

THE COMPANIES ACTS 1985 to 1989

**Company Limited by Guarantee
and not having a Share Capital**

MEMORANDUM AND ARTICLES

OF ASSOCIATION

of

THE CUBE CINEMA LTD

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and not having a Share Capital**

MEMORANDUM OF ASSOCIATION

of

THE CUBE CINEMA LTD

1. The name of the Company referred to as ('the Co-operative') is THE CUBE CINEMA LTD
2. The registered office of the Co-operative will be situate in England.
3.
 - a) The objects for which the Co-operative is registered are to advance the education of the public in the knowledge, understanding and appreciation of the arts, particularly the art of film and allied visual techniques. In furtherance of the foregoing but not further or otherwise the Co-operative shall have the power to promote the study and appreciation of films by means of lectures, discussions and exhibitions.
 - b) to foster and support the principles and concept of co-operation in its own affairs and in industry and commerce generally, to support the Industrial Common Ownership Movement, and to educate its Members in co-operative principles and management practices.
 - c) In furtherance of these objects but not further or otherwise the Co-operative have the following powers:-
 - i) To purchase, lease, hire or otherwise acquire and to sell, let, mortgage, dispose of, manage, turn to account and subject to such consents as may be required by law from time to time otherwise deal with real and personal property and any rights or privileges to promote the objects of the Co-operative and to maintain, construct, alter, pull down and convert buildings for the purposes of the Co-operative.
 - ii) To present, promote, organise, provide, manage and produce such plays, ballets, operas, operettas, concerts, burlesques, films, radio broadcasts, television performances, lectures and other literary, musical, dramatic and artistic entertainments, performances and exhibitions, as are conducive to the promotion, maintenance and advancement of education or to the encouragement of the Arts and to formulate, prepare and establish schemes therefore.

- iii) To purchase or otherwise acquire plant, machinery, furniture, fixtures, fittings, scenery and all other effects of every description necessary or convenient or usually or normally used in connection with or for the purpose of all or any of the objects of the Co-operative.
- iv) To purchase, acquire and obtain interests in the copyright of or the right to perform, publish or show any material which can be used or adapted for the objects of the Co-operative.
- v) To enter into agreements and engagements with authors, actors, dancers, musicians, producers, lecturers, teachers, artists, composers and other persons and retain advisers and to remunerate such persons and advisers by salaries or fees.
- vi) To co-operate with manufacturers, dealers, traders, the press and other sources of publicity for the purpose of promoting the objects of the Co-operative.
- vii) To procure to be written and print, publish, issue, circulate or otherwise disseminate gratuitously or otherwise, reports and periodicals, books, pamphlets, leaflets and other literature.
- viii) To invite and receive grants, donations, public funding and contributions from any person or persons whatsoever and otherwise to raise funds provided that the Co-operative shall not undertake any permanent trading activity in raising funds for its objects except in the course of the actual carrying out of the objects of the Co-operative or as temporary and incidental thereto.
- ix) To take and accept any gifts of property of any description whether subject to any special trusts or not, for the purposes of the Co-operative.
- x) To undertake and execute any charitable trusts.
- xi) To co-operate with charitable organisations having similar objects and to establish, promote or assist such charitable organisations.
- xii) To purchase, acquire or undertake all or any of the property, liabilities and engagements of such charitable organisations and institutions with which the Co-operative may co-operate or federate.
- xiii) To open and operate bank accounts and other facilities for banking in the name of the Co-operative and subject to such consents as may be required by law from time to time and subject as hereinafter provided to borrow or raise money and to execute and issue security as the Co-operative shall think fit including mortgages, charges or securities over the whole or any part of its assets, present or future.
- xiv) To invest the monies of the Co-operative not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit, but so that the Co-operative shall have no power to grant loans by way of investment otherwise than at a commercial rate of interest and upon security bearing at least the full value of the loan.

