

AVA Articles of Association

ARTICLES OF ASSOCIATION OF THE AUTOMATIC VENDING ASSOCIATION ("Company")

Incorporated the 2nd day of August 1994. No: 2954612 The Companies Act 1985

As amended the 15th day of May 1996, the 22nd day of January, 1997, the 1st day of May, 1998, the 2nd day of December, 1999, the 14th day of April, 2000, 12th day of December, 2001, 26th day of May, 2006 and 11th day of June, 2009 and as further amended on 16 June 2011.

Non-Profit-Making Company Limited by Guarantee and not having a Share Capital

Objectives of the Company

- A. To represent the UK automatic vending industry with the UK Government and the institutions of the European Community in all matters of UK and EC legislation which might affect the design, production, export, import, sale, maintenance or operation of automatic vending machines, and the production, packaging, labelling and supply of goods and foodstuffs intended to be sold from automatic vending machines and in matters concerning coins and bank notes or other monetary alternatives in circulation or being designed in the Member States of the European Union;
- B. To centralise and circulate information about any subject regarding the automatic vending industry to the members of the company.
- C. To promote the exchange of information and experience between Members of the Company and to create and apply high and consistent standards for Members.
- D. To promote and represent the UK automatic vending industry in the UK and Europe.

1 DEFINITIONS

The 'automatic vending industry' means any or all of the following activities of any nature whatsoever undertaken in the United Kingdom:

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- i the manufacture, exportation, distribution and importation of automatic vending machines or related accessories, including machines for the refrigeration and dispensation water and other liquid refreshment systems;
- ii the manufacture or sale of consumables and commodities for use in automatic vending machines;
- iii the operation and maintenance of automatic vending machines;
- iv the sale, hire, lease, installation, maintenance or servicing of automatic vending machines;
- v the manufacture, installation or sale of component parts or accessories associated with automatic vending machines;
- vi the manufacture, import, export, distribution or maintenance of payment systems, currency counting, and or sorting equipment as well as automatic vending machine management solutions;

'Automatic vending machine' means a device aimed for the self-service sale or provision of goods and/or services that can be operated by entering a coin, a bank note, a token, a chip or other card/key or by other command (which shall specifically exclude entertainment and gambling machines).

The 'AVA Quality Standards' means the quality standards inter alia for setting, monitoring and maintaining quantifiable standards of service by Full Members and Associate Members as such standards are prescribed by the Board from time to time.

'Board' means the Board of Management of the Company comprising at least nine directors and the Chief Executive of the Company as constituted pursuant to Article 13.

'Postal ballot' means a ballot conducted under such procedures as the Board may from time to time determine but unless otherwise determined by the Board. Full Members only shall be entitled to vote on such ballot and the issue shall be determined by way of a simple majority of the votes received from those entitled to attend a General Meeting of the Company and entitled to vote on any resolution proposed by the board and/or the Company.

'Code of Conduct' means the code of required conduct for Full Members as

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prescribed by the Board from time to time and approved by Full Members in General Meeting or by way of Postal ballot.

'Close Associate' means a person, firm or company which, by reason of common ownership and/or use of a similar name, logo or trading style and/or common management or trading premises, is, in the reasonable opinion of the Board, perceived to be closely associated with a Member.

'Eligible Representative' means (in the case of a Full Member or Associate Member being a company) a director or employee of, or consultant to, that company or (in the case of a Full Member or Associate member being a firm) a partner in, employee of, or consultant to, that firm.

2 MEMBERSHIP

Membership may be Full, Associate, Affiliate, Personal, or Honorary.

Full Membership Persons, firms or companies whose core business activity is, or who have a core substantial business division which is, engaged in the automatic vending industry (as defined above) and/or any of the following activities shall be eligible for full membership with such voting rights, privileges, rights and obligations as shall attach thereto as may from time to time be prescribed by the Board:

- i the operation of automatic vending machines whether for the sale of commodities or services, other than on a self-operated location
- ii the manufacture, distribution or sale of consumables and commodities for use in automatic vending machines
- iii the manufacture, distribution, rental, hire or sale of automatic vending machines and/or the manufacture, installation, distribution or sale of component parts or accessories associated with automatic vending machines.

Full Membership shall be open to persons, firms or companies based in the United Kingdom and/or based in other countries of the European Union whether or not they have been trading for a continuous period of twelve months or more. The criteria for admission of a Full Member shall be at the discretion of the Board.

