman shall preside. If within fifteen minutes after the time appointed for holding the same the Vice Chairman is not present or not willing to preside, the Directors present may choose one of their number to preside over the meeting.
43. Sectoral Directors  
Two Directors shall be appointed by the Managing Council of each Sectoral Division. The first of these will be the Executive Director with responsibility for managing the affairs of that Sectoral Division, who shall hold office for as long as (s)he is employed in that position, and the second shall be a member of the Managing Council, who may be re-appointed for a maximum of three years.
44. Sectoral Directors (non-member associations)  
Any association that represents significant sectoral interests within the forest industry, but which is not a member of the Organisation, may apply to have a seat on the Board. On approval, by the Board, of such an application, the association will be invited to appoint a representative to the Board. Such an appointment shall be for a maximum of three years. The executive director of the association will also be invited to attend board meetings as an observer.
45. Corporate Directors  
A company, or group of companies, which on its own account makes annual financial contributions to the Organisation, in excess of an amount agreed by the Board from time to time, will have the right to request a seat on the Board. This right may not be exercised if that company, or group of companies, is already directly represented on the Board. A corporate director, representing a company, or group of companies, which, during any

12 month period does not meet the contribution threshold set by the Board, will be required to resign from the Board.

46. Finance Director  
The Board shall appoint a Finance Director on such terms and conditions as they agree will be appropriate.
47. Board Advisers  
The Board may appoint for such period or for such occasion as it sees fit any person or persons (whether or not members of the Organisation) to be advisers to the Board, provided that any person so nominated shall not vote on Resolutions of the Board. The appointment of such advisers may be for any reason and without prejudice to the foregoing generality in making any appointments the Board shall take account of (but not be bound by) the desirability and usefulness of appointing the Chairman of any Company owned by the Organisation.
48. In the event of the death or retirement of a Board Adviser, any replacement is at the discretion of the Board.
49. Vacation of Office  
The office of a member of the Board shall be vacated:
- (a) if he send in a written resignation to the Board;
  - (b) if he be removed from office by resolution of the Organisation;
  - (c) if he becomes bankrupt or compound with his creditors;
  - (d) if he becomes a lunatic or of unsound mind or physically or mentally unable to perform the functions of a member of the Board or be convicted of any criminal offence and the Board shall pass a resolution that he shall vacate office;
  - (e) if he shall have absented himself (such absence not being with leave or on the affairs of the Organisation) from three meetings of the Board in succession and the Board pass a resolution that he shall vacate office;
  - (f) if having been qualified as an Voting or Non-Voting member of the Organisation he ceases to be so qualified; or
  - (g) if he becomes prohibited from being a Director.

## IX. PROCEDURES AND POWERS OF THE BOARD

50. The Board may meet together for the despatch of business, adjourn, and otherwise regulate its meetings, as it thinks fit, but so that the Board shall meet at least three times in each financial year of the Organisation. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote. The Chairman of the Board may, and the Chief Executive on the requisition of 3 members of the Board shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any member for the time being absent from the United Kingdom.
51. A Board member may participate in a Board meeting by means of conference telephone or similar communications equipment whereby all the members participating in the meeting can hear each

other and the members participating in a meeting in this manner shall be deemed to be present in person at such a meeting.