- xv) To draw, accept, endorse, issue or execute promissory notes, bills of exchange, bills of lading, warrants and other negotiable, transferable, or mercantile instruments, for the purpose of or in connection with the objects of the Co-operative.
- xvi) As employers of staff to make all reasonable and necessary provision for the payment of superannuation and pensions to or on behalf of employees and their dependants.
- xvii) To insure and arrange insurance cover for and to indemnify its officers, staff, voluntary workers and members from and against all such risks incurred in the course of their duties as may be thought fit and, so far as the law may from time to time allow.
- xviii) To provide indemnity insurance to cover the liability of the directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Co-operative; Provided that any such insurance shall not extend to any claim arising from any act or omission which the directors knew to be a breach of trust or breach of duty or which was committed by the directors in reckless disregard of whether it was a breach of trust or duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the directors in their capacity as directors of the Co-operative.
- xix) To pay out of the funds of the Co-operative the costs of forming and registering the Co-operative.
- xx) To undertake any other charitable activity which may assist the realisation of the said activities or be combined with them.
- xxi) To do all such other lawful things as shall further the attainment of the objects of the Co-operative.

d) PROVIDED THAT:-

- i) In case the Co-operative shall take or hold any property which may be subject to any trust, the Co-operative shall only deal with or invest the same in such a manner as allowed by law, having regard to such trusts.
- ii) The Company's objects shall not extend to the regulation of relations between employees or organisations of employees and employers or organisations of employers.
- iii) In case the Co-operative shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Co-operative shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law. As regards any such property the Members

of the Council of Management or Governing Body and Members of the Co-operative shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults. They shall be chargeable for the due administration of such property in the same manner and to the same extent as they would have been if no incorporation had been effected. The incorporation of the Co-operative shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over such Members of the Council of Management or Governing Body and Members of the Co-operative, but they shall as regards any such property be subject jointly and separately to such control or authority as if the Co-operative were not incorporated.


4. The income and property of the Co-operative shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association, and no portion shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the Members of the Co-operative. No member of its council of Management or Governing Body shall be appointed to any office of the Co-operative paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Co-operative. Nothing herein shall prevent any payment of good faith by the Co-operative of:
 - a) any remuneration of Board members in respect of services actually rendered by that member to the Co-operative. A Board member may act in a professional capacity for the Co-operative, and s/he or his/her firm shall be entitled to remuneration for professional services as if s/he were not a Board member; provided that nothing shall authorise a Board member or his/her firm to act as Auditor to the company. This is on condition that he/she shall not be entitled to vote on a resolution nor attend any meeting concerning his or her terms of employment, appointment to office or any payment made or to be made to him/her by the Co-operative.
 - b) interest at a reasonable and proper rate on money lent by any Member of the Co-operative or by a director.
 - c) reasonable and proper rent for premises demised or let by any Member or director of the Co-operative.
 - d) reasonable out-of-pocket expenses to any director of the Co-operative;
 - e) any loans, grants, donations or any other kind of financial assistance to any individual group or individuals, partnership body, corporate or local authority or unincorporated association who or which practises or promotes any art form or the appreciation or furtherance thereof notwithstanding that such individual or group or any employee, member or officer of any such organisation is a Member of the Co-operative.
 - f) any premium in respect of any indemnity insurance to cover the liability of the directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Co-operative; provided that any such insurance shall not extend to any claim arising from any act or omission which the directors (or any of them) knew to be a

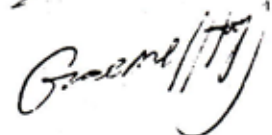
breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the directors in their capacity as directors of the Co-operative.