Companies that are subsidiary companies or associated companies in common ownership are eligible for Full Membership provided that the appropriate subscription as determined by the Board is paid, and each company in common ownership shall have such voting rights and such privileges, rights and obligations as shall be determined by the Board

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Associate Membership Persons, firms or companies otherwise eligible for Full Membership who either:

- i have conducted an eligible business entity as prescribed in the AVA Quality Standards for less than 12 months; or
- ii the Board have rejected their application for Full Membership and have extended an offer to the applicant to become an Associate Member.

Affiliate Membership Associations, bodies, persons, firms, or companies having interest in the activities of the Company and of the automatic vending industry (who are not eligible for Full or Associate Membership) shall be eligible for Affiliate Membership, without voting rights, but with such privileges, rights and obligations as shall be determined by the Board . Those based outside the European Union will be classified as Overseas Affiliates.

Personal Membership Individuals who have been accredited by the Board as being representatives of Full Member or Associate Member firms or companies or persons who have worked or have retired from the automatic vending industry whilst previously working for a Full or Associate Member or such other persons as the Board may determine shall be eligible for Personal Membership, without voting rights, but with such privileges, rights and obligations as shall be determined by the Board.

Honorary Membership Persons, having retired from the automatic vending industry, who in the opinion of the Board have rendered distinguished service to automatic vending industry and/or the Company shall be eligible for Honorary Membership, without voting rights, but with such privileges, rights and obligations as shall be determined by the Board.

Such Honorary Membership may be expressed to be granted for life or such other period as the Board may determine where the person honored has rendered the Company or the automatic vending industry outstanding service over a long period.

3 ELECTION

Full, Associate and Affiliate Members An applicant for Full, Associate or Affiliate Membership shall unless otherwise determined by the Board have conducted an eligible business entity as defined in Article 2 in the UK for at least 12 months before being considered for acceptance.

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An applicant for Full Membership shall demonstrate to the satisfaction of the Board that it can meet the requirements of the AVA Quality Standards and the Code of Conduct at the date of its application.

The application shall be accompanied by an undertaking signed by or on behalf of the applicant that, if elected, the applicant will abide by the AVA Quality Standards, the Code of Conduct and the Articles of Association of the Company for the time being in force.

An applicant for Associate Membership shall demonstrate to the satisfaction of the Board that it is capable of fulfilling the requirements of the AVA Quality Standards and the Code of Conduct within 12 months of acceptance of its application. The application shall be accompanied by an undertaking signed by or on behalf of the applicant that, if elected, the applicant will abide by (a) the AVA Quality Standards and the Code of Conduct by no later than 12 months from the date of acceptance of its application and (b) the Articles of Association of the Company as in each case from time to time in force.

Before consideration by the Board the name and address of the applicant shall be circulated in writing to all Members for their information and comment. A minimum period of one calendar month from the date of notification being circulated to all Members shall have elapsed between circulation of information to all Members and consideration by the Board. In the absence of any objections and queries being raised by any Member the Board shall thereafter admit the applicant as a new Full or Associate Member of the Company

Enquiries as the Board judge to be appropriate will be conducted of all applicants to ensure that they are fit and proper persons to be Members of the Company and that the manner in which they have conducted business previously has been consistent with the AVA Quality Standards and Code of Conduct at that time in force.

The Board shall be empowered to reject as well as to accept an application for membership having considered the information made available to it. In the event of a rejection:

- i written reasons for the rejection shall be provided upon request to the applicant; and
- ii the applicant shall be notified of his right to appeal under the Regulations prescribed pursuant to Article 15; and
- iii the applicant shall be notified as to whether or not an application by the applicant for Associate Membership would be accepted by the

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Board.

In the event that a majority decision regarding the application is not reached by the Board the application shall be referred to the next convenient General Meeting and providing the applicant then attains a majority of three-fourths of the votes cast by the Full Members then present and voting it shall be accepted.

As soon as reasonably possible after election a new Full or Associate Member shall be sent a copy of the AVA Quality Standards, the Code of Conduct and these Articles and shall signify his acceptance of them and shall be required to pay such entrance fee and/or annual subscription (or part thereof) as shall be approved from time to time by the Board.

No application for membership shall be valid if made within 1 year after a previous application by the same applicant has been rejected by the Board unless that subsequent application is for a different class of membership for which the Board, when making the earlier rejection, indicated it would be prepared to accept an application or is for the conversion of an Associate Membership into Full Membership.

