
The Companies Act 2006
Private Company Limited by Guarantee
ARTICLES OF ASSOCIATION
of
Ombudsman Association



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PART 1

INTERPRETATION, OBJECTS, DISSOLUTION AND GUARANTEE

1 Defined terms and interpretation

1.1 In the articles, unless the context requires otherwise:

annual non-company membership meeting	means the annual meeting of the non-company membership described in article 52;
associate members	any individual (individual associate member) or organisation (corporate associate member) who, in the opinion of the directors, acting in accordance with the Terms and Rules, is interested in and supports the objects of the company;
address	has the meaning given in section 1148 of the Companies Act 2006;
articles	means the company's 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;
chair	has the meaning given in article 14;
chair of the meeting	has the meaning given in article 30;
Companies Acts	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
company member	has the meaning given in section 112 of the Companies Act 2006 and for the avoidance of doubt does not mean the non-company membership;
complaint handler member	organisations which, in the opinion of the directors, have complaint handling as a significant part of their role and which operate in accordance with the company's principles of good complaint handling, but

	do not meet the company's criteria for the recognition of ombudsman offices in each case as set out in the Terms and Rules;
director	means a director of the company, and includes any person occupying the position of director, by whatever name called;
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;
electronic means	has the meaning given in section 1168 of the Companies Act 2006;
eligible director	has the meaning given in article 10;
group member	means in relation to any corporate body, any body of which it is a subsidiary undertaking (parent) and any subsidiary undertaking of such corporate body or parent;
hard copy form	has the meaning given in section 1168 of the Companies Act 2006;
instrument	means a document in hard copy form;
non-company membership	means the ombudsman members, complaint handler members and associate members and a "non-company member" shall be construed accordingly;
ombudsman member	an ombudsman office recognised by the directors as satisfying the company's criteria for the recognition of ombudsman offices as set out in the Terms and Rules;
ordinary resolution	has the meaning given in section 282 of the Companies Act 2006;
participate	in relation to a directors' meeting, has the meaning given in article 12;
proxy notice	has the meaning given in article 37;
relevant officer	means any person who is or was at any time a director, secretary or other officer (except an auditor) of the company or any undertaking in the same group as the company;
Special general non-company membership meeting	means the special general non-company membership meeting described in article 53;
special resolution	has the meaning given in section 283 of the Companies Act 2006;

subsidiary has the meaning given in section 1159 of the Companies Act 2006;

subsidiary undertaking has the meaning given in section 1162 of the Companies Act 2006;

Terms and Rules means the non-company membership criteria, terms of reference and procedural rules as may be established and / or varied from time to time by the board of directors constituting the non-company membership terms and conditions on which organisations may become and/or remain ombudsman members, complaint handler members or associate members; and

Validation committee has the meaning given to it in article 54.

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.

1.2 The relevant model articles (within the meaning of section 20 of the Companies Act 2006) are excluded.

1.3 Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in the Companies Act 2006.

1.4 Except where the contrary is stated or the context otherwise requires, any reference in the articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.

1.5 Words importing the singular number only include the plural and vice versa. Words importing persons include corporations.

2 Objects and powers

2.1 The objects for which the company is established are to:

2.1.1 support and promote an effective system of complaint handling and redress in the United Kingdom, Ireland, Britain's Crown Dependencies and Britain's Overseas Territories;

2.1.2 encourage, develop and protect the role of an ombudsman in both the public and private sectors as the 'best practice' model for resolving complaints, according recognition through non-company membership;

2.1.3 provide an authoritative voice and promote best practice and policy for those involved in complaint handling and redress to ensure an effective service for the public; and

2.1.4 support open and transparent accountability and endorse principles of good complaint handling.

- 2.2 In pursuance of the objects set out in article 2.1, the company has the power to:
- 2.2.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the company;
 - 2.2.2 borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the company's property and assets;
 - 2.2.3 invest and deal with the funds of the company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
 - 2.2.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
 - 2.2.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
 - 2.2.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;
 - 2.2.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the company and to contract with any person, firm or company to pay the same;
 - 2.2.8 enter into contracts to provide services to or on behalf of other bodies;
 - 2.2.9 provide and assist in the provision of money, materials or other help;
 - 2.2.10 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
 - 2.2.11 incorporate subsidiary companies to carry on any trade; and
 - 2.2.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the object set out in article 2.1.