5. The liability of the Members is limited.
6. Every Member of the Co-operative undertakes to contribute to the assets of the Co-operative in the event of its being wound up during the Member's period of Membership or within one year afterwards for payment of the debts and liabilities of the Co-operative contracted before the Member ceases to be a Member. He/she also undertakes to contribute to the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding in the case of any Member the sum of £1.
7. If upon the winding up or dissolution of the Co-operative there remains after satisfaction of its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the Members but shall be given or transferred to some other charity having objects similar to those of the Co-operative and which shall be established for charitable purposes only. This charity shall prohibit the distribution of its income and property among its Members to an extent at least as great as that imposed on the Co-operative by Clause 4 hereof, such charity to be determined by the Members of the Co-operative at or before the time of dissolution and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.
8. True accounts shall be kept of the sums of money received and expended by the Co-operative and the matters in respect of which such receipts and expenditure take place and of the property, credits and liabilities of the Co-operative and subject to any reasonable restrictions that may be imposed in accordance with regulations of the Co-operative for the time being in force shall be open to the inspection of the Members. Once at least in every year the accounts of the Co-operative shall be audited and the correctness of the balance sheet ascertained by a properly qualified auditor.

NAMES AND ADDRESSES OF SUBSCRIBERS


Name	Address	Signature
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Julian Clive Holman	2 Brigstocke Rd, St Pauls, Bristol BS2 8UB	
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Graeme Stuart Hogg	4 Princess Row, Kingsdown, Bristol BS2 8NQ	
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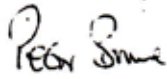
Benjamin Alexander Slater	11a Berkeley Square, Clifton, Bristol BS8 1HG	
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Mark Christian Berry	19 Downend Road, Fishponds, Bristol BS16 5AS	
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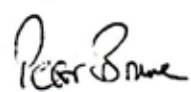
Morgan Llewellyn Jones	186 Wells Road, Bristol BS4 2AL	
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DATED the 11th day of June 1989

WITNESS to the above signatures:



Name	Address	Signature
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PETER W F BROWN	48 GLOUCESTER ROAD BISHOPSTON BRISTOL BS7 8BH	
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THE COMPANIES ACTS 1985 to 1989

**Co-operative Limited by Guarantee
and not having a Share Capital**

ARTICLES OF ASSOCIATION

of THE CUBE CINEMA LTD

1. In these Articles:-

"the Acts" means the Companies Acts 1985 and 1989 including any statutory modification or re-enactment thereof for the time being in force. "clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect. "the Seal" means the common seal of the Co-operative. "Secretary" means any person appointed to perform the duties of the Secretary of the Co-operative. "the United Kingdom" means Great Britain and Northern Ireland. Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Acts.

MEMBERS

2. The Board may admit to Membership any individual who works within The Cube Cinema. In addition the Co-operative by majority vote in General Meeting may decide to admit employees of the Co-operative to Membership.
3. All potential Members of the Co-operative may be required to serve such reasonable probationary period as may be agreed by the Co-operative in General Meeting before becoming eligible to be admitted into Membership.
4. The Co-operative shall maintain a Register of Members in which shall be recorded the name and address of every Member, and the dates on which they became a Member and on which they ceased to be a Member. A Member shall notify the Secretary in writing of a change to their name or address.
5. Every applicant for admission shall be considered by the Board at its first meeting after it was made or as soon thereafter as is practicable; if the application for membership is approved,

then the member's name shall be entered in the Register of Members. All Members shall be supplied at no charge with a copy of the Memorandum & Articles of Association of the Co-operative.

6. A Member shall cease to be a member immediately that s/he or it:
 - a) ceases in the opinion of the Board to use the services provided by the Co-operative during any period of twelve months; or
 - b) fails in the opinion of the Board unreasonably to pay any fee or other monies due to the Co-operative; or
 - c) resigns in writing to the Secretary; or
 - d) is expelled by a Special Resolution carried in accordance with Article 10 at a Special General Meeting called to consider the matter; or
 - e) dies or becomes bankrupt, if an individual person; or
 - f) is wound up or goes into liquidation, if a corporate body, firm or association.