4 TERMINATION OF MEMBERSHIP

Subject to Article 5 - Expulsion, applicants for membership (other than Associate and Honorary Membership) shall agree to continue in membership for a minimum period of one year following election after which time a Member shall be entitled to give not less than six months' notice of resignation in writing to the Company, such notice to expire on any thirtieth day of June or thirty-first day of December in any year, but shall remain liable to pay all annual fees and contributions payable by him under these Articles of Association or any Code of Conduct up to and until the date of expiry of such notice.

Associate Membership shall be for such fixed term not longer than 12 months or as the Board may stipulate in its discretion upon confirming acceptance of any such applicant.

Any Member becoming bankrupt or executing a Deed of Assignment for the benefit of compounding with his creditors or, in the case of a company, going into administration or liquidation (except for the purpose of amalgamation or reconstruction) shall ipso facto cease to be a Member.

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In the event of a Member entering into any amalgamation or reconstruction with another company or firm and certifying in writing that it has done so, such Member may apply in writing to the Company to have its membership transferred to such other company or firm and such application shall be considered and determined by the Board at its sole discretion.

The Board shall be empowered to reject as well as to accept an application for the transfer of membership and in the event of rejection:

- i written reasons for the rejection shall be provided upon request to the applicant; and
- ii the applicant shall be notified of his right to appeal under the Regulations prescribed pursuant to Article 15.

In the event of there being any change of control or ownership of any Member of the Company, which must be communicated to the AVA office within 28 days of the change, the Board may at its sole discretion:

- (i) at any time following receipt of notification of any such event immediately suspend the Membership and the rights and privileges afforded to that Member; and
- (ii) request that Member to re-apply for Membership of the Company in the manner prescribed by the Board and as contained in the Articles of Association of the Company

Any holding company or company becoming the new owner of any Full Member or Associate Member of the Company shall not automatically qualify as Member of the Company. An application for membership from a new owner of an existing Member shall in such circumstances be reviewed by the Board and the Board shall at its sole discretion determine the application as it sees fit. Any company acquiring another member shall be liable to pay the full subscription of the year in which the acquisition has taken place and 50% of the subscription of the following year

5 EXPULSION

The Board may by written notice expel or suspend any Member if that Member:

- i is guilty of any conduct which, in the reasonable opinion of the Board, brings that Member, the Company or any other Members into serious disrepute; or

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- ii is guilty of any conduct which, in the reasonable opinion of the Board, represents conduct unbefitting for a Member of the Company; or
- iii fails to observe any of the provisions of the AVA Quality Standards or the Code of Conduct or Articles of Association of the Company for the time being in force and applicable to that Member under the undertakings required of that Member under these Articles, and such non-observance continues after written warning from the Company; or
- iv is a Close Associate of a person, firm or company which is also engaged in the automatic vending industry and which (whether or not himself or itself a Member of the Company) is guilty of any such conduct as is specified in paragraphs i or ii above in this Article 5 or (being a Member of the Company) is guilty of any such failure as is specified in paragraph iii above in this Article 5.
- v. has an Eligible Representative who is a Director of the Company and such Director has acted in such manner as may give rise to an actual or potential conflict of interest between the relevant Member and the Company

Prior to exercising their discretion to expel or suspend a Member, the Board shall first invite that Member to attend before them to present his case or to make written representations. A failure on the part of the Member either to attend such a meeting or to make written representations shall not disqualify the Board from ruling on such expulsion or suspension.

At least four Members of the Board shall be present and shall vote on whether the Member shall be suspended from membership for a given period of time or whether the Member shall be expelled from membership forthwith.

In the event of such expulsion or suspension:

- i written reasons for the expulsion or suspension shall be provided upon request to the applicant; and
- ii the applicant shall be notified of his right to appeal under the Regulations prescribed pursuant to Article 15.

In the event of expulsion the Member shall remain liable to pay all contributions and outstanding annual fees payable by him under the Code of Conduct and/or these Articles of Association at the date of expulsion.

If any Member shall fail to pay any amount payable by him to the Company

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within three calendar months after a notice in writing requiring payment thereof shall have been sent to him, such Member shall lose all voting rights in respect of any votes to be taken at any General Meeting of the Company and may be liable to forfeit all benefits and privileges of membership but shall remain liable to pay all contributions and annual fees payable by him under the Code of Conduct and these Articles of Association. Any decision of the Board or the Company in respect of the expulsion of a Member or cancellation of membership in respect of a Member shall be final and binding on the relevant Member and shall not be the subject of any appeal.

