

THE COMPANIES ACT 2006  
COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

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**ARTICLES OF ASSOCIATION**

**OF**

**GMÜND HERITAGE LIMITED**  
**("the Company")**  
**Trading as Porsche Club Great Britain**

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- Amended by Special Resolution dated 19<sup>th</sup> January 2022

**1(a)** The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) as amended by the Companies (Tables A to F) (Amendments) Regulations (1985) (SI 1985 No. 1052) (such Table being hereinafter called “Table A”) the Companies (Tables A to F) Amendment Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826) shall not apply to the Company and these Articles hereinafter contained shall be the regulations of the Company.

**1(b)** In these articles the following words shall have the following meanings:-

<b>WORDS</b>	<b>MEANING</b>
The Act	The provisions of (i) the Companies Act 1985 and (ii) the Companies Act 2006 as amended and in force prior to the amendment of these Articles (including any statutory modification or re-enactment thereof for the time being in force)
These Articles	These Articles of Association, and the regulations of the Company from time to time in force
Auditor	The auditor appointed by the Club from time to time
The Board of Directors	The Board of Directors for the time being of the Club
The Club	The above named Company
Director	Any Director of the Club
Electronic General Meeting	The meaning set out in Article 15(b)
electronic platform	Any form of electronic platform, device, system, procedure, method or facility providing a non-physical means of attending and/or participating in a General Meeting of the Company (or participating in the taking of a poll) which is approved by the Board of Directors (or, in relation to Article 18 or Article 22, by the Chairman of the General Meeting) for the purposes of these Articles
Intellectual Property	Patents, trademarks, service marks, rights in designs, trade names, copyrights in any drawings, designs, plans, specifications, manuals, computer software and computer data (including websites), films, photographs, text content, topography, maps, concepts, ideas and trade secrets, specifications in respect of products and packaging specifications and any know-how, whether or not any of these is registered and including applications for any such right, matter or thing or registration thereof and any right under licenses or consents in relation to any such right, matter or thing and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world and all other information necessary for the technical exploitation of any of the same, and “Intellectual Property Rights” shall be construed accordingly

Know-How	Any skills, knowledge, experience, technical information or techniques of whatsoever nature utilised or gained by the relevant person in the course of the Club's business
Manifesto	A statement, in no more than two hundred and fifty words, comprising the personal attributes of the Member which are relevant to the Member becoming a Director of the Club and which may include details of any work the Member has performed for the Club in the past
Member	A Member of the Club
Month	Calendar Month
Porsche Centre	A Porsche Centre designated as such by Porsche Cars Great Britain Limited or any company that is a successor in title to or carries on the business thereof
Regional Organiser	A Member chosen by the Board of Directors to supervise the organisation of Members' activities in a geographic region of the UK, Isle of Man or Channel Islands
Register Secretary	A Member chosen by the Board of Directors to supervise the maintenance of a register for a particular model of Porsche car
The Registered Office	The registered office for the time being of the Club
Seal	The Common Seal of the Club

**1(c)** Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine gender; and words importing persons shall include corporation.

The headings are inserted for convenience only and shall not affect the construction of these Articles.

Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Club shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

**2.** The maximum number of Members with which the Club proposes to be registered is 20,000 but the Board of Directors may from time to time register an increase in such maximum number.

**3.** Every Member of the Club shall deliver an application to become a Member and the Club shall keep a register of its Members comprising their names and addresses and the date on which each person was both registered as a Member and ceased to be a Member.

4. The Club is established for the purposes expressed in the Memorandum of Association.

5. The subscribers to the Memorandum of Association and such other persons as the Board of Directors shall admit to membership in accordance with the provisions hereinafter contained shall be Members of the Club.