GENERAL MEETINGS

7. The Co-operative 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 notice calling it. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Co-operative and that of the next, provided that so long as the Co-operative holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.
8. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
9. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by the Acts. If at any time there are not within the United Kingdom sufficient Directors capable of forming a quorum, any Director or any two Members of the Co-operative may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.
10. Decisions involving an alteration to the Memorandum and Articles of Association of the Co-operative, the expulsion of a Member of the Co-operative or the winding up of the Co-operative shall be made by Special Resolution. Other decisions so required from time to time by statute shall be made by Special or Extraordinary Resolution. A Special or an

Extraordinary Resolution is one passed by a majority of not less than three-fourths of votes cast at a General Meeting.

NOTICE OF GENERAL MEETING

11. An Annual General Meeting and a meeting called for the passing of a Special Resolution or a resolution appointing a person as a Director shall be called by twenty-one clear days notice in writing at the least. A meeting of the Co-operative other than an Annual General Meeting or a meeting for the passing of a Special Resolution shall be called by fourteen clear days notice in writing at the least. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Co-operative in General Meeting, to such persons as are, under the Articles of the Co-operative, entitled to receive such notice from the Co-operative. A meeting of the Co-operative shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-
 - a) in the case of a meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat; and
 - b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than eighty per cent of the total voting rights at that meeting of all the Members.
12. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

13. Every Member and such other persons as receive notice shall be entitled to attend and speak at a General Meeting.
14. A corporate body, firm or association which is a Member shall by resolution of its governing body appoint a representative who may during the continuance of her/his appointment be entitled to exercise all such rights and powers as the body corporate, firm or association would exercise if it were a individual person. Each such Member organisation shall supply written notification to the Secretary of its choice of representative.
15. 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. The exceptions are the consideration of the accounts, balance sheets; the reports of the Directors and Auditors; the election of Directors in the place of those retiring; and the appointment of, and the fixing of the remuneration of the Auditors.
16. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Apart from exceptions outlined

within this document, three Members or 1/10th of the membership present in person - whichever is the greater - shall be a quorum.

17. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
18. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Co-operative. If there is no such Chairman, or if the Chairman shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present shall elect one of their number to be Chairman of the meeting.
19. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.
20. 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.
21. 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 demanded (a) by the Chairman, or (b) by at least two Members present in person, or (c) by any Member or Members present in person who represent not less than one-tenth of the total voting rights of all the Members who have the right to vote at the meeting. Unless a poll is 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 is made. An entry to that effect in the book containing the minutes of proceedings of the Co-operative 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.
22. Except as provided in Article 21 if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
23. In the case of an equality of votes the resolution is deemed to have failed and must be marked as such in any minutes taken.
24. A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question 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.

25. Subject to the provisions of the Acts 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 by their duly authorised representatives) - shall be as valid and effective as if the same had been passed at a General Meeting of the Co-operative duly convened and held.
26. If at any General Meeting any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the results of the voting unless it be pointed out at the same meeting, in the opinion of the Chairman of the Meeting, it is of sufficient magnitude to vitiate the result of the voting.

VOTES OF MEMBERS

27. Every Member shall have one vote.

ACTING BY REPRESENTATIVES AT MEETINGS

28. Any corporation which is a Member of the Co-operative may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Co-operative. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation represented as that corporation could exercise if it were an individual Member of the Co-operative.

THE BOARD OF MANAGEMENT

29. The number of members of the Board shall be not less than three nor until otherwise determined by a General Meeting more than fifteen. The subscribers to the Memorandum of Association shall be the first members of the Board of the Co-operative. For avoidance of doubt, members of the Board are the directors of the company within the meaning of the Act.
30. The Board members shall have power at any time, and from time to time, to appoint any person to be a Board member, either to fill a casual vacancy or as an addition to the existing Board members, but so that the total number of Board members shall not at any time exceed the number fixed in accordance with these Articles. Any Board member so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Board members who are to retire by rotation at such meeting.
31. No Board member shall vacate office or be ineligible for re-appointment as a Board member nor shall any person be ineligible for appointment as a Board member by reason only of having attained any particular age.