3 Income and Dissolution

- 3.1 The income and property of the company shall be applied solely towards the promotion of the objects of the company set out in article 2.1 and no portion of the income and property

shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise, by way of profit to the company members, provided that nothing in this article 3.1 shall prevent the payment, in good faith, of reasonable and proper salary or benefits (in the case of executives) or fees or remuneration to any officer, employee or agent or to any company members in return for services actually tendered to the company nor prevent the payment of interest at a reasonable and proper rate on money lent or reasonable and proper rent for premises let by any company member.

- 3.2 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 property shall not be paid to or distributed among the company members, but shall be given or transferred to such institution or institutions to be determined by the company members with objects similar to the objects of the company, and which prohibits the distribution of its or their income and property to an extent at least as great as is imposed on the company under or by virtue of article 3.1 at or before the time of dissolution.

4 Guarantee

- 4.1 The liability of each company member is limited to £1, being the amount that each company member undertakes to contribute to the assets of the company in the event of it being wound up while they are a company member or within one year after they cease to be a company member, for:

4.1.1 payment of the company's debts and liabilities contracted before they cease to be a member;

4.1.2 payment of the costs, charges and expenses of winding up; and

4.1.3 adjustment of the rights of the contributories among themselves.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

5 Directors' general authority

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

6 Power to change the company's name

The directors may from time to time change the name of the company to any name considered by the directors to be advantageous, expedient or otherwise desirable.

7 Directors may delegate

- 7.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

7.1.1 to such person or committee;

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

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions;

as they think fit.

7.2 The power to delegate shall be effective in relation to the powers, authorities and discretions of the directors generally and shall not be limited by the fact that in certain of the articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the directors or by a committee authorised by the directors.

7.3 If the directors so specify and subject to article 7.2, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

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

8 Committees

8.1 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 the articles which govern the taking of decisions by directors.

8.2 A member of a committee need not be a director. Ombudsman members, complaint handler members and associate members may be members of a committee.

8.3 The directors 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 DIRECTORS

9 Directors to take decisions collectively

9.1 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 14.

9.2 If:

9.2.1 the company only has one director; and

9.2.2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

10 Written directors' resolutions

10.1 A resolution in writing signed by all eligible directors (whether or not each signs the same document) or to which each eligible director has otherwise indicated agreement in writing shall be as valid and effective as if it had been passed at a duly convened and held quorate meeting of the board.

10.2 References in the articles to **eligible directors** are to directors 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 that particular matter).

- 10.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

11 Calling a directors' meeting

- 11.1 Any director may call a directors' meeting by giving not less than 14 days' notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice. A director may call a directors' meeting on shorter notice provided two thirds of the directors consent in writing to the meeting being held on less than 14 days' notice.

- 11.2 Notice of any directors' meeting must indicate:

11.2.1 its proposed date and time;

11.2.2 where it is to take place; and

11.2.3 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.

- 11.3 Notice of a directors' meeting need not be in writing and must be given to each director provided that, if a director is absent (whether habitually or temporarily) from the United Kingdom, the company has an address for sending or receiving documents or information by electronic means to or from that director outside the United Kingdom.

- 11.4 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 later 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.

12 Participation in directors' meetings

- 12.1 Subject to the articles, directors **participate** in directors' meetings, or part of a directors' meeting, when:

12.1.1 the meeting has been called and takes place in accordance with the articles; and

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

- 12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- 12.3 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.

13 Quorum for directors' meetings

- 13.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is one third of the total number of directors (rounded up to the nearest whole number) provided that:

13.2.1 if and so long as there is only one director the quorum shall be one; and

13.2.2 for the purposes of any meeting held pursuant to article 17 to authorise a director's conflict, if there is only one director besides the director concerned and directors with a similar interest, the quorum shall be one.

13.3 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 to appoint further directors in accordance with article 17.

14 Chairing of directors' meetings

14.1 The chair shall be appointed in accordance with article 52.

14.2 The person so appointed for the time being is known as the **chair**.

14.3 If no director has been appointed chair, or the chair is unwilling to chair the meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start, the vice chair must chair it.

15 Board voting; casting vote

15.1 On each decision of the board, each eligible director shall have one vote. If the numbers of votes for and against a proposal are equal, the chair or vice chair has a casting vote.

15.2 But this does not apply if, in accordance with the articles, the chair or vice chair is not to be counted as participating in the decision-making process for quorum or voting purposes.