52. The continuing members of the Board may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of Association as the necessary quorum of members the continuing member or members may act for the purpose of increasing the number of members to that number, or of summoning a General Meeting of the Organisation, but for no other purpose.
53. Subject to the provisions of any Act of Parliament or of the Articles and to such regulations (being not inconsistent with any such provisions) as may be prescribed by the Organisation in General Meeting the business of the Organisation shall be managed by the Board which may carry out and exercise all the objects and powers of the Organisation and may decide all things which under the Memorandum and Articles of Association are left to the opinion or discretion of the Organisation, and may delegate all or any of such powers of management as are herein contained. No regulations made by the Organisation in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. Without prejudice to the generality of the foregoing the Board shall have power:-
  - A. Without prejudice to the provisions of Article 38, to make such Bye-Laws as in the opinion of the Board may be conducive to the attainment of any of the objects of the Organisation or may be desirable for the purposes of regulating the business of the Organisation and to amend or rescind any such Bye-Laws; and so that every member shall be bound by the Bye-Laws for the time being in force and of which notice shall have been given to him; provided that no Bye-laws shall be inconsistent with the objects of the Organisation or with the Articles of Association.
  - B. To appoint from time to time any one or more of their number or any other person to any special office or to perform or render any duties or services for the Organisation on such terms as to payment of reasonable and proper remuneration and expenses, and with such powers and authorities and for such period as they deem fit and, subject to the terms of any agreement in any particular case, to revoke any such appointment.
  - C. To make such arrangements as may be thought fit for the management of the Organisation's affairs and for the purpose to appoint agents and to fix their reasonable and proper remuneration and to delegate to them such powers as may be deemed requisite or expedient, but so that nothing in this sub-head shall empower the Board to do anything that is contrary to the express provisions of the Articles of Association.
  - D. To exercise the voting powers of the Organisation in favour of the appointment of any person (who need not necessarily be a member of the Board) as a director of any subsidiary of the Organisation.

- E. To borrow or raise money upon such terms as it deems fit, and for the purpose of securing the same and interest, or for any other purposes, to create mortgages or charges of any description on the property of the Organisation, both present and future.
- F. To make, draw, accept, endorse and negotiate cheques or other negotiable instruments, provided that every such instrument made, drawn, accepted, endorsed or negotiated shall be signed by such person or persons as the Board may appoint for the purpose.
- G. To invest, deal with, or lend the funds of the Organisation in such manner and for such purposes as it deems fit.
- H. To sell, let or otherwise dispose of all or any part of the property of the Organisation upon such terms and conditions as it deems fit.
- I. To execute on behalf of the Organisation any document, provided that such document be signed by the Chairman or a member of the Board and countersigned by the Secretary or by another member of the Board.

Notwithstanding the provisions of this sub-head the Board may by resolution determine, either generally or in any particular case, that the signatures of any member of the Board, Secretary or other officer may be affixed by some mechanical means to be specified in such resolution provided that the use of such means is by such resolution restricted to documents which have first been approved for sealing by the Bankers or Auditors of the Organisation in writing.

#### Appointments

- 54. The Board shall appoint a Chief Executive on such terms and conditions as they feel appropriate, and any Chief Executive so appointed may be removed by them.
- 55. The Board may delegate to individual members of the Board such authorities, powers and discretions as they may deem fit to conduct the business of the Organisation.
- 56. The Board may appoint an Honorary President on such terms and conditions as they feel appropriate.
- 57. The Board shall appoint a Company Secretary of the Organisation and such permanent officials as are necessary to administer the Organisation for such term, at such remuneration and upon such conditions as they think fit, and any official so appointed may be removed by them. The Board shall nominate and direct officials to assist the Managing Councils of the Sectoral Divisions and other working groups as may be necessary.

#### Committees

- 58. The Board may, when necessity arises, appoint a special committee, or working group, and determine its size, composition and membership, to consider and report to the Board upon any question which may arise, and may at any time modify, dissolve or reconstitute any special committee or working group so appointed. The Board may empower special committees or working groups to incur expenditure up to such monetary limits as the Board shall determine.

59. Persons invited to be members or chairmen of special committees or working groups need not be Voting members of the Organisation.
60. Special Committees or working groups may meet and adjourn as they think proper, and may co-opt such persons whether or not they are members of the Organisation, on a regular or occasional basis as they think desirable, but they shall, in the exercise of their powers so delegated, conform to any regulations and policies that may be imposed on them individually or collectively by the Board and these presents. The Board may at any time make such regulations in regard thereto as it may think expedient. The Board may empower committees to incur expenditure up to such monetary limits as the Board shall determine.