6. There shall be 5 classes of membership, namely (a) Full (b) Honorary (c) Joint (d) Junior, and (e) Associate.

7(i) The qualifications for each class of membership shall be as follows:-

- (a) Full any person of 18 years or over who owns or co-owns (with not more than one other person) a Porsche car. The Full Member is also termed the "Principal Member" in the case of joint ownership.
- (b) Honorary a form of Membership to be offered at the absolute discretion of the Board of Directors. The Honorary Member is also termed the "Principal Member" in the case of a joint ownership.
- (c) Joint any one person of 18 years or over resident at the same address as a Full or Honorary Member (hereinafter called the "Principal Member") may at any time apply for membership as a Joint Member provided that on cessation of membership for any reason of the Principal Member all rights of the aforementioned Joint Member shall immediately cease. The subscription shall always be payable by the Principal Member.
- (d) Junior Any person under 18 years of age whose parent or guardian is a Member and whose rights shall be determined by the Board of Directors from time to time.
- (e) Associate Any person aged 18 years or over who does not own or co-own (with not more than one other person) a Porsche car. The number of Associate Members at any one time shall not exceed 25% of the total membership of the Club from time to time.

For the purposes solely of determining annual subscriptions any Member whose registered address is or becomes outside the United Kingdom may in addition be designated an Overseas Member.

7(ii) The special rights and duties attaching to each class of membership are as follows:

Rights and Duties	Class of Membership				
	Full	Honorary	Joint	Junior	Associate
Contribute on Winding Up	✓	x	✓	x	✓
Vote at General Meetings	✓	✓	✓	x	✓
Eligible to a Director	✓	✓	✓	x	x
Pay Annual Subscription	✓	x	✓	x	✓

**8(a)** A Joint Member is eligible to be a Director provided that he/she owns or co-owns (with not more than one other person) a Porsche car and provided that the Joint Member shall not be appointed or hold office as a Director whilst the Principal Member is a Director. An Honorary Member is eligible to be a Director provided that he/she owns or co-owns (with not more than one other person) a Porsche car.

**8(b)** A Member who co-owns a Porsche car is not eligible to be a Director at any time during which the other co-owner of the car is a Director.

**9.** Any person desiring to be admitted to membership of the Club must deliver to the Membership Secretary for the time being of the Club an application for admission framed in such terms as the Board of Directors may from time to time require, together with the appropriate subscription for the first year.

**10.** Any application for membership of the Club may be considered by the Board of Directors who shall have an absolute right of admitting or refusing any applications without explanation. The decision of the Board of Directors as to admission or otherwise shall be final and shall be communicated to the applicant forthwith.

**11.** Any Member whose annual subscription is unpaid after three months of the due date in any year shall cease to be a Member of the Club, and shall forfeit all rights in claims upon the Club and its property and shall from the date the annual subscription fell due cease to be entitled to any benefits of membership of the Club.

**12.** The Board of Directors shall have power to request the resignation of any Member or to determine any Member's membership but before the Board of Directors may determine any Member's membership, the question of his membership must be submitted to a meeting of the Board of Directors. Not less than 21 days' notice in writing of the meeting and its time and place shall be given to the Member concerned together with the nature of complaints against him, all the evidence on which it is intended to rely and the intended resolution of the Board of Directors to determine his membership and he must be given an opportunity of appearing before the Directors at such meeting and he must be allowed to offer an explanation or defence of his conduct verbally and in writing. All Directors of the Club shall be present at such meeting (with the exception of not more than one Director who need not be physically present but must be involved in discussions, resolutions and voting on any decision at such meeting). If after the meeting not less than two-thirds of the whole Board of Directors shall resolve that such Member is guilty of an act of gross misconduct or of bringing the Club into disrepute or of conduct injurious to the best interests of the Club or its members and that the Member has failed to justify or explain his conduct satisfactorily, the Member's membership will be determined and the Member shall be notified in writing by recorded delivery of the decision forthwith. Within twenty eight days of the receipt of the decision, such a Member may inform the Club Secretary by way of notice in writing of his intention to appeal the decision (the "Appeal Notice"). Within fourteen days of receipt of an Appeal Notice, the Club Secretary must notify the Club's Auditor in writing (the "Hearing Committee Notice") of the need to form a hearing committee to hear the appeal (the "Hearing Committee"). The Hearing Committee is to comprise seven Members who are willing to act and who are to be chosen by the Club's Auditor at random (without any reference to any Director or the Member who has appealed) from the Club's Regional Organisers and Register Secretaries. The Club's Auditor shall notify the Club's Secretary

