

**Articles of Association  
of  
Publishers' Licensing Services Limited**

Company number: 01575236

(Private company limited by guarantee)

as adopted by special resolution passed on 10<sup>th</sup> June 2021

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**The Companies Act 2006**

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**Private company limited by guarantee**

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**Articles of Association**

**of**

**Publishers' Licensing Services Limited**

**(as adopted by special resolution passed on 10<sup>th</sup> June 2021)**

**Part 1**

**Interpretation, Limitation of liability and other miscellaneous provisions**

1. **Defined terms**

1.1 In these articles, unless the context requires otherwise:

"**Acts**" means the Companies Acts and every other statute, order, regulation or other subordinate legislation from time to time in force concerning companies and affecting PLS, including the Regulations.

"**Annual Transparency Report**" means the annual report on the operations and financial performance of PLS in such form and containing such information as is required at law.

"**articles**" means PLS's articles of association as altered or varied from time to time (and "**article**" means of a provision of these articles).

"**associated company**" has the meaning set out in Section 256, CA2006.

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.

"**CA2006**" means the Companies Act 2006.

"**chairperson of the directors meeting**" has the meaning set out in article 14.4.

"**chairperson of the general meeting**" has the meaning set out in article 31.3.

"**Code of Conduct**" means the document setting out the service levels rightholders can expect of PLS and the standards it adheres to in the provision of those services, and which is published on PLS's website from time to time.

"**collective management organisation**" has the meaning set out in the Regulations;

"**Companies Acts**" means the "Companies Acts" (as defined in Section 2, CA2006), in so far as they apply to PLS.

"**conflicted director**" has the meaning set out in article 16.1(a).

"**conflict situation**" has the meaning set out in article 16.1(a).

"**designated representative director**" means a representative director designated as such by a member in accordance with article 20.4.

"**director**" means a director of PLS, and includes any person occupying the position of director, by whatever name called.

"**distribution**" means any payment of monies which may, pursuant to the Distribution Charter, be made by PLS to rightholders and "**distributed**" and "**available for distribution**" shall have corresponding meanings.

"**Distribution Charter**" means the document setting out the general policy of PLS with respect to the distribution of amounts due to rightholders and the general policy on deductions from Rights revenue and on any income arising from the investment of Rights revenue, (as may be varied from time to time by PLS, and which is published on PLS's website).

"**document**" includes, unless otherwise specified, any summons, notice, order, register, certificate or other legal process and includes any such document sent or supplied in electronic form.

"**electronic form**" has the meaning set out in Section 1168, CA2006.

"**electronic facility**" includes, without limitation, website addresses and conference call systems, and any device, system, procedure, method or other facility whatsoever providing an electronic means of attendance at or participation in (or both attendance at and participation in) at a meeting.

"**Eligibility Criteria**" has the meaning set out in article 26.2.

"**eligible director**" means a director who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the resolution in question (and "**eligible**" in the context of a directors meeting shall be construed accordingly).

"**general meeting resolution**" has the meaning set out in article 34.1.

"**General Terms and Conditions**" means the general terms and conditions applicable to the appointment of PLS by rightholders, as the same may be varied from time to time by PLS.

"**hard copy form**" has the meaning set out in Section 1168, CA2006.

"**member**" has the meaning set out in Section 112, CA2006.

"**Members' Ordinary Resolution**" means: the approval of the members by way of ordinary resolution passed: (i) at a general meeting; or (ii) by written resolution in accordance with Chapter 2, CA2006.

"**Members' Special Resolution**" means the approval of the members by way of special resolution passed: (i) at a general meeting; or (ii) by written resolution in accordance with Chapter 2, CA2006.

"**occupational pension scheme**" has the meaning set out in Section 235(6), CA2006.

"**ordinary resolution**" has the meaning set out in Section 282, CA2006.

"**parent undertaking**" has the meaning set out in Section 1162, CA2006.

"**participate**", in relation to a directors' meeting, has the meaning set out in article 12 (and "**participating director**" shall accordingly have the meaning given to it in article 12.1).

"**performance**" shall have the meaning set out in the Copyright, Designs and Patents Act 1988.

"**PLS Account Manager**" means the online publisher accounts system of PLS which allows rightholders (i) to provide information to PLS for the purpose of their Publisher Account and (ii) to select certain terms and conditions of their Publisher Account.

"**PLS** means Publishers Licensing Services Limited, company number: 01575236.

"**proxy notice**" has the meaning set out in article 37.1.

"**Publisher Account**" means the contractual relationship between a rightholder and PLS whereby the rightholder grants to PLS the right to manage certain Rights, comprising the Publisher Account Documents and the information provided on PLS Account Manager.

"**Publisher Account Documents**" means the Publisher Account Form, the General Terms and Conditions, the Distribution Charter, the Code of Conduct and such other documents as may be approved as Publisher Account Documents by the members in accordance with article 6.

"**Publisher Account Form**" means the application form for rightholders to appoint PLS, as amended from time to time.

"**Regulations**" means the Collective Management of Copyright (EU Directive) Regulations 2016, as amended and updated from time to time,

"**relevant director**" means any director or former director.

"**relevant loss**" means any costs, charges, losses, expenses and liabilities which have been or may be incurred by a relevant director, secretary or other officer in the actual or purported execution or discharge of such person's duties or in the actual or purported exercise of such person's powers in relation to the affairs of PLS, any associated company of PLS, or any pension fund (including any occupational pension scheme) of PLS.

"**representative director**" means a director nominated by a member under article 20.2, including a designated representative director.

"**rightholder**" means any person (other than a collective management organisation) that holds a copyright or related right, or under an agreement for the exploitation of rights or by law is entitled to a share of the Rights revenue (being the income collected by a collective management organisation on behalf of its rightholders, whether deriving from an exclusive right, a right to remuneration or a right to compensation).

"**Rights**" has the meaning set out in article 2.1.

"**special resolution**" has the meaning set out in Section 283, CA2006.

"**subsidiary**" has the meaning set out in Section 1159, CA2006.

"**subsidiary undertaking**" has the meaning set out in Section 1162, CA2006.

"**Supervisory Committee**" has the meaning set out in article 25.1.

"**Supervisory Committee Delegates**" means the Supervisory Committee delegates of the members appointed in accordance with article 25.5.