16 Directors' interests

Except to the extent that article 17 applies or the terms of any authority given under that article otherwise provide, and without prejudice to such disclosure as is required under the Companies Act 2006, a director may be a party to, or otherwise interested in, any transaction or arrangement with the company for quorum and voting purposes on any resolution concerning a matter in which they have, directly or indirectly, an interest or duty that conflicts or may conflict with the interests of the company.

17 Directors' conflicts of interest

17.1 Subject to the provisions of the Companies Act 2006 and provided that a director has disclosed to the directors the nature and extent of any material interest of that director, a director may, notwithstanding the office of that director or that, without the authorisation conferred by this article 17.1, that director would or might be in breach of that director's duty under the Companies Act 2006 to avoid conflicts of interest, be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any ombudsman member, complaint handler member or associate member or undertaking in the same group as the company, or promoted by the company or by any undertaking in the same group as the company, or in which the company or any undertaking in the same group as the company is otherwise interested.

17.2 No director shall:

- 17.2.1 by reason of their office, be accountable to the company for any benefit which they derive from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under article 17.1 (and no such benefit shall constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);
- 17.2.2 be in breach of their duties as a director by reason only of that director excluding themselves from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under article 17.1; or
- 17.2.3 be required to disclose to the company, or use in relation to the company's affairs, any confidential information obtained by them in connection with any office, employment, transaction, arrangement or interest that is authorised under article 17.1 if that director doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection.
- 17.3 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of that director.
- 17.4 The directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching their duty under the Companies Act 2006 to avoid conflicts of interest, and any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict provided that:
- 17.4.1 such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of the articles, except that the director concerned and any other director with a similar interest:
- (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;
 - (b) may, if the other directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration; and
 - (c) shall not vote on any resolution authorising the conflict except that, if any such director does vote, the resolution will still be valid if it would have been agreed to if their votes had not been counted; and
- 17.4.2 where the directors give authority in relation to such a conflict:
- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other director with a similar interest as they may determine, including, without limitation, the exclusion of that director and any other

director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the directors or otherwise) related to the conflict;

- (b) the director concerned and any other director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the directors in relation to the conflict but will not be in breach of their duties as a director by reason of their doing so;
- (c) the authority may provide that, where the director concerned and any other director with a similar interest obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;
- (d) the authority may also provide that the director concerned or any other director with a similar interest shall not be accountable to the company for any benefit that they receive as a result of the conflict;
- (e) the receipt by the director concerned or any other director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (g) the directors may withdraw such authority at any time.

17.5 Subject to article 17.6, 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 may, before the conclusion of the meeting, be referred to the chair, whose ruling in relation to any director other than the chair is to be final and conclusive.

17.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

18 Records of decisions to be kept

The directors must ensure that the company keeps a record, in hard copy or electronic form, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors. If they are in electronic form, they must be capable of being reproduced in hard copy.

19 Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

20 Composition of board

20.1 The board shall consist of:

20.1.1 the chair;

20.1.2 the vice chair;

20.1.3 the executive director;

20.1.4 a treasurer (if the post of treasurer is held by someone other than the executive director); and

20.1.5 up to nine other elected individuals comprising:

(a) six persons representing ombudsman members; and

(b) three persons representing complaint handler members and /or associate members.

20.2 The six board members referred to in article 20.1.5(a), the chair and the vice chair shall include amongst them, where possible:

20.2.1 two public sector ombudsman schemes from the UK; and

20.2.2 two private sector ombudsman schemes from the UK; and

20.2.3 two ombudsman schemes from Ireland; and

20.2.4 one 'small' ombudsman scheme (as described in the Terms and Rules).

20.3 The three board members referred to in article 20.1.5(b) shall include, where possible at least one "small" complaint handler scheme (as described in the Terms and Rules).

21 Methods of appointing directors

21.1 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:

21.1.1 in accordance with article 22; or

21.1.2 by a decision of the directors to fill a vacancy or to hold office until the next annual non-company membership meeting;

provided that the person willing to act shall apply to become a company member in accordance with article 27.

21.2 Notwithstanding the rights of the directors under article 21.1.2, the company members shall not have the power by ordinary resolution to appoint a director.