BORROWING POWERS

32. The Board members may exercise all the powers of the Co-operative to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, and other securities, whether outright or as security for any debt, liability or obligation of the Co-operative or of any third party.

POWERS AND DUTIES OF BOARD MEMBERS

33. The business of the Co-operative shall be managed by the Board members who shall be its Council of Management and Governing Body and who may pay all expenses incurred in promoting and registering the Co-operative. They may exercise all such powers of the Co-operative as are not, by the Acts or by these Articles, required to be exercised by the Co-operative in General Meeting. This is subject nevertheless to the provisions of the Acts or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Co-operative in General Meeting. This shall invalidate any prior act of the Board members which would have been valid if that regulation had not been made. In particular the Board members shall have power to make rules and bye-laws for regulating the use by Members and others of any property of the Co-operative.
34. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Co-operative, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Board members shall from time to time by resolution determine.
35. The Board members shall cause minutes to be made of all appointments of officers made by them, of the names of the Board members present at each meeting of the Board members and of any committee of the Board members. Also minutes of all resolutions and proceedings at all meetings of the Co-operative, and of the Board members and of committees of Board members. Any such minutes, if signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be sufficient evidence, without any further proof of the facts therein stated.
36. The Board members may act notwithstanding any vacancy in the Board but if the number of Board members is less than the minimum prescribed herein they may only act as Board members to admit persons to membership of the Co-operative, fill vacancies in the Board of Board members or summon a General Meeting.

DISQUALIFICATION OF BOARD MEMBERS

37. a) The office of Board member shall be vacated if the Board member:-
 - i) becomes subject to a receiving order or makes an arrangement or composition with creditors generally.

- ii) becomes prohibited by law from being a Board member or ceases to be a Board member by reason of any provision of the Acts, or
 - iii) becomes of unsound mind, or
 - iv) resigns from office by notice in writing to the Co-operative, or
 - v) is removed from office by a resolution duly passed pursuant to the Acts, or
 - vi) ceases to be a Member of the Co-operative, or
 - vii) is directly or indirectly interested in any contract with the Co-operative and fails to declare the nature of such interest in the manner required by the Acts.
- b) A Board member shall not vote in respect of any contract in which the Board member is interested or any matter arising thereout. If the Board member does so vote, such vote shall not be counted.

ROTATION OF BOARD MEMBERS

38. a) At the first Annual General Meeting of the Co-operative all the Board members shall retire from office. At the Annual General Meeting in every subsequent year one-third of the Board members (or if their number is not three or a multiple of three, then the number nearest one third) shall retire from office.
- b) The Board members to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Board members on the same day those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
- c) A retiring Board member shall be eligible for re-election.
- d) The Co-operative at the meeting at which a Board member retires in manner aforesaid may fill the vacated office by electing a person thereto. In default the retiring Board member shall, if standing for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a solution for the re-election of such Board member shall have been put to the meeting and lost.
- e) No person other than a Board member retiring at the meeting shall, unless recommended by the Board members, be eligible for election to the office of Board member at any General Meeting. The exception to this is if, not less than three nor more than twenty-one days before the date appointed for the meeting, there shall have been left at the registered office of the Co-operative notice in writing, signed by a Member duly qualified to attend and vote at the meeting for which such notice is given, of the Member's intention to propose such person for election. There must also be notice in writing signed by that person indicating that person's willingness to be elected.

- f) Provided that the number of Board members shall be not less than three the Co-operative may from time to time, by Ordinary Resolution, increase or reduce the number of Board members, and may also determine in what rotation the increased or reduced number is to go out of office.
- 39. The Co-operative may, by ordinary resolution of which special notice has been given in accordance with the Acts, remove any Board member before the expiration of the Director's period of office notwithstanding anything in these Articles or in any agreement between the Co-operative and such Board member.
- 40. The Co-operative may by ordinary resolution appoint another person in place of a Board member removed from office under the immediately preceding article. Without prejudice to the powers of the Board members under Article 28 the Co-operative in General Meeting may appoint any person to be a Board member either to fill a casual vacancy or as an additional Board member. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if that person had become a Board member on the day on which the Board member in whose place that person is appointed was last elected a Board member.