"**work**" means a literary, dramatic, musical or artistic work or a typographical arrangement (including, without limitation, books, periodicals, newspapers, journals, articles, editorial, advertorial, poems, headings, captions and all other text; diagrams, maps, charts, forms and tables; musical compositions; layout, illustrations, photographs and other images) and all other works in whatever form in which copyright and other rights of a similar nature subsist.

"**working day**" has the meaning set out in Section 1173, CA2006.

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods (including, where relevant, digital methods) and "written" shall be construed accordingly.

- 1.2 Unless the context otherwise requires (or unless otherwise defined or stated in these articles), words or expressions contained in these articles shall have the same meaning as in the CA2006 as in force from time to time.
- 1.3 The model articles for private companies limited by guarantee as set out in Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI/3229) shall not apply to PLS and these articles shall be the articles of association of PLS (to the exclusion of any other regulations set out in any statute, statutory instrument or other subordinate legislation from time to time in force).
- 1.4 References in these articles to a document or information being sent or supplied by or to a company (including PLS) shall be construed in accordance with the provisions of Section 1148(3), CA2006 and any reference to "sent" or supplied" (or other similar term) shall be construed in accordance with the provisions of Section 1148(2), CA2006.

## 2. **Objects**

PLS's objects are:

- 2.1 to exercise and enforce, and to authorise others to exercise and enforce, on behalf of respective rightholders' certain rights of copyright and other rights of a similar nature in their works (the "**Rights**") and the remedies for breach of the Rights as subsist under the laws of countries or states which are contracting parties to the Berne Convention and/or The Agreement on Trade-Related Aspects of Intellectual Property Rights and/or the WIPO Copyright Treaty.;
- 2.2 In the exercise or enforcement of Rights and remedies, to grant licences and to make (and from time to time rescind, alter or vary) arrangements and agreements relating to the following (without limitation):
  - (a) the making of reprographic copies of works (including scanning and the making of digital copies);
  - (b) the scanning, digitisation, distribution, communication or making available to the public of works by electronic means in any form or service and/or by any media whether current or invented in the future (including making available databases relating to the works);
  - (c) such other licensing, administrative or other schemes in respect of works and which schemes may be collectively administered as provided for by the Regulations or other statute or which would for any other reason require or benefit from collective administration;

- (d) the lending of books to the public by libraries pursuant to the Public Lending Right Act 1979 or to any statutory modification or re-enactment thereof for the time being in force, and any similar schemes operating under the laws of countries other than England and Wales;
  - (e) the permitting off-air recordings of performances of works; and
- 2.3 to collect and receive and give effectual discharges for all royalties, fees and monies payable under any such licences, agreements, schemes or arrangements or otherwise in respect of those matters mentioned in article 2.2 by all necessary actions or other proceedings and to recover such royalties, fees and other monies and to restrain and recover damages for infringement of the Rights of rightholders or of PLS on behalf of rightholders and to release, compromise or refer to dispute resolution any such proceedings or actions or any other disputes or differences in relation to the rights or any of them;
- 2.4 to obtain from rightholders such licences, assurances, powers of attorney or other authorities or instruments as may be deemed necessary or expedient for enabling PLS to acquire full or sufficient legal rights and authority in respect of the Rights and to exercise and enforce in its own name or otherwise all the Rights and remedies as mentioned above and to execute, sign and do all such deeds, assurances, agreements and other instruments and acts as may be deemed necessary or expedient for the purpose of the exercise or enforcement by PLS of the Rights and remedies as mentioned above; and
- 2.5 to make (and from time to time alter or vary) any rules for regulating:
- (a) the manner in which the period or periods for which and the conditions under which rightholders shall authorise PLS to exercise and enforce the Rights and remedies mentioned above of the rightholders in respect of works;
  - (b) the method and proportions by and in which and the times at which the monies received by PLS in respect of licences, agreements or arrangements shall be divided or apportioned and paid among and to members and/or rightholders in accordance with the Distribution Charter or otherwise; and
  - (c) the administration of the property or business of PLS and any matters incidental thereto.
- 2.6 To distribute the monies received by PLS, after making provision for the expenses, management fees and liabilities of PLS incurred in such exercise or in otherwise carrying out the purposes and operations of PLS, among the members and/or rightholders entitled thereto in accordance with the Regulations and other rules in force for such distributions from time to time.
- 2.7 From time to time to borrow, to raise or secure the payment of such sum or sums of money as may be deemed necessary for any purpose which may be expedient in the interests of PLS, but not so as to charge any right or interest of any rightholder in respect of its works.
- 2.8 To provide any other services (either for, or on behalf of, publishers) or carry on any other trade or business or activity whatsoever which can, in the opinion of the directors, be advantageously carried on by PLS in connection with or ancillary to any of the above objects or the general business of PLS.
3. **Powers**
- PLS has, subject to article 6, the power to do anything within the law which may promote or may help to promote the objects or any of them.



4. **Liability of members**

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

- (a) payment of PLS's debts and liabilities contracted before it ceases to be a member;
- (b) payment of the costs, charges and expenses of winding up; and
- (c) adjustment of the rights of the contributories among themselves.

4.2 On the winding up or dissolution of PLS:

- (a) the rights and authorities granted to PLS by rightholders shall cease and revert to the rightholders (or their successors in title as notified to PLS) who granted those rights and authorities to PLS or to the respective estates of those rightholders;
- (b) sums available for distribution at the date of such winding up shall be distributed in accordance with the Distribution Charter; and
- (c) the surplus assets of PLS (if any) shall be divided among those persons who are members at the time of such winding up in equal shares.

**Part 2**

**Directors and Secretary - Directors' powers and responsibilities**

5. **Directors' general authority and powers**

5.1 Subject to these articles and in particular article 6, the directors are responsible for the management of PLS's business, for which purpose they may exercise all the powers of PLS.

5.2 All monies received by PLS from the grant of licences or otherwise shall, subject to article 5.3 below, be distributed or dealt with by the board of directors in accordance with the Distribution Charter.