Any Member who is expelled or whose membership is cancelled shall cease to describe himself as a Member and to have any right, title, interest, claim or property in the assets of the Company, or be entitled to any of the privileges or benefits of its Members or any of the activities conducted by it. Any expelled Member or Member who has had its membership cancelled shall forthwith cease to use the name, style and/or logo of the Company on any of its communications, correspondence, email, website content or other marketing materials.

6 REPRESENTATION OF CORPORATIONS AND FIRMS

Any Member which is a limited company may from time to time notify to the Company in writing the name of a responsible officer who shall represent the company and exercise on its behalf all the powers conferred by these Articles of Association upon an individual Member. In the case of a firm being a Member, any member of the firm may act as representative of his firm.

7 SUBSCRIPTION

The financial year of the Company shall commence on the first day of January, at which date subscriptions and annual fees for the then commencing financial year shall become due.

Each Member shall contribute to the expenses and if necessary the working capital of the Company such sum as shall from time to time be fixed by the Board.

All annual fees and subscription rates proposed for the following year shall be automatically increased (but not reduced) annually by the prevailing rate of the Retail Prices Index ("RPI") at such time as may be reasonably determined by the Board and any increase that will exceed the prevailing rate of RPI shall be proposed by the Board for approval by the Members at the AGM of the Company.

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Where an application is made in the name of a company with a low rate of automatic vending industry business turnover and in the opinion of the Company's Board is a subsidiary or associate of a company with a higher rate of vending business turnover but not itself a Member of the Company then the annual membership subscription to be charged shall be assessed at the level of such latter company.

Any Member recognised by the Board to be part of a Group of companies in membership and sharing a common controlling ownership shall pay such annual subscription as shall be determined by the Full Members in General Meeting.

Where an existing Member of the Company (or its assets) is acquired by another Member a membership subscription shall be charged 50% of the annual subscription fee for the former Member for the following one year. Thereafter the subscription will be based on the turnover of the acquirer member and the group subscription payable, if any.

Turnover where applied for the purpose of subscription assessment shall be defined as the annual business turnover of a Member derived from its total trading activities within the automatic vending industry as defined in Article 1 – Definitions, but shall be calculated net of Excise Duty and VAT. Calculation shall be based upon the Member's most recently completed year of account up to the end of September in the preceding year.

8 SPECIAL FUND

Member firms of the membership shall at any time be permitted to raise voluntary funds from amongst their number, over and above any sum determined in General Meeting as annual subscription, for special purposes and shall be entitled to apply such funds in pursuit of the Company's objects or any of them, provided that any such scheme for fund raising and the terms of reference under which a committee is to be formed and such moneys raised are to be applied, meet with the approval of the Company's Board and are considered by the Board to be in the interests of the Company.

The administrators of any fund to which the Company's name is associated shall make regular report to the Company's Board and at any time upon direction of the Board shall immediately dis-associate the name of the Company and an relationship of the Company with such fund or to the purposes for which it is applied.

The Board may its discretion initiate and implement the raising of funds from

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Full and Associate Members for such purposes as may be proposed and recommended by the Executive Committee of the Board and ratified by the Board. Any funds so raised from Full and Associate Members shall be applied solely for the purpose(s) for which they are collected and under no circumstances shall any collected funds be returned or re-distributed to any Members.

9 MEETINGS

General Meetings A General Meeting of the Members or any category thereof shall be held at such places, times and dates as the Board shall determine but so that a General Meeting shall be held not less than twice in each year, one of which shall be the Annual General Meeting.

Not less than twenty-one days notice of the date of the General Meeting shall be addressed and posted to each Member to his last notified address. A notice of the principal business to be discussed shall be given to Members prior to the date of the meeting. 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.

A meeting of Members within a Region of membership as defined by the Board shall be held at least once in each year for the purpose of regional discussions and shall be open to all Members with business premises or full time employees engaged in their business within such region. No more than six Regional Chairmen shall be appointed by the Chief Executive of the Company from amongst those eligible to attend and vote at such Regional meeting together with such other officers and Committee Members from the Board as may be required for regional development purposes. The appointment of a Regional Chairman shall be ratified by the Board at the first meeting of the Board following the appointment of the Regional Chairman. Any Regional Chairman shall not be entitled to be a Director of the Company or be entitled to attend or vote at any meeting of the Board. Only one Regional Chairman who shall be nominated by the Chief Executive of the Company may be elected onto the Board at any one time and any resignation or removal of such Regional Chairman so appointed shall automatically remove him from the Board.