X. SECTORAL DIVISIONS

61. For the purposes of representing sectoral interests within the Organisation there may be set up Sectoral Divisions as may be determined by the Board from time to time.
62. Each Sectoral Division shall have a Managing Council elected by the voting members of the Organisation who have elected to be affiliated to that Sectoral Division.
63. The powers, extent, manner and spheres of administration of the said Sectoral Divisions and Managing Councils shall be determined by the Board. The Board may increase or reduce the number of Sectoral Divisions and to the extent not inconsistent herewith may alter or vary their powers, extent, manner and spheres of administration.
64. The Managing Councils shall administer and conduct the business of the Organisation in their Sectoral Division in conjunction with and under the direction of the Board, and the supervisory authority delegated by these presents and the Board to the Chief Executive. The Board may delegate to the Sectoral Divisions and their Managing Councils such powers and functions as they from time to time deem expedient for the proper conduct of the Organisation's business in the Sectoral Division in question, provided such delegation and any rules or regulations made in pursuance of this Article do not contravene the terms of the Act or these Articles. The Managing Councils of the Sectoral Divisions shall be answerable to the Board.

XI. REGIONS BRANCHES AND COUNTRY COMMITTEES

65. For the purposes of the management and administration of the Organisation there may be set up Regions as may be determined by the Board from time to time and which may be sub-divided into Branches.
66. The powers, extent, manner and spheres of administration of the said Regions and Branches shall be determined by the Board. The Board may increase or reduce the number of Regions or Branches and alter or vary their boundaries and to the extent not inconsistent

herewith may alter or vary their powers, extent, manner and spheres of administration.

67. The Regions and Branches shall administer and conduct the business of the Organisation in their territory in conjunction with and under the direction of the Board, and the supervisory authority delegated by these presents and the Board to the Chief Executive. The Board may delegate to the Regions or Branches such powers and functions as they from time to time deem expedient for the proper conduct of the Organisation's business in the territory in question, provided such delegation and any rules or regulations made in pursuance of this Article do not contravene the terms of the Act or these Articles. Regions and Branches shall be answerable to the Board.

## XII. THE SEAL

68. The Organisation shall not have a seal. A document shall be validly executed by the Organisation if executed in accordance with the provisions of Article 50.

## XIII. ACCOUNTS

69. The Board shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Organisation and the matters in respect of which the receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Organisation; and
  - (c) the assets and liabilities of the Organisation.
- Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Organisation's affairs and to explain its transactions. The Regions, Branches and Country Committees shall keep such books and accounts as the Board may direct.
70. The books of accounts shall be kept at the registered office of the Organisation or, subject to the provisions of the Act, at such other place or places as the Board think fit and shall always be open to the inspection of the Directors of the Organisation.
71. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being members of the Board, and no member (not being a member of the Board) shall have any right of inspecting any account or book or document of the Organisation except as conferred by statute or authorised by the Board or by the Organisation in General Meeting.
72. The Board shall from time to time in accordance with the Act cause to be prepared and to be laid before the Organisation in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required.

73. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Organisation in General Meeting, together with a copy of the auditor's report and the report of the Board, shall not less than twenty-one days before the date of the meeting be sent to every member of the Organisation. Provided that this Article shall not require a copy of these documents to be sent to any person whose address the Organisation is not aware of or in the case of any membership held in joint names to any joint member other than the first named joint member.

#### XIV. AUDIT

74. Auditors shall be appointed and their duties regulated in accordance with all applicable legislation.

#### XV. NOTICES

75. A notice may be given by the Organisation to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Organisation for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 72 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

76. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Organisation an address within the United Kingdom for the giving of notices to them;
- (b) every person being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) the auditor for the time being of the Organisation.

No other person shall be entitled to receive notice of General Meetings.

#### XVI. INDEMNITY

77. Every member of the Board, officer or office bearer, agent, auditor, chief executive, secretary for the time being of the Organisation shall be indemnified out of the assets of the Organisation against any liability incurred by him defending any proceedings whether civil or criminal arising out of or in consequence of his holding or having held any such office.