5.3 Before making any distribution to rightholders, the directors may, subject to article 6:

- (a) pay or provide for all the expenses and outgoings of PLS and for the repayment of loans raised by PLS and the interest (if any) thereon;
- (b) pay any remuneration or benefits to any person at any time in the employment of PLS and the families and dependants of any such person and contribute to any pension or similar fund which may be established for the benefit of any such employees; and
- (c) set aside such sum as it thinks necessary as a reserve fund to meet contingencies and to invest the sums set aside and deal with and vary such investments.

5.4 The directors may, subject to articles 6 and 25, make (and from time to time alter, delete and add to) rules which may deal with the following matters (without limitation):

- (a) the terms and conditions of the Publisher Account Documents, PLS Account Manager and any other procedures that are relevant to the contractual relationship between rightholders and PLS;
- (b) the forms of licence to be granted to such bodies as may be appropriate. The board of directors may enter into contractual arrangements with any appropriate and suitable

organisation being an organisation properly authorised and constituted for such purpose for it to grant the licences determined by the directors, to enforce such licences, to collect the appropriate fees under such licences and distribute them in accordance with the procedures agreed by the directors;

- (c) the payments to be made by such bodies for such licences, differentiating (if necessary) between different categories of licences;
- (d) in cases where objections are raised or where doubts exist, the procedure for dispute resolution in front of the relevant tribunal or mediator;
- (e) accounting procedures relating to the fees collected from licensed bodies;
- (f) the method and frequency of distribution to and calculation of entitlement of rightholders;
- (g) how unclaimed payments are to be dealt with; and
- (h) whether legal proceedings may be commenced without the sanction of the board.

## 6. **Members' powers**

6.1 The members may, by way of a Members' Special Resolution, direct the directors to take, or refrain from taking, any specified action.

6.2 No Members' Special Resolution passed pursuant to article 6.1 shall invalidate anything which the directors have done before the passing of such Members' Special Resolution.

6.3 All matters which require the approval of a special resolution or ordinary resolution under the CA2006 or the articles shall not be carried out without the approval of a Members' Special Resolution or a Members' Ordinary Resolution as the case may be.

6.4 In addition to those matters requiring the approval of an ordinary resolution under the CA2006, the following matters shall not be carried out without the approval of a Members' Ordinary Resolution:

- (a) the adoption of or any amendment to the Code of Conduct;
- (b) the adoption of or any amendment to the Distribution Charter;
- (c) the adoption of or any amendment to the Publisher Account Documents (other than the Code of Conduct and the Distribution Charter) or the PLS Account Manager, where such change could constitute a change to PLS's general policy as to (i) the distribution of amounts due to rightholders or (ii) the deductions from Rights revenue and from any income arising from the investment of Rights revenue;
- (d) the adoption of or any amendment to the general investment policy with regard to (i) Rights revenue and (ii) any income arising from the investment of Rights revenue;
- (e) the adoption of or any amendment to the general policy on the use of non-distributable amounts;
- (f) the use of non-distributable amounts;
- (g) the adoption of or any amendment to the risk management policy;
- (h) the approval of any acquisition, sale or hypothecation of immovable property;

- (i) the approval of mergers and alliances, the setting-up of subsidiaries, and the acquisition of other entities or shares or rights in other entities;
- (j) the approval of taking out loans, granting loans or providing security for loans;
- (k) any terms and conditions governing membership of PLS;
- (l) the appointment and removal of the auditor;
- (m) the approval of the Annual Transparency Report;
- (n) the approval of remuneration and other monetary and non-monetary benefits of directors including without limitation pensions awards and entitlements, rights to severance pay and rights to other awards; and
- (o) any other matter expressly referred to in these articles as requiring the approval of a Members' Ordinary Resolution.

**7. Directors may delegate**

- 7.1 Subject to these articles and the Regulations, the directors may delegate any of the powers which are conferred on them under these articles to such person or committee (by such means and on such terms and conditions) as they think fit (including whether any such delegation shall be made either collaterally with or to the exclusion of the powers otherwise conferred on the directors under these articles).
- 7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 7.3 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 these articles which govern the taking of decisions by directors.
- 8.2 The directors may make rules of procedure for all or any committees which prevail over rules derived from these articles if they are not consistent with them.
- 8.3 Committees to whom the directors delegate any of their powers may include one or more co-opted persons other than directors on whom voting rights may be conferred as members of the committee, provided that the number of co-opted members of the committee shall be less than one-half of the total number of members of the committee and so that no resolution of the committee shall be effective unless a majority of the members of the committee voting on the resolution are 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) a majority decision (if necessary determined by a casting vote in accordance with article 15 below) at a meeting, with each participating director who is eligible having one vote; or
  - (b) a decision taken in accordance with article 10.

10. **Unanimous decisions of the directors**

10.1 Any decision of the directors that is not taken as a majority decision at a meeting of the directors will only be effective if taken in accordance with this article 10.

10.2 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other in writing they share a common view on a matter.

11. **Calling a directors' meeting**

11.1 Any director, including the chief executive officer appointed by the directors pursuant to article 20.8 from time to time, may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary of PLS (if any) to give such notice.

11.2 Notice of any directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, the electronic facility that will be used to allow the directors to communicate with each other during the meeting.

11.3 Save as provided otherwise in these articles, notice of a directors' meeting must be given to each director, but need not be in writing.

11.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting.

12. **Participation in directors' meetings**

12.1 Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with these articles; and
- (b) they can each communicate orally (by being present in person or by means of an electronic facility in accordance with article 39) to the others any information or opinions they have on any particular item of the business of the meeting,

(each such director being a "**participating director**").

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, provided that all persons participating in the meeting can speak and can hear each other.

12.3 If all the directors participating in a meeting are not in the same place, they may decide where the meeting is to be treated as taking place, provided that at least one of the participating directors is present in that place.