21.3 If the company has no directors and, by virtue of death or bankruptcy, no company member is capable of acting, the transmittee of the last company member to have died or

to have had a bankruptcy order made against him has the right, by notice in writing, to appoint a person to be a director.

22 Terms of office and election or appointment to the board

- 22.1 In every notice for an annual non-company membership meeting the board shall state those board members continuing in office and those candidates intending to offer themselves for election in accordance with these articles (which may include the chair and the vice chair).
- 22.2 Each board member, other than the executive director and treasurer (if different), shall be elected in accordance with article 52 and any board membership policies adopted by the board from time to time and shall be elected for a fixed term of office expiring at the conclusion of an annual non-company membership meeting (each a “fixed term”). The fixed term shall be for a term of three annual non-company membership meetings unless the board has set a lower number of annual non-company membership meetings for the relevant board member on their election.
- 22.3 At every annual non-company membership meeting each board member elected under article 52 who has served their fixed term shall retire from office. Any board member who retires from office shall be eligible for re-election to one additional consecutive term subject to any board membership policies and subject to any restrictions contained within these articles. A board member will not normally serve more than two consecutive terms in total, unless the additional term involves a change of role to either Chair or Vice-Chair.
- 22.4 Board members elected under article 52 will be elected in accordance with open and transparent selection criteria and election procedures set out in these articles and the Terms and Rules. These may provide for prospective candidates to be approved by the board before they are eligible to stand for election as board members.
- 22.5 The board, in accordance with the election procedures set under article 52, shall endeavour to ensure that the board possesses the quality, skills, competencies and experience which the board has from time to time determined that it requires.
- 22.6 In an election for candidates wishing to be board members at an annual non-company membership meeting each non-company member present in person or by proxy shall have one vote for each vacancy but shall not give more than one vote to any one candidate as set out in article 52.
- 22.7 If at elections the number of candidates for election as board members does not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates exceeds the number of vacancies the meeting shall elect the board members in such a manner as the chair directs and in accordance with any procedures set under article 22.2.

23 Termination of director’s appointment

- 23.1 A person ceases to be a director as soon as:
- 23.1.1 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;
 - 23.1.2 that a bankruptcy order is made against that person;
 - 23.1.3 that an arrangement or composition is made with that person’s creditors generally in satisfaction of that person’s debts;

- 23.1.4 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;
- 23.1.5 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 23.1.6 that person absents himself from meetings of the board for three consecutive meetings without permission and the board of directors resolves that their office be vacated;
- 23.1.7 that person ceases to be a company member of the company (for whatever reason);
- 23.1.8 that persons ceases to be a representative of a non-company member (as described in article 48.5);
- 23.1.9 that person is otherwise duly removed from office or retires from office pursuant to article 22 without re-election.

24 Directors' remuneration

- 24.1 Directors may undertake any services for the company that the directors decide.
- 24.2 Directors are entitled to such remuneration as the directors determine:
 - 24.2.1 for their services to the company as directors; and
 - 24.2.2 for any other service which they undertake for the company.
- 24.3 Subject to the articles, a director's remuneration may:
 - 24.3.1 take any form; and
 - 24.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 24.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

25 Directors' expenses

- 25.1 The company may pay any reasonable expenses which the directors (and the company secretary) properly incur in connection with their attendance at:
 - 25.1.1 meetings of directors or committees of directors;
 - 25.1.2 general meetings; or
 - 25.1.3 separate meetings of the holders of debentures of the company,or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

26 Alternate Directors

No director may appoint any director or other person as an alternate director.

PART 3

COMPANY MEMBERS

BECOMING AND CEASING TO BE A COMPANY MEMBER

27 Applications for membership

27.1 No person shall become a company member of the company unless:

27.1.1 that person is a director or becomes a director and company member at the same time; and

27.1.2 that person has completed an application for membership in a form approved by the directors.

28 Termination of membership

28.1 A company member may withdraw from membership of the company by giving seven days' notice to the company in writing.

28.2 Company membership is not transferable.

28.3 A person's company membership terminates when that person:

28.3.1 dies; or

28.3.2 ceases to be a director.

PART 4

DECISION-MAKING BY COMPANY MEMBERS

ORGANISATION OF GENERAL MEETINGS

29 Attendance and speaking at general meetings

29.1 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.

29.2 A person is able to exercise the right to vote at a general meeting when:

29.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

29.2.2 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.

29.3 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.