of the Hearing Committee Members within seven days of receipt of the Hearing Committee Notice. Both the Member who has appealed and not more than one Director may be present to make representations at the hearing of the Hearing Committee provided that neither the Member who has appealed nor any Director shall discuss with any of the Hearing Committee Members, prior to the hearing, the evidence against the Member and/or the Member's defence. The decision made by the Hearing Committee shall be given at the end of the hearing and shall be final and binding on the parties, shall be decided by a majority of votes of the Hearing Committee, and shall be notified in writing by recorded delivery to the Member who has appealed and the Board of Directors forthwith. The hearing shall be heard at the Registered Office of the Club at a date and time convenient to all parties attending, but in any event, within sixty days of receipt of the Appeal Notice and such date and time shall be arranged by the Club's Secretary. Prior to a successful appeal, the Member's membership shall remain determined. Upon any membership being determined under this Article such Member's subscription for the current year may be refunded to him wholly or in part at the discretion of the Board of Directors.

**13.** Any Member wishing to retire from the Club shall give written notice of resignation to the Membership Secretary at least one calendar month prior to the end of their Membership year. Subject to Article 12 subscriptions are not refundable once paid.

### **GENERAL MEETINGS**

**14.** An Annual General Meeting of the Club shall be held once every calendar year at such time and place as may be determined by the Board of Directors provided that every Annual General Meeting shall be held not more than 15 months after the holding of the last preceding Annual General Meeting. All other General Meetings shall be called Extraordinary General Meetings.

**15(a)** The Board of Directors may call an Extraordinary General Meeting whenever it thinks fit, and shall call an Extraordinary General Meeting on the requisition of at least 50 Members entitled to attend and vote at General Meetings. Notice of such meeting shall be given by the Board of Directors within 8 weeks of receipt of the requisition and such meeting shall be convened on a date not less than 28 days nor more than 42 days after the date of the notice. In the event of failure by the Board of Directors to confirm to the requisitionists within 14 days of receipt of the requisition that notice of the Meeting will be given or in the event of a failure by the Board of Directors to give notice of the meeting, the requisitionists may give notice of the Meeting (which shall be convened on a date not less than 28 days nor more than 42 days after the date of the notice) in the Club's monthly publication in a prominent position. Sections 303, 304 and 305 of the Companies Act 2006 shall be varied accordingly.

**15(b)** The Board of Directors may determine that an Annual General Meeting or an Extraordinary General Meeting shall be held as a physical meeting or in combination with an electronic platform that enables Members (or their proxies) to participate in the meeting without physically attending. An Annual General Meeting or Extraordinary General Meeting held partially on an electronic platform, in combination with a physical meeting, is referred to in these Articles as an "Electronic General Meeting".

**15(c)** The Board of Directors may make arrangements for an electronic platform, approved by the Board of Directors, to permit Members or their proxies who are not present together at the same physical place to attend, speak and vote at an Electronic General Meeting by means of such

electronic platform, and to permit Directors or others to attend and speak, and the Chairman of the meeting to preside, at an Electronic General Meeting by means of such electronic platform. That meeting shall be duly constituted and its proceedings valid if the Chairman of the meeting is satisfied that adequate facilities are available throughout the Electronic General Meeting to ensure that Members (or their proxies) attending the Electronic General Meeting may participate in the business of the meeting. If at any time it appears to the Chairman of an Electronic General Meeting that the relevant electronic platform has become inadequate for the purposes referred to in this Article 15(c), the Chairman may, without the consent of the meeting, adjourn such Electronic General Meeting. All business conducted at that meeting up to the time of such adjournment shall be valid. All provisions of these Articles applicable to adjournments of any General Meeting of the Company (including Articles 18 and 19) shall apply, as the context permits, in respect of any such adjournment.

**15(d)** The notice of an Electronic General Meeting shall specify the physical place of that meeting and shall specify the electronic platform and the arrangements by which Members or their proxies may participate in the meeting.

**15(e)** A Member who is entitled to vote and who participates by means of an electronic platform at an Electronic General Meeting shall be counted in the quorum for that meeting.

**15(f)** The Board of Directors may make arrangements for any documents which are required to be made available to an Electronic General Meeting to be accessible electronically by Members or their proxies.