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 Subject to circumstances in which one or more conflicts of interest (as explained in Section 175(6), CA2006) have arisen and subject to article 16.5, the quorum for the transaction of the business of the directors' may be fixed from time to time by a decision of the directors and unless otherwise so fixed it shall (save as provided in article 13.3 or any other provision of these articles) be equal to the total number of members and be comprised of at least one representative director nominated by each member.
- 13.3 In relation to any meeting (or part of any meeting) held pursuant to article 16.1, the quorum for such meeting (or the part thereof dealing with the authorisation pursuant to article 16.1 shall be two eligible directors, unless there is only one eligible director in which case the quorum shall be one eligible director.
- 13.4 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:
- (a) to appoint further directors; or
  - (b) to call a general meeting so as to enable the members to appoint further directors.
14. **Chairperson of the directors meeting**
- 14.1 The members may resolve, by way of a Members' Special Resolution, to appoint a person as director to fulfil the role of chairperson of the board of directors, independent of any members. Such independent chairperson shall be appointed for a term of three years and may be re-appointed for no more than one further term of three years. At the expiry of that second consecutive term in office, such independent chairperson may be re-appointed but only after a break of at least one year. The members may resolve, by way of a Members' Special Resolution, to remove from office any independent chairperson, at any time. The independent chairperson may receive such remuneration as shall be approved by the directors.
- 14.2 If no chairperson is appointed pursuant to article 14.1, then the members may resolve, by way of a Members' Ordinary Resolution, to appoint one of the representative directors to be chairperson of the directors meetings for a term of three years. Such chairperson shall not receive remuneration for the role and may be removed from the role at any time way of a Members' Ordinary Resolution (unless agreed otherwise in accordance with article 22).
- 14.3 If no chairperson is appointed pursuant to article 14.1 or 14.2, then then the directors shall appoint one of themselves to be the chairperson of the directors meetings. Any chairperson so appointed may be removed from such appointment (or replaced) by the directors, at any time.
- 14.4 The person so appointed pursuant to article 14.1, 14.2 or 14.3 (as the case may be), for the time being shall be known as the "**chairperson of the directors meeting**".
- 14.5 If:
- (a) the chairperson of the directors meeting is unwilling to chair a directors' meeting; or
  - (b) the chairperson of the directors meeting is not participating in a directors' meeting within ten minutes of the time at which it was to start;
  - (c) at any time during the meeting, the chairperson of the directors meeting ceases to be a participating director,
- the participating directors must appoint one of themselves to chair it (or chair such part of it in relation to which the chairperson of the directors meeting ceases to be a participating director, as the case may be).

15. **Casting vote**

At a meeting of the directors (or any part thereof), the chairperson of the directors meeting shall have a casting vote in respect of any proposal where the number of votes for and against are equal.

16. **Authorisation and reporting of conflicts of interest**

16.1 Subject to and in accordance with the CA2006, including but not limited to the duty of directors under Section 175, CA2006 to avoid conflicts of interest:

(a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director (the "**conflicted director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of PLS (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not PLS could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**conflict situation**");

(b) any authorisation given in accordance with this article 16:

(i) may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, informing a conflicted director of decisions to exclude the conflicted director and any other interested director from certain directors' meetings, withholding from that director certain board papers or other papers and/or denying that director access to certain confidential PLS information) relevant to a conflict situation and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and

(ii) shall be effective only if:

(A) any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting either the conflicted director or any other interested director; and

(B) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted director and without counting the votes of any other interested director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted); and

(c) in considering any request for authorisation in respect of a conflict situation, the directors shall be entitled to exclude the conflicted director from any meeting or other discussion (whether oral or written) concerning the authorisation of such conflict situation and they shall also be entitled to withhold from such conflicted director any board papers or other papers concerning the authorisation of such conflict situation.

16.2 If any conflict situation is authorised or otherwise permitted under these articles, the conflicted director:

(a) shall not be required to disclose to PLS (including the directors or any committee) any confidential information relating to such conflict situation which that director obtains or has obtained otherwise than in that director's capacity as a director of PLS, if to make such disclosure would give rise to a breach of obligation or confidence owed by that

director to another person in relation to such matter, office, employment or position;  
and

- (b) shall be entitled to:
  - (i) attend or be absent from all or any meetings of the directors (or any committee) at which anything relating to such conflict situation will or may be discussed; and
  - (ii) make such arrangements, as that director thinks fit, not to receive documents or information (including, without limitation, board papers (or those of any committee of it)) relating to any such conflict,

and in so doing, such conflicted director shall not be in breach of any general duty owed to PLS pursuant to Sections 171 to 177 (inclusive) CA2006, and the provisions of this article 16 shall be without prejudice to any equitable principle or rule of law which may excuse the conflicted director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these articles.

16.3 For the purposes of this article 16, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on PLS), connected with a director shall be treated as an interest of the director.

16.4 If PLS has or may have any claim or right against a member or any associated company of that member or if any claim is brought, threatened or asserted by a member or an associated company of that member against PLS, no director appointed by such member shall be entitled to:

- (a) vote on any resolution relating to such matter or attend, speak or be counted in the quorum at any meeting of the directors or any committee of the directors to the extent considering or discussing any such matter; or
- (b) access or to receive or see copies of any board papers (including any agenda, board minutes and draft minutes) or other papers or legal advice provided to PLS in connection with any such matter.

16.5 The quorum at any meeting of the directors or a committee of the directors, to the extent considering and voting on any resolution in relation to which a director is not entitled to vote by virtue of article 16.4, shall be reduced to any three eligible directors comprised of at least one representative director from at least three separate members and the eligible directors shall exercise all the powers of PLS in relation to the matter in question.

16.6 Any conflict situation that arises as a result of any director being a director or employee of a member or an associated company of any member or otherwise owing any duty to any such person shall, without prejudice to articles 16.4 and 16.5, be disclosed by the director in the Register of Interests of PLS and deemed noted and authorised at any future meeting of the directors for the purposes of section 185 CA2006.

16.7 Each director shall make an annual individual statement in writing that shall be put before the members in general meeting containing the following information:

- (a) any interests in PLS;
- (b) any remuneration or benefits (including pensions and benefits in kind) received in the preceding financial year from PLS;
- (c) any amounts received in the preceding financial year as a rightholder; and

- (d) any actual or potential conflict between any personal interests and those of PLS or between any obligations owed to PLS and any duty owed to any other natural or legal person.