- 29.4 In determining attendance at a general meeting, it is immaterial whether any two or more company members attending it are in the same place as each other.
- 29.5 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.

30 Quorum for general meetings

The quorum of a general meeting is one third of the total number of company members (rounded up to the nearest whole number) present in person or by proxy or, if at any time there is one sole company member, then that company member, provided that a majority of those present are independent. No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

31 Chairing general meetings

- 31.1 The chair shall chair general meetings if present and willing to do so.
- 31.2 If the chair 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 chair shall chair the meeting.
- 31.3 The person chairing a meeting in accordance with this article is referred to as the chair of the meeting.

32 Attendance and speaking non-company members

- 32.1 The chair of the meeting may permit other persons who are not:
- 32.1.1 company members; or
 - 32.1.2 otherwise entitled to exercise the rights of company members in relation to general meetings;
 - 32.1.3 to attend and speak at a general meeting.

33 Adjournment

- 33.1 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, if the meeting was convened by the company members, the meeting shall be dissolved and, in any other case, the chair of the meeting must adjourn it. If at the adjourned meeting the persons attending within half an hour of the time at which the meeting was due to start do not constitute a quorum, the company members present shall constitute a quorum.
- 33.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if:
- 33.2.1 the meeting consents to an adjournment; or
 - 33.2.2 it appears to the chair 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.

- 33.3 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 33.4 When adjourning a general meeting, the chair of the meeting must:
- 33.4.1 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
 - 33.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 33.5 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 seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 33.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
 - 33.5.2 containing the same information which such notice is required to contain.
- 33.6 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

34 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 the articles.

35 Errors and disputes

- 35.1 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.
- 35.2 Any such objection must be referred to the chair of the meeting, whose decision is final.

36 Poll votes

- 36.1 A poll on a resolution may be demanded:
- 36.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 36.1.2 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.
- 36.2 A poll on a resolution may be demanded by:
- 36.2.1 the chair of the meeting;
 - 36.2.2 the directors; or
 - 36.2.3 any qualifying person (as defined in section 318 of the Companies Act 2006) present and entitled to vote on the resolution.

36.3 A demand for a poll may be withdrawn if:

36.3.1 the poll has not yet been taken; and

36.3.2 the chair of the meeting consents to the withdrawal.

A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

36.4 Polls must be taken immediately and in such manner as the chair of the meeting directs.

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 company member appointing the proxy;

37.1.2 identifies the person appointed to be that company member's proxy and the general meeting in relation to which that person is appointed;

37.1.3 is signed by or on behalf of the company 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 not less than 48 hours before the time appointed for holding the general meeting in relation to which the proxy is appointed and in accordance with any instructions contained in the notice of the general meeting to which they relate (but notwithstanding this an appointment of a proxy may be accepted by the directors at any time prior to the meeting at which the person named in the appointment proposes to vote (or, where a poll is demanded at the meeting, but not taken forthwith, at any time prior to the taking of the poll)).

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, but the company shall not be obliged to ascertain that any proxy has complied with those or any other instructions given by the appointor and no decision on any resolution shall be vitiated by reason only that any proxy has not done so.

37.4 On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more company members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one company member entitled to vote on the resolution and:

37.4.1 has been instructed by one or more of those company members to vote for the resolution and by one or more other of those company members to vote against it; or

37.4.2 has been instructed to vote the same way (either for or against) on the resolution by all of those company members except those who have given the proxy discretion as to how to vote on the resolution the proxy is entitled to one vote for and one vote against the resolution.

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

37.5.1 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

37.5.2 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 chair of the meeting may determine); and

39.1.2 the proposed amendment does not, in the reasonable opinion of the chair 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 chair 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 chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

39.4 A resolution in writing signed by the required majority of company members shall be as valid and effective as if it had been passed at a duly out actively convened and held quorate meeting of the company members.