**15(g)** Nothing in these Articles prevents an Annual General Meeting or an Extraordinary General Meeting being held only at a physical location, but no Annual General Meeting or Extraordinary General Meeting can be held solely on an electronic platform.

**15(h)** Where the Board of Directors (or, in the case of an adjourned meeting or participation in a poll, the Chairman of the relevant General Meeting) determines to enable Members (or their proxies) to attend and participate in a General Meeting (or to participate in the taking of a poll) by means of an electronic platform in accordance with these Articles, the Board of Directors may make any arrangement or impose any restriction which it considers appropriate in order to ensure the identification of those participating in the Electronic General Meeting (or the poll) by means of an electronic platform and the security of the associated electronic communications. Any such arrangement or restriction must, in the opinion of the Board of Directors, be proportionate to achieving the objective of this Article 15(h).

**16(a)** 28 days notice of all General Meetings shall be given to all Members and to the Auditor of the Club from time to time. The notice shall in each case specify the time and place of the Meeting and the general nature of the business to be transacted and shall, if the Meeting is to be held as an Electronic General Meeting, comply with the provisions of Article 15(d). In the case of an Annual General Meeting the notice shall specify the Meeting as such. The accidental omission to give notice of a Meeting to, or the non-receipt of such notice by any Member shall not invalidate any resolution passed, or proceedings made at any Meeting.

**16(b)** Questions may be raised at a General Meeting by any Member entitled to vote and attend at a General Meeting. Preferably, questions are to be received in writing at the Registered Office of the Company at least 14 days before the date of the Meeting. There is no limit to the number of questions

that can be asked by any Member at an Annual General Meeting or Extraordinary General Meeting. The Chairman at his discretion, may choose to provide the answer(s) in writing at the commencement of the General Meeting to previously received written questions so as to avoid the proceedings being unduly interrupted, provided that the written questions and written answers thereto shall be included in and form part of the published minutes of the General Meeting.

**16(c)** A resolution at an Annual General Meeting may be proposed by a group of at least 50 Members entitled to vote and attend at such Meeting (provided it is received at the Registered Office of the Club by the 31<sup>st</sup> January which immediately precedes the date of such Meeting). Such resolution shall be circulated by the Club together with the notice of the Meeting.

**16(d)** An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

Notice of the proposed amendment is given to the Club 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 Chairman of the meeting may determine) and

- (i) The proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.

**16(e)** A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- (i) The Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed and
- (ii) The amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

**16(f)** If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

**17.** No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. The quorum for General Meetings shall be as follows:-

- (i) Annual General Meetings – 50 members entitled to attend and vote at such meeting.
- (ii) Extraordinary General Meetings – 50 Members entitled to attend and vote at such meetings.

**18.** If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other place as the Chairman shall appoint, (and, if such General Meeting is an Electronic General Meeting, using corresponding arrangements, or such other arrangements as the Chairman may specify, for participation by way of an electronic platform) and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum.



**19.** With the consent of any meeting at which a quorum is present, the Chairman may adjourn a meeting from time to time, and from place to place, as the meeting shall determine. No notice need be given of an adjourned meeting and no business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

**20.** The Chairman, or failing him, the Vice-Chairman, or failing him, the senior Member present of the Board of Directors, or failing any Member of the Board of Directors being present, such Member as the Members present shall choose, shall preside at every General Meeting.

**21.** Other than as required by the Act or expressly provided in these Articles (and save in relation to any General Meeting in respect of which it has been determined by the Board of Directors that all resolutions will be voted on by a poll, without first being voted on by a show of hands), at all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman or by at least five Members present in person or by proxy and entitled to vote. Unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive and an entry to that effect in the Minute Book of the Club shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

**22.** If a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner (including through the use of an electronic platform approved by the Chairman of the meeting), as the Chairman of the meeting shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

**23.** No poll shall be demanded on the election of a Chairman of a meeting, or on any question of adjournment.

**24.** In the case of an equality of votes, either on a show of hands or at the poll the Chairman of the meeting shall be entitled to a further or casting vote.