17. **Directors may have interests and vote and count for quorum**

17.1 Provided permitted by the Acts and provided that a director has disclosed to the other directors the nature and extent of that director's interest pursuant to Section 177 (duty to declare any interest they may have in any proposed transaction or arrangement with the company) or Section 182 (where a director of a company is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the company), or otherwise pursuant to these articles (as the case may be) CA2006, that director:

- (a) may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with PLS or in which PLS is otherwise interested and may hold any other office or position of profit under PLS (except that of auditor or of auditor of a subsidiary of PLS) in addition to the office of director and may act in a professional capacity for PLS and in any such case on such terms as to remuneration and otherwise as the directors may agree either in addition to or in lieu of any remuneration provided for by any other article;
- (b) may be a member, director, or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any subsidiary and subsidiary undertaking of PLS or any parent undertaking of PLS and any of such parent undertaking's subsidiaries or subsidiary undertakings or any other body corporate promoted by PLS or in which PLS is otherwise interested; and
- (c) shall not be liable to account to PLS for any dividend, profit, remuneration, superannuation payment or other benefit which derives from:
  - (i) any matter, office, employment or position which relates to a conflict situation authorised in accordance with article 16; or
  - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this article,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, superannuation payment or other benefit authorised in accordance with article 16 or permitted pursuant to paragraphs (a) and (b) of this article and the receipt of any such dividend, profit, remuneration, superannuation payment or other benefit so authorised or permitted shall not constitute a breach of duty not to accept benefits from third parties as set out in Section 176, CA2006.

17.2 For the avoidance of doubt, a director may be or become subject to one or more conflict situations as a result of any matter referred to in paragraph (b) of article 17.1 without requiring authorisation under the provisions of article 16 provided it is deemed authorised under article 16.6 or the director has declared, as soon as reasonably practicable, the nature and extent of any interest in the conflict situation. The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185, CA2006 shall apply (with any necessary modifications) in respect of any such declaration.

17.3 Subject to Section 175(6), CA2006 and save as otherwise provided in these articles, a director may vote at any meeting of the directors or any meeting of any committee of which that director is a member on any resolution and a director may participate in the transaction of the business of the



directors and count in the quorum at any such meeting of the directors or meeting of any committee of which that director is a member notwithstanding that it concerns or relates in any way to a matter in which that director has directly or indirectly any kind of interest or duty. This article does not affect any obligation of a director to disclose any such interest, whether pursuant to Section 177, CA2006, Section 182, CA2006 or otherwise.

17.4 Subject to article 17.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairperson of the directors meeting whose ruling in relation to any director other than the chairperson of the directors meeting is to be final and conclusive (except in a case where the nature or extent of any interest of the director has not been fairly disclosed).

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

17.6 For the purposes of this article 17, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on PLS), connected with a director shall be treated as an interest of the director.

18. **Records of decisions to be kept**

18.1 The directors must ensure that PLS keeps a record, in writing, of:

- (a) minutes of all proceedings at directors' meetings (including all majority decisions taken);
- (b) every unanimous decision taken by the directors taken in accordance with article 10;
- (c) all resolutions of members passed otherwise than at general meetings; and
- (d) minutes of all proceedings of general meetings,

for at least 10 years from the date of the relevant meeting, decision or resolution (as the case may be).

19. **Directors' discretion to make further rules**

Subject to these 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.

20. **Methods of appointing directors**

20.1 The number of directors of PLS shall be not less than one director nominated by each member.

20.2 Each member shall: (i) nominate at least one person; and (ii) be entitled to nominate up to three persons, for appointment to the board of directors. Each such nomination of a person (or persons, as the case may be) must be made in writing to the board of directors, upon which:

- (a) the board of directors shall, as soon as reasonably practicable thereafter, convene a general meeting to enable the members to consider and approve, by way of Members' Ordinary Resolution, the appointment of the person(s) so nominated; and

- (b) each such person so approved shall be appointed as a director with immediate effect from the passing of the Members' Ordinary Resolution so tabled in accordance with article 20.2(a) above,
- (each person so nominated and appointed being a "**representative director**" in relation the appointing member).
- 20.3 The process for nomination of directors and their appointment shall be determined by rules proposed from time to time by the board of directors and approved by the members by way of a Members' Special Resolution.
- 20.4 Each member may designate a representative director nominated by it to be its designated representative director (and "**designated representative director**" shall be construed accordingly).
- 20.5 Unless re-appointed in accordance with article 20.6 below, each representative director shall be appointed for a four year term (and shall retire on the fourth anniversary of the date of that representative director's appointment).
- 20.6 Subject to article 20.7 below, each representative director may be re-appointed for one further four year term (and shall retire on the fourth anniversary of date of such reappointment).
- 20.7 Notwithstanding article 20.6:
- (a) any person previously appointed and re-appointed as a representative director, may be re-appointed again for a further four year term provided that a period of one year has elapsed since the termination of his or her last reappointment; and
- (b) the re-appointment restrictions contained in articles 20.6 and 20.7(a) shall not apply to any representative director who has been designated as a designated representative director.
- 20.8 The chief executive officer of PLS shall be appointed as a director by way of Members' Ordinary Resolution and the members may appoint, by way of a Members' Ordinary Resolution, such number of other executive directors as they see fit. An executive director appointed under this article 20.8 shall not be subject to retirement by rotation.
21. **Termination of a director's appointment**
- 21.1 The members may, by Members' Ordinary Resolution at a general meeting (of which special notice has been given in accordance with Section 168, CA2006), remove any director before the expiration of that director's period of office notwithstanding anything in these articles or any agreement between PLS and such director.
- 21.2 Any representative director shall cease to be a director:
- (a) where the member appointing that representative director elects to terminate that representative director's appointment, upon receipt by PLS of a written notice from the appointing member to that effect, or at such later date as may be specified in the notice);
- (b) as soon as the member appointing that representative director:
- (i) ceases to be a member of PLS; or
- (ii) becomes insolvent or is placed into administration.

- 21.3 Any person shall cease to be a director as soon as:
- (a) that person ceases to be a director by virtue of any provision of the CA2006 or is prohibited from being a director by law;
  - (b) a bankruptcy order is made against that person;
  - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - (d) a registered medical practitioner who is treating that person gives a written opinion to PLS stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (e) notification is received by PLS from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
  - (f) that person has, for more than three consecutive meetings, been absent without permission of the directors from meetings of the directors held during that period and the directors make a decision that that person's office be vacated.