PROCEEDINGS OF BOARD MEMBERS

- 41. a) The Board members may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the resolution is deemed to have failed. A Board member may, and the Secretary on the requisition of a Board member shall, at any time summon a meeting of the Board members. It shall not be necessary to give notice of a meeting of Board members to any Board member for the time being absent from the United Kingdom. The quorum necessary for the transaction of the business of the Board members shall be three Board members or one third of the Board members for the time being whichever is greater
- b) The Board members may elect a Chairman of their meetings and determine the period for which the Chairman is to hold office; but, if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Board members present may choose one of their number to be Chairman of the meeting.
- c) A meeting of the Board members at which a quorum is present, shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Co-operative for the time being vested in the Board members generally.
- 42. The Board members may delegate any of their powers to committees consisting of such Board members as they think fit; any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board members. All acts and proceedings of such committees shall be reported fully and promptly as soon as possible to the full body of Board members.

43. A Committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Members present may choose one of their number to be Chairman of the meeting.
44. A Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Members present, and in the case of an equality of votes the resolution shall be deemed to have been lost..
45. All acts done by any meeting of the Board members or of a committee of Board members, or by any person acting as a Board member shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Board member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Board member.
46. A resolution in writing, signed by all the Board members for the time being entitled to receive notice of a meeting of the Board members, shall be as valid and effectual as if it had been passed at a meeting of the Board members duly convened and held.

THE SECRETARY

47. The Secretary not being a Board member shall be appointed from amongst the Board members for such a term at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

THE SEAL

48. The Board members shall provide for the safe custody of the Seal, which shall only be used by the authority of the Board members or of a committee of the Board members authorised by the Board members on that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Board member and shall be countersigned by the Secretary or by a second Board member or some other person appointed by the Board members for the purpose.

ACCOUNTS AND BOARD MEMBERS REPORT

49. The Board members shall cause proper books of account to be kept in accordance with the provisions of the Acts with respect to:-
 - a) all sums of money received and expended by the Co-operative and the matters in respect of which the receipt and expenditure takes place.
 - b) the assets and liabilities of the Co-operative, and
 - c) all those matters required by the Acts to be shown in the Accounts of the Co-operative.

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 Company's affairs and to explain its transactions.

50. a) The books of account shall be kept at the registered office of the Co-operative, or, subject to the Acts at such other place or places as the Board members think fit, and shall always be open to the inspection of the Board members.
 - b) The Board members 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 Co-operative or any of them shall be open to the inspection of Members not being Board members. No Member (not being a Board member) shall have any right of inspecting any account or books or document of the Co-operative except as conferred by Statute or authorised by the Board members or by the Co-operative in General Meeting. This is subject, nevertheless, to the provision of Clause 8 of the Memorandum of Association of the Co-operative.
51. The Board members shall from time to time cause to be prepared and laid down before the Co-operative in General Meeting such profit and loss accounts, balance sheets and Directors' reports as are provided for in the Acts.
 52. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Co-operative in General Meeting, together with a copy of the Auditor's report, shall not less than twenty-one days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Co-operative, providing that this Article shall not require a copy of those documents to be sent to any person of whose address the Co-operative is not aware.

AUDIT

53. Auditors shall be appointed and their duties regulated in accordance with the Acts.

NOTICES

54. A notice may be given by the Co-operative to any Member either personally or by sending it by post to the Member or to the Member's registered address, or (if the Member has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied to the Co-operative for the giving of notice. 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 at the expiration of twenty-four hours after the letter containing the same is posted.
55. 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 Co-operative an address within the United Kingdom for the giving of notice to them.