PART 5

ADMINISTRATIVE ARRANGEMENTS

40 Means of communication to be used

- 40.1 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 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 company.
- 40.2 Except insofar as the Companies Acts require otherwise, the company shall not be obliged to accept any notice, document or other information sent or supplied to the company in electronic form unless it satisfies such stipulations, conditions or restrictions (including, without limitation, for the purpose of authentication) as the directors think fit, and the company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.
- 40.3 In the case of a company member that is a corporation, for all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of the articles, execution by any director or the secretary of that corporation or any other person who appears to any officer of the company (acting reasonably and in good faith) to have been duly authorised to execute shall be deemed to be and shall be accepted as execution by that corporation.
- 40.4 A company member whose registered address is not within the United Kingdom and who notifies the company of an address within the United Kingdom at which notices, documents or other information may be served on or delivered to him shall be entitled to have such things served on or delivered to him at that address (in the manner referred to above), but otherwise no such company member shall be entitled to receive any notice, document or other information from the company. If the address is that company member's address for sending or receiving documents or information by electronic means the directors may at any time without prior notice (and whether or not the company has previously sent or supplied any documents or information in electronic form to that address) refuse to send or supply any documents or information to that address.
- 40.5 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.
- 40.6 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.

41 When information deemed to have been received by the company

- 41.1 Any document or information sent or supplied by the company shall be deemed to have been received by the intended recipient:
- 41.1.1 where the document or information is properly addressed and sent by first class post or other delivery service to an address in the United Kingdom, on the day (whether or not it is a working day) following the day (whether or not it is a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or

information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

41.1.2 where (without prejudice to article 42.4) the document or information is properly addressed and sent by post or other delivery service to an address outside the United Kingdom, five working days after it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

41.1.3 where the document or information is not sent by post or other delivery service but delivered personally or left at the intended recipient's address, on the day (whether or not a working day) and time that it was sent;

41.1.4 where the document or information is properly addressed and sent or supplied by electronic means, on the day (whether or not a working day) and time that it was sent and proof that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that it was sent.

42 Company seals

42.1 Any common seal may only be used by the authority of the directors.

42.2 The directors may decide by what means and in what form any common seal is to be used.

42.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

42.4 For the purposes of this article, an authorised person is:

42.4.1 any director of the company;

42.4.2 the company secretary (if any); or

42.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

42.5 Any instrument signed:

42.5.1 by any one director and the company secretary or by two directors; or

42.5.2 by one director in the presence of a witness who attests their signature,

and expressed to be executed by the company as a deed shall have the same effect as if executed under the seal.

43 Accounts and other records

43.1 The company shall keep adequate accounting records in accordance with section 386(1) of the Companies Act 2006. The company will cause annual accounts to be prepared, approved by the board, audited (where so required) and delivered to the company members and to the Registrar of Companies, each in accordance with the Companies Act 2006.

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

44 Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

45 Secretary

Subject to the Companies Act 2006, the directors may appoint a company secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the directors may think fit; and any company secretary (or joint secretary) so appointed may be removed by the directors. The directors may also from time to time appoint on such terms as they think fit, and remove, one or more assistant or deputy secretaries.

DIRECTORS' INDEMNITY AND INSURANCE

46 Indemnity

46.1 Subject to article 46.2 (but without prejudice to any indemnity which a relevant officer is otherwise entitled):

46.1.1 a relevant officer may be indemnified out of the company's assets to whatever extent the directors may determine against:

- (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company or any undertaking in the same group as the company;
- (b) any liability incurred by that officer in connection with the activities of the company or a group undertaking in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and/or
- (c) any other liability incurred by that officer as an officer of the company or any undertaking in the same group as the company; and

46.1.2 the company may, to whatever extent the directors may determine, provide funds to meet expenditure incurred or to be incurred by a relevant officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company or any undertaking in the same group as the company, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant officer to avoid incurring such expenditure.

46.2 This article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

47 Insurance

- 47.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 47.2 In this article, a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the company, any undertaking in the same group as the company or any pension fund or employees' share scheme of the company or any undertaking in the same group as the company.