22. **Directors' remuneration**

22.1 Subject to articles 2 and 6, directors may undertake any services for PLS that the directors decide.

22.2 Directors are entitled to such remuneration as the members determine by way of a Members' Ordinary Resolution for:

- (a) their services to PLS as directors; and
- (b) any other service which they undertake for PLS.

22.3 Subject to these articles, a director's remuneration may:

- (a) take any form; and
- (b) 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.

22.4 Unless the members decide otherwise by way of a Members' Ordinary Resolution, directors are not accountable to PLS for any remuneration which they receive as directors or other officers or employees of PLS's subsidiaries or of any other body corporate in which PLS is interested.

23. **Directors' expenses**

23.1 PLS may pay any reasonable expenses which the directors and the PLS company secretary (if any) properly incur in connection with their attendance at (or returning from):

- (a) meetings of directors or committees of directors; or
- (b) general meetings,

or otherwise in connection with the business of PLS, the exercise of their powers and the discharge of their duties and responsibilities in relation to PLS.

24. **Secretary**

The directors may appoint any person who is willing to act as the secretary of PLS on such terms (including, but not limited to, term of office and remuneration) and subject to such conditions as they may think fit and from time to time remove such person and, if the directors determine, appoint a replacement secretary of PLS, in each case by a decision of the directors.

25. **Supervisory Committee**

25.1 The members shall establish a supervisory function that shall be referred to as the "**Supervisory Committee**" that shall continuously monitor the activities and the performance of the duties of the persons who manage the business of PLS in accordance with the Regulations. The Supervisory Committee shall consist of:

- (a) the Supervisory Committee Delegates appointed pursuant to article 25.5; and
- (b) where an independent chairperson has been appointed pursuant to article 14.1, such independent chairperson.

25.2 The chairperson of the directors meeting according to article 14.4 at the time of a Supervisory Committee meeting shall also be the chairperson of the Supervisory Committee meetings. If no such appointment has been made at the relevant time the Supervisory Committee Delegates shall appoint one of themselves to be the chairperson of the Supervisory Committee meeting.

25.3 The Supervisory Committee shall be responsible for monitoring and reviewing the activities and the performance of those directors who are involved in the management of the business of PLS including, in particular, the implementation by such directors of:

- (a) the resolutions passed by the members; and
- (b) the Distribution Charter and PLS's general policies as to:
  - (i) the use of non-distributable amounts;
  - (ii) the distribution of amounts due to rightholders; and
  - (iii) the deductions from Rights revenue and from any income arising from the investment of Rights revenue.

25.4 The Supervisory Committee shall meet at least twice a year and shall report annually on its activities to the members.

25.5 Each member shall be entitled to appoint any of its representative directors as its delegates to represent it on the Supervisory Committee (each such person being a "**Supervisory Committee Delegate**" in relation to the appointing member).

25.6 Each member may remove its Supervisory Committee Delegate appointed by it from office, such removal to take effect immediately upon receipt by PLS of a written notice to that effect, or at such later date as may be specified in the notice.

25.7 Unless otherwise removed pursuant to article 25.6 and subject to article 25.8, each Supervisory Committee Delegate's appointment shall continue for the duration of the period they remain appointed as a director.

25.8 The rules in Part 4 of these articles relating to the decision making of members shall apply with such changes as necessary to the decision making of the Supervisory Committee Delegate.

- 25.9 Subject always to articles 6.3 and 6.4, the Supervisory Committee shall be entitled to exercise all of the powers of the supervisory function (as set out in the Regulations) and such other powers as may be lawfully delegated by the members to the Supervisory Committee by way of a Members' Ordinary Resolution, in order to discharge its responsibilities under article 25.3, save that the members may, by way of a Members' Ordinary Resolution, from time to time impose such restrictions on the exercise by the Supervisory Committee of its powers as may lawfully be imposed (and any such restrictions shall apply to all Supervisory Committee Delegates equally).
- 25.10 Any Supervisory Committee Delegate may request that any matter that is tabled for resolution by the Supervisory Committee be referred to the members for approval by way of a Members' Special Resolution.
- 25.11 The rules in article 39 shall apply to any Supervisory Committee meeting convened using an electronic facility.

### **Part 3**

#### **Members - Becoming and ceasing to be a member**

##### **26. Applications for membership**

26.1 The members of PLS as at the date of adoption of these articles are:

- (a) The Publishers Association Limited;
- (b) The Association of Learned and Professional Society Publishers;
- (c) Professional Publishers Association Limited; and
- (d) Independent Publishers Guild.

26.2 Persons eligible for membership are entities who:

- (a) represent publisher rightholders of works in which copyright or like or similar rights subsist under the laws of countries or states which are contracting parties to the Berne Convention or the WIPO Copyright Treaty;
- (b) are a recognised trade association, properly established, registered and maintained as a body corporate in the United Kingdom;
- (c) are trading solvently and can be reasonably expected to continue to do so for at least 12 months;
- (d) do not and will not whilst a member of PLS directly engage in the collection and/or distribution of monies from collective licensing; and
- (e) meet such further eligibility criteria for membership approved by the members and published from time to time on PLS's website,

(the "**Eligibility Criteria**").

26.3 Any person meeting the Eligibility Criteria may apply to become a member of PLS. Such application must be made in writing signed on behalf of the applicant. The directors may require an applicant to supply such evidence as they deem appropriate to establish that the applicant meets the Eligibility Criteria.

- 26.4 The directors may accept or reject the application, and if they reject the application, they shall set out the reasons for refusal.
- 26.5 No organisation may be elected as a member by the directors, or otherwise admitted to membership, unless it has fulfilled the Eligibility Criteria, save that the directors may (at their discretion) admit to membership any organisation which has not fulfilled the Eligibility Criteria provided that the directors are satisfied that there are special circumstances in view of which it would be in the interests of PLS for that organisation to be admitted.
27. **Termination of membership**
- 27.1 A member may withdraw from membership of PLS by giving six months' notice to PLS in writing.
- 27.2 Membership is not transferable without the prior written permission of PLS.
- 27.3 A member's membership ceases if and when that member ceases to meet the Eligibility Criteria.
- 27.4 A member's membership terminates when that member:
- (a) (in the case of an unincorporated association) ceases to exist; or
  - (b) (in the case of a limited company) is liquidated (other than voluntary liquidation for the purposes of reconstruction or amalgamation); or
  - (c) ceases to trade.