Each Regional Chairman shall be elected to serve for two years

10 VOTES OF MEMBERS

Subject to the provisions of these Articles and the Companies Acts for the

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time being in force, any issue which is required to be determined by Members (or which the Board determine in their discretion to submit to Members) may be determined in General Meeting, or if the Board determine, by Postal ballot. No Full Member shall be entitled to vote either via Postal ballot or at a General Meeting unless all monies then payable by him to the Company have been paid in full. Subject thereto, at a General Meeting, each Full Member shall have one vote on a show of hands or on a poll.

The Board may determine to conduct a poll vote on a given resolution. On a poll votes may subject to the Articles of Association of the Company and the Companies Act be cast either personally or by a duly authorised representative or by proxy. Notice of all proposed resolutions shall be given in writing to each Member entitled to attend and vote at any General Meeting of the Company together with a due date by which proxy votes shall be delivered.

The instrument appointing a proxy shall be deposited at the Company's office not less than forty-eight hours before the time for holding the meeting at which it is proposed to be used. A proxy must be a Full Member of the Company.

Where a prior proxy has been given by a Member present at the meeting such proxy shall stand in place of any show of hand by such Member. In the case of dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.

11 APPOINTMENT OF BOARD MEMBERS

The Company in General Meeting shall appoint up to but no more than nine individuals to be members of the Board each of whom must be an individual Full Member or the Eligible Representative of a Full Member

In addition to the Directors of the Company, the Board shall comprise a Chairman (who shall be a Director), a Deputy Chairman, a Regional Chairman, the Chief Executive, a Treasurer and a European Affairs Representative (who shall be deemed to be officers of the Company) each of whom must be an individual Full Member or an Eligible Representative of a Full Member (other than the Chief Executive).

Each of the Directors and Chief Executive of the Company (to be appointed by the Board in accordance with Article 13) shall also be deemed to be an officer of the Company.

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Of the maximum number of nine Board Directors:

- i) no more than four shall be from businesses primarily concerned with the operation of automatic vending machines, of which
 - (a) at least 1 but no more than 2 shall be Eligible Representatives of Full Members with annual vending turnover in the United Kingdom of in excess of £10m; and
 - (b) at least 2 but no more than 3 shall be Eligible Representatives of Full Members with annual vending turnover in the United Kingdom of less than £10m; and
 - (c) no more than two shall be from businesses primarily concerned with the supply of vending commodities in the automatic vending industry; and
 - (d) no more than two shall be from businesses primarily concerned with the supply of vending machines or components for vending machines in the automatic vending industry.

Each such appointment by the Company in General Meeting shall be made at an Annual General Meeting, shall take effect from the closing of the General Meeting at which the appointment is made and shall expire at the closing of the next Annual General Meeting but one after the appointment becomes effective, save that:

- i) any appointment may be limited to expire at the closing of the next Annual General Meeting after the appointment becomes effective so as to ensure that 2 operators, 1 commodity and 1 machine and component representative on the Board are appointed in alternative years.
- ii) where any role falls vacant before the expiry of the appointment to it, a new appointment may be made at any General Meeting but, unless specified otherwise on the recommendation of the Board, such new appointment shall expire at the time when the original appointment so vacated would have expired; and
- iii) any such appointment may be made by way of Postal ballot of the members in accordance with Article 10 in which case the appointment

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shall take effect from the closing of the next Annual General Meeting after the ballot (save in the circumstances referred to at ii above when it will be effective forthwith).

A past member of the Board shall be eligible for a subsequent appointment or appointments to the Board pursuant to this Article (whether to the same or a different role).

No appointment pursuant to this Article shall be valid if it would cause any Member to have more than two Eligible Representatives as members of the Board at the same time or to have more than one Eligible Representative serving at the same time in any one of the separate categories of Board membership

12 EXECUTIVE COMMITTEE AND MANAGEMENT [ADVISORY] COMMITTEE

The appointed Chairman, Deputy Chairman, Immediate Past Chairman, European Affairs Representative Chief Executive and Treasurer shall comprise an Executive Committee answerable to the Board and the Board shall delegate to the Executive Committee such powers to take action or otherwise make recommendation upon any matters within the duties of the Board which may be deemed to require urgent attention in the interests of the Members and/or Company.