PART 6

NON-COMPANY MEMBERSHIP ARRANGEMENTS

48 Non-Company Membership

- 48.1 The criteria for each class of non-company membership shall be set out in the Terms and Rules.
- 48.2 The directors shall maintain an up-to-date list of the non-company membership.
- 48.3 Applications for non-company membership shall be decided by the board as follows:
- 48.3.1 any ombudsman office wishing to become an ombudsman member must submit to the executive director an application in the form specified by the company and signed by the ombudsman or on their behalf. The directors shall at their discretion admit to membership as an ombudsman any ombudsman office recommended by the validation committee in accordance with the company's criteria (as set out in the Terms and Rules) or remit the recommendation to an annual non-company membership meeting or a special general non-company membership meeting for decision.
- 48.3.2 any organisation wishing to become a complaint handler member must submit to the executive director an application in the form specified by the company and signed by the head of the organisation or on their behalf. The directors shall at their discretion admit to membership as a complaint handler member any complaint handling organisation recommended by the validation committee in accordance with the company's requirements for complaint handler membership (as set out in the Terms and Rules) or remit the recommendation to the annual non-company membership meeting or a special general non-company membership meeting of the company for decision.
- 48.3.3 any individual or organisation wishing to become an associate member must submit to the executive director an application in the form specified by the company and signed by the individual or the head of the organisation or on their behalf, as appropriate. The directors shall at their discretion admit to non-company membership as an associate member any individual or organisation who, in their opinion is interested in and supports the objects of the company, after seeking advice from the validation committee if the directors so wish. Where an application for associate membership appears to be straightforward, the chair in consultation with the executive director shall have discretion without reference to the validation committee or the directors to approve it on behalf of the directors

subject to reporting the decision subsequently to both the directors and the validation committee.

48.4 Regardless of the category of non-company membership applied for, the directors, following consideration by the validation committee, may determine which category is appropriate for an applicant scheme and may offer membership in a category other than that applied for, where appropriate.

48.5 Each ombudsman member shall have a representative who shall be the ombudsman (or other individual person performing that role at the office of that ombudsman member). However, if an ombudsman office has two or more ombudsman (or other individual persons performing that role) its representative shall be such one of them as it shall specify by notice in writing to the directors.

48.6 The representative of an ombudsman member shall be entitled to exercise on behalf of that ombudsman member all such rights as attach to being an ombudsman member.

49 Subscription

49.1 Each non-company member shall pay an annual subscription according to the category of membership and according to any differential in the rates of subscription within a particular category which the directors may determine.

49.2 The annual subscription shall be due on joining as a non-company member and thereafter on the 1st day of April each year, except that a new non-company member joining on or after 1 January, shall not be required to pay a subscription for the remainder of that financial year.

49.3 The amount of the subscription shall be determined from time to time by the directors and their decision reported to the annual non-company membership meeting.

50 Resignation

50.1 A non-company member shall cease to be a non-company member on giving written notice to the directors of resignation.

50.2 A non-company member whose subscription is more than three months in arrears shall be deemed to have resigned.

51 Expulsion

51.1 The directors shall have power to expel a non-company member when, in its opinion, the non-company member no longer meets the criteria set out in the Terms and Rules applicable to it or if it would not be in the interests of the company for that non-company member to remain a non-company member for some other reason.

51.2 A non-company member shall not be expelled unless the non-company member shall first have been given the opportunity to attend a meeting of the directors and 28 days notice in writing specifying the date, time and place of the meeting and details of the reasons for the proposed expulsion. The non-company member shall be entitled to appear before the directors accompanied, if the non-company member so wishes, by a representative or friend to answer any complaint against the non-company member and shall not be expelled unless at least two thirds of the directors then present vote in favour of the non-company member's expulsion. The decision of the directors on whether or not to expel a non-company member, with reasons, shall be notified in writing to the non-company member.

52 Annual non-company membership meeting

- 52.1 The company shall hold an annual non-company membership meeting in each year to transact the following business:
- 52.1.1 to receive the chair's report of the activities of the company during the previous year;
 - 52.1.2 to receive the accounts of the company for the previous year, the auditor's report on the accounts, and the treasurer's report as to the financial position of the company; and
 - 52.1.3 to elect the directors in accordance with article 22.
- 52.2 The quorum for the annual non-company membership meeting shall be a quarter of the ombudsman membership.
- 52.3 The chair or, in their absence, the vice-chair or another ombudsman member selected by the directors, shall take the chair.
- 52.4 All non-company members present shall be entitled to speak and to participate in discussion but only ombudsman members shall be entitled to vote at the annual non-company membership meeting, other than for the election of the complaint handler members and/or associate members as directors.
- 52.5 An ombudsman member shall be represented at the annual non-company membership meeting by its representative or, in their absence, by such other individual representative as the representative may by prior notice in writing to the directors appoint for a particular meeting.
- 52.6 The executive director, or in the absence of the executive director, a member of the board, shall take minutes at the annual non-company membership meetings.
- 52.7 Nominations for the election to the offices of chair, vice-chair and for the election of the six other ombudsman members of the board shall be made in writing to the executive director not less than 14 days before the annual non-company membership meeting by the proposer and seconder, who must both be representatives of ombudsman members.
- 52.8 A decision on the election of the chair, vice-chair and six other ombudsman members of the board shall be made by the ombudsman members, if necessary by a vote when a simple majority of ombudsman members present and voting shall be required for a candidate to be elected.
- 52.9 The nominations for the ninth, tenth and eleventh members of the board, who shall be complaint handler members and/or associate members shall be made in writing to the executive director not less than 14 days before the annual non-company membership meeting by the proposer and seconder who must both be complaint handler members and/or associate members.
- 52.10 A decision on the election of the three complaint handler members and/or the associate members of the board shall be made by the complaint handler members and the associate members, if necessary by a vote when a simple majority of complaint handler and associate members present and voting shall be required for a candidate to be elected.