**25.** The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## **VOTES OF MEMBERS**

**26.** Subject as herein expressly provided every Member other than Junior shall have one vote.

**27.** Save as herein expressly provided, no person other than a Member duly registered and who shall have paid every subscription and other sum (if any) which shall be due and payable to the Club in respect of his membership, shall be entitled to be present (including by way of an electronic platform) or to vote on any question at any General Meeting.

**27A(a)** All Members shall be entitled to exercise their vote by proxy. A Member may appoint one person, who need not be a Member of the Company, to act as his or her proxy.

**27A(b)** An appointment of a proxy shall not be valid unless:

- (1) in the case of an instrument in hard copy form it is deposited at the Registered Office (or at such other place or places within Great Britain as may be specified in the notice convening the meeting to which it relates) not less than 48 hours before the time fixed for the commencement of the meeting to which it relates;
- (2) in the case of an appointment made by electronic means, where an address has been specified for the purpose of receiving instruments of proxy submitted by electronic means in the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, or in any invitation to appoint a proxy contained in any document (whether or not in electronic form) issued by the Company in relation to the meeting, it is received at such address not less than 48 hours before the time fixed for the commencement of the meeting to which it relates.

**27A(c)** In calculating the period of 48 hours referred to in Article 27A(b)(i) or Article 27A(b)(ii) no account shall be taken of any part of a day that is not a working day.

### **THE BOARD OF DIRECTORS**

**28(a)** The Board of Directors shall consist of not less than 7 Directors. Directors shall be elected at the Annual General Meeting of the Club in accordance with this Article 28. However, in the event of a Director vacating office, the Board may continue with 6 Directors until the next following Annual General Meeting. Save as set out in this Article 28, in order to be eligible to be a Director, a Member must have been either (i) a Regional Organiser or Register Secretary for not less than 2 years immediately prior to application for election, or (ii) a Member of the Club for not less than 3 years immediately prior to application for election. Further, to be eligible to be a Director, the Member must own or co-own (with not more than one other person) a Porsche car at the time of application for election and at the time of election and be resident in the United Kingdom, Isle of Man or Channel islands at the time of application for election and at the time of election. Eligible Members must be nominated by a fellow Member for election to the Board of Directors and must have indicated in writing their willingness to serve on the Board of Directors and prepared a Manifesto for election ("Manifesto"). The nomination, indication of willingness to serve and Manifesto must be received at the Registered Office of the Club no later than the date prescribed by the Board of Directors in the Club's monthly publication in a prominent position. Proof of ownership or co-ownership of a Porsche car shall also be provided at this time and shall comprise

(i) a UK Registration Certificate showing the individual is the Registered Keeper of the car (if the applicant is the Registered Keeper), (ii) a declaration (in the form prescribed by the Board of Directors) made by the applicant confirming that the applicant is the owner or co-owner (as the case may be) of a Porsche car at the time of application and will be the owner or co-owner of the Porsche car at the time of election. The requirement to have been either a Regional Organiser or Register Secretary for not less than 2 years or a Member for not less than 3 years may be waived by the Board of Directors for the election of finance director who should be a qualified Accountant. No one is eligible to be a Director of the Club if, within the period of five years immediately prior to application for election, either a bankruptcy order has been made against that person or a composition has been made with that person's creditors generally in satisfaction of that person's debts. Furthermore, for the avoidance of doubt, no one is eligible to be a Director of the Club if he is not a Member.

**28(b)(i)** Where more than one eligible candidate nomination is received for a Director vacancy, the Director shall be elected by the eligible Members of the Club by official ballot, in which case ballot papers and the Manifestos shall be sent to all Members eligible to vote. Every Member who wishes to vote must sign and return the ballot paper to an independent accountant nominated by the Board of Directors for the verification and counting by the date specified on the ballot paper which shall be no later than 7 days before the Annual General Meeting. The result counted and provided by the Board of Directors by such accountant shall be final and binding. The result shall be declared at the Annual General Meeting.

**28(b)(ii)** If only one candidate nomination is received for a Director vacancy, such candidate shall stand for election at the Annual General Meeting. Prior to a vote by a show of hands taking place, the Board of Directors shall provide a copy of the candidate's manifesto to all those Members present at the Annual General Meeting.