The Board [and the Executive Committee] may at any time appoint no more than [12] representatives of selected Members to be part of a Management [Advisory] Committee. Any representative of a Member so appointed shall have been duly authorised by notice in writing to the Board to be the duly authorised representative of that Member.

The Management [Advisory] Committee shall adopt the function of being a committee of Member representatives who may be called upon to advise the Board, or be consulted, on Company matters that may concern or affect Members generally.

A duly appointed member of the Management [Advisory] Committee may be removed from the Committee by written notice from the Board, and no member of such committee shall be entitled to be appointed to the Management [Advisory] Committee for any period exceeding [2] years.

The terms of reference of the Management [Advisory] Committee shall be as prescribed by the Board [and the Executive Committee] from time to time.

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13. THE BOARD

The affairs of the Company shall be managed by a Board which shall comprise:

The 9 appointed Board Members and the Executive Committee and where required the Management [Advisory] Committee

The Board shall appoint (and may remove from office) a person to serve as Director and Chief Executive of the Company for such period, on such terms (including remuneration) and with such powers as it shall decide (but subject always to the specific provisions of these Articles).

The Board shall meet as often as may be required upon reasonable notice and a meeting may be convened at any time by written request of either the Chairman, the Company's Director and Chief Executive, or any three Members of the Board.

At their first meeting following upon an Annual General Meeting the Board shall appoint from amongst their number a Chairman and a Deputy Chairman to act in the Chairman's absence.

In the absence of the Chairman and the Deputy Chairman the Board shall appoint from amongst their number a chairman to conduct the business of the meeting and to act in the Chairman's absence.

A Member shall not retain a seat on the Board if the company or firm which he represents has given notice of resignation to the Company, has retired from membership, or is under notice of suspension or expulsion from membership, or if he is no longer an individual Full Member or an Eligible Representative of a Full Member.

At meetings of the Board the Directors present shall be entitled to vote as individuals only without right to plurality of votes, save only that the Chairman shall be entitled to a casting vote in addition to his own.

The Board shall cause minutes to be made of all resolutions and proceedings of meetings of the Board and the Company's Committees and General Meetings and such minutes shall be open to inspection by Full Members at all reasonable times.

The duties of the Board shall be:

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- i to manage the affairs of the Company, to formulate policies, and to act in pursuit of the Company's objects and these Articles;
- ii to elect Members and to deal with membership matters as allowed for in these Articles;
- iii to fix places, times and dates of General Meetings of the Members or any category thereof;
- iv to form Committees or sub-Committees to deal with any matter within the scope of the Company and to discharge all costs and expenses properly incurred on behalf of the Company;
- v to engage, where necessary, officials, staff, advisers, arbitrators and agents of the Company and to discharge all costs and expenses properly incurred on behalf of the Company;
- vi to fill, until the next General Meeting, any casual vacancy which may occur on the Board or in the office of Auditor;
- vii to decide, subject to the provisions of Article 23, any dispute which may arise between Members concerning any matter connected with the Company or its Articles and to deal with such complaints regarding the conduct or action of a Member as have been brought to the attention of the Company;
- viii to deal with unforeseen contingencies affecting the Company not provided for in these Articles; and
- ix to co-opt to the Board as and when deemed necessary and for such periods as may be required such Member or Members (or its or their representative) who have specialist knowledge or representing specific interests within the membership as would assist the Board in fulfilment of their duties.

The Board shall have power to make (and, from time to time, amend) regulations concerning any forms, procedures or matters relating to the Company which are expressly delegated to them under these Articles or which otherwise relate to the conduct of the Company's affairs or the implementation of its objects (including the the AVA Quality Standard and the Code of Conduct), and any such regulations or amendments so made shall be binding on the Members of the Company; PROVIDED THAT:

- i any such regulations or amendments so made shall be notified to the Members forthwith and shall not have effect until so notified;
- ii such regulations or amendments shall not be inconsistent with any express provision of these Articles or of the Company's Memorandum of Association and, in the event of any such inconsistency, these Articles or the Memorandum of Association (as the case may be) shall prevail; and

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- iii) any such regulations or amendments may be revoked or altered at any time by resolution of the Members in accordance with Article 10.