#### **Part 4**

##### **Decision-making by Members - Organisation of General Meetings**

28. **Notice of general meetings**
- 28.1 A general meeting of PLS (other than an adjourned meeting) shall be called by notice of at least 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at that meeting.
- 28.2 Every notice convening a general meeting shall specify:
- (a) the place, the date and the time of the meeting and the electronic facility available to any member who is not able to attend in person;
  - (b) the general nature of the business to be dealt with at the meeting;
  - (c) if the meeting is convened to consider a special resolution, the text of the relevant general meeting resolution and intention to propose such resolution as a special resolution; and
  - (d) with reasonable prominence, that a member is entitled to appoint another person (who does not have to be a member) as proxy to exercise all or any rights of that member to attend, speak and vote at the meeting.
- 28.3 The notice shall be given to the members (other than any who under the provisions of these articles or otherwise are not entitled to receive notice from PLS), to the directors and to the auditors and if more than one for the time being, to each of them.
- 28.4 Subject to the provisions of these articles, notice of a general meeting of PLS may be given:

- (a) in hard copy form; or
- (b) in electronic form,

or partly by one such means and partly by another and the provisions of article 40 shall apply accordingly.

28.5 The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a general meeting resolution to, or the non-receipt of any of them by, any person or persons entitled to receive the same shall not invalidate the proceedings at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or general meeting resolution were duly given.

28.6 A general meeting shall be convened at least once in each calendar year.

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 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.

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

29.4 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

29.5 The rules in article 39 shall apply to any general meeting convened using an electronic facility.

30. **Quorum for general meetings**

A quorum shall be formed when at least one representative of each of the members is present in person or by proxy (including remote participation by any means of any electronic facility specified for the purpose of that meeting).

31. **Chairing general meetings**

31.1 If the members or the directors have appointed a chairperson pursuant to article 14, that chairperson shall chair general meetings if present and willing to do so unless the members wish to appoint an alternative chair as the first business of the general meeting.

31.2 If no chairperson is appointed in accordance with article 31.1, or if the chairperson is unwilling to chair the general meeting or is not present within ten minutes of the time at which the meeting was due to start, then:

- (a) the directors present; or
- (b) (if no directors are present), the members in attendance at the meeting,

must appoint a director or member (which may include any proxy appointed by a member) to chair the meeting, and the appointment of the chairperson of the general meeting must be the first business of the meeting.

31.3 The person chairing a general meeting in accordance with this article is referred to as the "**chairperson of the general meeting**".

32. **Attendance and speaking by directors and non-members**

32.1 Directors may attend and speak at general meetings, whether or not they are members.

32.2 The chairperson of the general meeting may permit other persons who are not members of PLS 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, the chairperson of the general meeting must adjourn it.

33.2 The chairperson of the general meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairperson of the general 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 chairperson of the general meeting must adjourn a general meeting if directed to do so by the meeting.

33.4 When adjourning a general meeting, the chairperson of the general meeting must:

- (a) either specify the time and place to which it is adjourned and any electronic facility to be used or state that it is to continue at a time and place and via such electronic facility as shall be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting and as to any electronic facility to be used.

33.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, PLS must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of PLS's general meetings is required to be given; and
- (b) 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.

33.7 If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting (or if, during the meeting, a quorum ceases to be present), the meeting shall be dissolved.



34. **Voting: general**

34.1 A resolution put to the vote of a general meeting (a "**general meeting resolution**") must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.

34.2 Subject to the provisions of the CA2006, on a vote on a general meeting resolution on a show of hands at a general meeting, each member present in person or by proxy has one vote. On a poll at any such meeting each member present in person or by proxy shall have one vote.

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 chairperson of the general meeting whose decision is final and conclusive.

36. **Demanding a poll and procedure on a poll**

36.1 A poll on a general meeting resolution put to the vote of a general meeting may be demanded:

- (a) in advance of the general meeting where the general meeting resolution is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that general meeting resolution or immediately after the result of a show of hands on that general meeting resolution is declared.

36.2 A poll may be demanded by:

- (a) the chairperson of the general meeting;
- (b) the directors; or
- (c) one or more persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the general meeting resolution;

36.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken, and
- (b) the chairperson of the general meeting consents to the withdrawal.

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

37. **Proxy notices**

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

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 37.2 PLS may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes, from time to time.
- 37.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 37.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural general meeting resolutions, provided that such discretion is exercised in a manner that is consistent with the instructions given in the proxy; and
  - (b) 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, but not any separate or subsequent meeting convened for the same purpose.
- 37.5 Delivery of proxy notices
- (a) 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.
  - (b) 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.
  - (c) 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.
  - (d) 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.
38. **Amendments to general meeting resolutions**
- 38.1 A general meeting resolution proposed to be passed as an ordinary resolution may be amended by ordinary resolution if:
- (a) 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 chairperson of the general meeting may determine); and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the general meeting, materially alter the scope of the general meeting resolution.
- 38.2 A general meeting resolution proposed to be passed as a special resolution may be amended by ordinary resolution, if:

- (a) the chairperson of the general meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 38.3 If the chairperson of the general meeting, acting in good faith, wrongly decides that an amendment to a general meeting resolution is out of order, the chairman's error does not invalidate the vote on that general meeting resolution.

## Part 5

### Administrative Arrangements

39. **Simultaneous attendance and participation at a meeting using an electronic facility**

39.1 For the purposes of this article 39, "**Relevant Meeting**" shall mean any meeting contemplated to be convened and held under these articles (including a directors' meeting, general meeting and/or a meeting of the Supervisory Committee).

39.2 In advance of the Relevant Meeting, where necessary and reasonably practicable to do so, the directors:

- (a) shall resolve to enable persons entitled to attend and participate at the Relevant Meeting to do so by simultaneous attendance and participation by means of electronic facility or facilities and may consequently authorise any voting application, system or facility for attendance and participation as they see fit;
- (b) may determine the means, or all different means, of attendance and participation used in relation to the Relevant Meeting; and
- (c) may make any arrangement and impose any requirement or restriction that is:
  - (i) necessary to ensure the identification of those taking part by means of such electronic facility or facilities and the security of the electronic communication; and
  - (ii) in their view, proportionate to those objectives,

and accordingly, in advance of the Relevant Meeting the participants shall be notified (whether by formal notice or otherwise) of the means, or all different means, of attendance and participation thereat (including any necessary access, identification and security arrangements) and how they are to communicate electronically with each other during the meeting.