- 52.11 Notice of a resolution to be moved at the annual non-company membership meeting proposed and seconded by a non-company member shall be given in writing to the executive director not less than 14 days before the meeting.
- 52.12 A decision on a resolution moved at the annual non-company membership meeting, other than a resolution proposing an amendment(s) to the Terms and Rules shall be made by the ombudsman members, if necessary by a vote, when a simple majority of ombudsman members present and voting shall be required for a resolution to be carried. In the event of an equality of votes, the chair of the meeting shall have, as the case may be, a casting or additional vote.
- 52.13 A simple majority of the ombudsman members present and voting is required for the company to amend its articles. This shall be in addition to the special resolution of the company members required under the Companies Act 2006.

53 Special General Non-Company Membership Meeting

- 53.1 A special general non-company membership meeting may be called at any time by the directors.
- 53.2 A special general non-company membership meeting shall be called by the directors within six weeks of being so requested by not less than five ombudsman members by notice in writing to the executive director signed by or on behalf of those ombudsman members to consider such business as may be specified in the notice.
- 53.3 The procedure at a special general non-company membership meeting shall be the same as at the annual non-company membership meeting.

54 Validation Committee

- 54.1 Each year the board shall appoint a validation committee whose responsibility shall be to:
- 54.1.1 advise the board on whether applications for non-company membership shall be approved;
 - 54.1.2 review, when requested to do so by the board or by a resolution of the annual non-company membership meeting, whether existing ombudsman members continue to meet the criteria for the recognition of ombudsman offices, and to advise the board if they consider that an ombudsman member no longer meets the criteria in each case as set out in the Terms and Rules;
 - 54.1.3 review, when requested to do so by the board or by a resolution of the annual non-company membership meeting, whether existing complaint handler members continue to meet the requirements for complaint handler membership and to advise the board if they consider that a complaint handler member no longer meets those requirements in each case as set out in the Terms and Rules.
 - 54.1.4 review, when requested to do so by the board or by a resolution of the annual non-company membership meeting, whether existing associate members continue to meet the requirements for non-company membership and to advise the board if they consider that an associate member no longer meets those requirements in each case as set out in the Terms and Rules.
- 54.2 The validation committee's report following a review of a non-company member's eligibility for membership, together with the comments of the board, shall be submitted to

the next annual non-company membership meeting or, at the discretion of the board, a special general non-company membership meeting of the company.

- 54.3 The validation committee shall consist of the vice-chair of the company, who shall be the chair of the validation committee, one other ombudsman member of the board and three independent members appointed by the board pursuant to article 54.4. Members of the validation committee may be reappointed at the end of their year of office. Recommendations of the validation committee shall be decided by a simple majority of votes.
- 54.4 The independent members of the validation committee shall be chosen from among those who, in the opinion of the board, represent the public interest; have knowledge of the ombudsman function; are known to support it; and will make a relevant contribution to the work of the validation committee because of their particular skills and experience.
- 54.5 Ombudsman members and complaint handler members are not eligible for appointment as independent members of the validation committee.
- 54.6 The validation committee shall meet as required and the executive director shall be responsible for providing relevant papers, advising the committee and recording its proceedings.
- 54.7 At the chair's discretion, the validation committee's business may be conducted other than by holding a meeting, e.g. by correspondence or by telephone.
- 54.8 All applications for ombudsman membership and complaint handler membership must be considered by the validation committee, but where an application for associate membership appears to be straightforward, the chair in consultation with the executive director shall have discretion without reference to the validation committee or the board to approve it on behalf of the board, reporting the decision subsequently to both the board and validation committee.