14 COMMITTEES

At its first meeting in each year the Board shall appoint

- i) A Finance Committee chaired by one of the serving members of the Board and comprised of 4 members of which two shall be Directors
- ii) Three Sector Committees - Operators, Machines and Components, Commodities - each chaired by one of the serving members of the Board and comprised of no more than 15 Full or Associate Members and of which two shall be Directors
- iii) A Technical Committee comprised of no more than 15 Full or Associate Members to include at least one serving member of the Board. The Technical Committee to appoint a chairman from amongst their number.
- iv) Such other Committees as it shall determine. A serving Board Member must be one of the members of each committee so formed.
- v) the Management [Advisory] Committee

15 APPEAL COMMITTEES

At any meeting the Board shall be empowered to appoint one or more Appeal Committees to hear appeals on decisions of the Board for which express rights of appeal are provided under the provisions of these Articles of Association for the time being.

The Board shall make regulations to prescribe the procedures to be followed in relation to any such appeal. In hearing and determining an appeal, an Appeal Committee for this purpose shall exclude any members of the Board who have previously considered and voted upon the decision the subject of the appeal. The decision of any Appeal Committee shall be final and binding on all relevant Members.

16 QUORUM

The quorum for a General Meeting shall be ten Full Members entitled to vote, inclusive of a Chairman.

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The quorum for a Meeting of the Board shall be four (4), inclusive of a Chairman.

The quorum for meetings of the Standing Committees shall be 3, inclusive of a Chairman and at least one Director of the Board present in person or by duly appointed alternate .

17 INDEMNITY OF OFFICERS

The Company shall keep indemnified all the Officers of the Company against all costs, expenses, actions, claims and demands which they may incur, sustain or be put to in connection with or in consequence of the business or affairs of the Company and within the scope of their authority. All moneys payable under the provisions of this Article by way of indemnity shall be deemed to be part of the working expenses of the Company.

The Company shall at its cost arrange appropriate and adequate Directors' & Officers liability insurance to be effected and maintained in respect of all Directors and officers of the Company.

18 SECRETARY

The Company shall have a secretary who shall be appointed by the Board for such term at such remuneration and upon such conditions as they may think fit.

19 SEAL

The seal of the Company shall not be affixed to any instrument except by authority of a resolution of the Board and except in the presence of at least one Member of the Board and the Company Secretary both of whom shall sign the instrument.

20 AUDIT

Auditors shall be appointed and their duties regulated in accordance with the Companies Act 2006 (as may be amended from time to time)

21 DISPUTES AND COMPLAINTS

In case any difference shall arise between Members concerning any matters connected with the Company or its Articles, other than normal legal or

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commercial disputes arising in the course of business, and the parties concerned fail to come to an agreement, the matter in dispute together with evidence submitted by the parties concerned shall be referred in writing to the Board for their ruling.

In the event of a complaint from any other source, other than normal legal or commercial disputes arising in the course of business, the Board shall have power to require that any Member against whom a complaint has been laid shall appear or be represented or submit evidence in writing to the Board so that the Board may suggest any action to be taken or not to be taken in settlement of the complaint in order to protect the interests of the Member.

In the event of a dispute or complaint existing solely between a Member and the Board representing the Company the dispute shall immediately be placed before an independent arbitrator for decision in which event the arbitrator shall also adjudicate as to the party who shall be responsible for payment of his costs.

22 DISSOLUTION

The Company may be dissolved only upon the recommendation of the Board and by the votes of a majority of not less than three-fourths of the Full Members present and voting by poll at a General Meeting convened for that specific purpose, or signified and recorded by letters signed by such majority of Full Members. Not less than one calendar month's notice shall be given to all Members of any proposal to dissolve the Company.

In the event of the winding up of the Company any general balance of funds accruing to the Company after payment of all due charges and prior claims shall not be paid to or distributed among the Full Members but shall be given or transferred to some other body or bodies having objects similar to the objects of the Company or to any charity or charities.

Any balance of Special Funds raised under Article 8 and remaining shall (subject to the prior agreement of the Board) be returned to the Fund's subscribing Members in proportion to the amounts contributed by them and shall not be applied in settling any general indebtedness of the Company.

23 ALTERATION OF ARTICLES

These Articles or any of them may from time to time be rescinded or altered or added to at a poll conducted in General Meeting provided that not less than twenty-one days' written notice of the proposed modification or addition

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shall have been addressed and posted to each Member to his last notified address and provided that such modification or addition shall be approved by a majority of not less than three-fourths of the Full Members present in person or by proxy and voting at such meeting.