39.3 The Relevant Meeting shall be duly constituted and its proceedings valid if the person chairing the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by means of an electronic facility or facilities are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear all persons who speak at the meeting; and
- (c) be heard by all other persons attending and participating in the meeting.

39.4 Subject to article 39.3, any persons attending and participating at the Relevant Meeting by means of electronic facility or facilities shall be deemed to be present at that meeting for all purposes of the CA2006 and these articles, and "attend", "participate", "attending", "participating",

- "attendance" and "participation" shall be construed accordingly in relation to any such Relevant Meeting.
- 39.5 If, during a Relevant Meeting at which persons are participating by means of electronic facility or facilities, any document is required to be on display or to be available for inspection at the meeting (whether prior to or for the duration of the meeting or both), PLS shall ensure that the document is available in electronic form to the persons entitled to inspect it.
- 39.6 All persons seeking to attend and participate in a Relevant Meeting by way of electronic facility or facilities shall be responsible for maintaining adequate facilities to enable them to do so. Any inability of a person or persons to attend or participate in a Relevant Meeting by way of electronic facility or facilities (other than one caused by any failure of the electronic facility) shall not invalidate the proceedings of that meeting.
- 39.7 If it appears to the chairperson of a Relevant Meeting that an electronic facility or facilities at a Relevant Meeting place have become inadequate, or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of meeting, then the chair:
- (a) may elect to adjourn the Relevant Meeting with the approval of the participants; and
  - (b) shall adjourn the Relevant Meeting without the need for any approval if, in his or her reasonable opinion, it has become necessary to do so in order to:
    - (i) secure the proper and orderly conduct of the meeting; or
    - (ii) give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting; or
    - (iii) ensure that the business of the meeting is properly disposed of.

to such time and place (and such other electronic facility or facilities) as the participants of the meeting shall determine.
- 39.8 With respect to a Relevant Meeting that is a general meeting, any resolution put to the vote at such a meeting where members participating by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the directors:
- (a) deem appropriate for the purposes of that meeting; and
  - (b) shall duly notify to the members in advance of that meeting,
- and any such poll shall be deemed to have been validly demanded at the time fixed for the holding of that meeting.
40. **PLS communications**
- 40.1 Subject to the provisions of the Acts (and save as otherwise provided in these articles), any notice, document or information required or authorised to be sent or supplied by PLS to any member or any other person (including a director) pursuant to these articles, the Companies Acts or any other rules or regulations to which PLS may be subject, may be sent or supplied in hard copy form, in electronic form or in any other way in which documents or information may be sent or supplied by PLS pursuant to the Companies Acts.
- 40.2 Subject to these 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.

- 40.3 The provisions of the CA2006 which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these articles or any other rules or regulations to which the Society may be subject, by making it available on a website.
- 40.4 PLS may send or supply any document or information to a member or any other person (including a director) pursuant to these articles, the Companies Acts or any other rules or regulations to which PLS may be subject, either by:
- (a) hand, leaving it at that address or any other address for the time being notified to the PLS by the member (or such other person) for that purpose;
  - (b) post addressed to the member at its registered address or address for service notified to PLS;
  - (c) sending or supplying it using electronic means to an electronic address for the time being notified to PLS by the member (or such other person) for that purpose; or
  - (d) any other means, authorised in writing by the member (or such other person) concerned.
- 40.5 Any member present, in person or by proxy, at any meeting of PLS shall be deemed to have received due notice of such meeting and, where required, of the purpose for which such meeting was called.
- 40.6 Save as provided otherwise in these articles, any document or information addressed to a member (or other person to whom such document or information is required or authorised to be sent pursuant to these articles, the Companies Acts or otherwise) at its registered address or address for service (in the case of a member, in the United Kingdom) or electronic address, as the case may be, shall:
- (a) if hand delivered or left at a registered address or other address for service (in the case of a member, in the United Kingdom), be deemed to have been served or delivered on the day on which it was so delivered or left;
  - (b) if sent or supplied by post be deemed to have been received at the expiration of 48 hours after the envelope was posted;
  - (c) if sent or supplied by electronic means (other than by means of a website), be deemed to have been received (if sent or supplied between the hours of 9 a.m. and 5 p.m. on a working day) at the time it was sent, or (if sent or supplied at any other time) at 9 a.m. on the next following working day; and
  - (d) if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 40.7 PLS shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of articles 40.5 and 40.6 shall apply regardless of any document or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure.

41. **Provision for employees on cessation of business**

The directors may decide to make provision for the benefit of persons employed or formerly employed by PLS or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of PLS or that subsidiary.

42. **Indemnity and Funds**

42.1 Subject to article 42.2 (but otherwise to the fullest extent permitted by law) and without prejudice to any indemnity to which a relevant director may otherwise be entitled):

(a) a relevant director, secretary or other officer (other than any person engaged as auditor) of PLS or an associated company shall be indemnified out of PLS's assets against all or any part of any costs, charges, losses, expenses and liabilities incurred by that director secretary or other officer:

(i) in the actual or purported exercise of that director's powers in relation to the affairs of PLS or associated company; and

(ii) in connection with the activities of PLS or an associated company in its capacity as a trustee of an occupational pension scheme; and

(b) a relevant director, secretary or other officer (other than any person engaged as auditor) of PLS shall be provided with funds to meet any expenditure incurred by that director as provided in Section 205 and/or Section 206, CA2006 (or enable that director to avoid incurring any such expenditure).

42.2 This article does not authorise any indemnity or provision of funds which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law, including (but not limited to) where any loss occurred as a result of a relevant director's, secretary's or other officer's wilful neglect or default.

43. **Insurance**

Subject to the provisions of the CA2006, the directors may in their absolute discretion decide to purchase and maintain insurance, at the expense of PLS, for the benefit of any relevant director secretary or other officer (other than any person engaged as auditor) of PLS or associated company in respect of all or any part of any relevant loss.