**28(b)(iii)** If no candidate nomination is received for a Director vacancy, or if the one candidate nominated is not elected pursuant to Article 28(b)(ii) the Board of Directors shall be entitled to propose a suitable candidate who shall stand for election at the Annual General Meeting. The candidate proposed shall provide to the Board of Directors a Manifesto. Prior to a vote by a show of hands taking place, the Manifesto shall be provided by the Board of Directors to all those Members present at the Annual General Meeting. The Manifesto shall be provided preferably by a copy of it being distributed to the aforesaid Members, but it may be provided verbally. The candidate shall be elected on a majority show of hands.

**29(a)** Subject as provided herein, each Director, subject to termination of office by resignation or otherwise, shall remain in such office until the second Annual General Meeting following election by Members. This is the term of office. The retiring Members of the Board of Directors shall be eligible for re-election once only and shall not serve as a Director for more than two consecutive terms. A retiring Director who has served as a Director for two consecutive terms shall be entitled to serve as a Director again once he has spent at least one year out of office, or if less, the period between the date of the Annual General Meeting at which he retired and the date of the following Annual General Meeting.

**29(b)** The Board of Directors shall appoint from amongst its Members a Chairman and a Vice-Chairman, who shall remain in office for his term as Director, and may be re-appointed for a second term.

**30.** The Board of Directors may, except in the four months prior to and four months after any Annual General Meeting, appoint any Member of the Club who satisfies the requirements set out in Article 28(a) as a Director either to fill a casual vacancy or by way of addition. Any Member so appointed shall, subject to termination of office by way of resignation or otherwise, hold temporary office until the next Annual General Meeting at which he/she shall be eligible for election in accordance with Article 28(a) and 28(b). Any restriction on the number of consecutive terms a Director so appointed shall serve, shall apply from the date of first election at an Annual General Meeting. If the Board of Directors shall be reduced in number to less than six, the appointment of a Director or Directors pursuant to this clause shall be permitted even though it is within the period of four months prior to or after an Annual General Meeting but only so that the number of Directors after such appointment or appointments shall be no more than six. Furthermore, despite the

prohibition on the Board appointing a Director within the period of 4 months prior to or after an Annual General Meeting, if, immediately after an Annual General Meeting, the number of Directors is less than seven, the Board of Directors shall immediately appoint a Director or Directors to increase the number of Directors to seven.

**31.** No person who is a Director of or an employee of Porsche AG and /or Porsche Cars Great Britain Limited (or any company that is a successor in title to or carries on the business thereof) or of a Porsche Centre or who is an employee of the Club shall be entitled to become a Director, or shall be a Director of the Club.

### **EXPENSES AND INTERESTS OF THE BOARD OF DIRECTORS**

**32(a)** The Chairman and the Directors may be paid such sums in respect of lost professional earnings as the Board of Directors may think fit, with at least a majority of two, and all reasonable expenses properly incurred by them in connection with attendance at meetings of the Board of Directors or committees thereof or otherwise in connection with the discharge of their duties.

**32(b)** No officer or employee of the Club shall be disqualified by his office from being appointed or requested by the Board of Directors or otherwise to act as arbitrator or to give his professional services or to perform any special services or to make special exertions of any nature whatsoever for any of the purposes of the Club or from accepting any remuneration or reward by way of fees or otherwise in respect of any arbitration or award or the provision of such services.

**32(c)** Each Director owes various fiduciary duties to the Club including those contained in any legislation in force from time to time. The duties include, without limitation:

- (1) A duty to act in accordance with these Articles and only exercise powers for the purpose for which they are conferred.
- (2) A duty to act in the way he considers, in good faith, would be most likely to promote the success of the Club for the benefit of its Members having regard to, inter alia, the likely consequences of any decision, the interests of employees, the need to foster relationships with suppliers and others, the impact on the community and the Club's reputation.
- (3) A duty to exercise independent judgment.
- (4) A duty to exercise reasonable care, skill and diligence having in mind the general knowledge, skill and experience that the Director has, together with such general knowledge, skill and experience that a person carrying out the Director's functions would reasonably be expected to have.
- (5) A duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Club. This applies in particular to the exploitation of any property, information or opportunity (and this duty shall subsist with regard to the exploitation of any property, information or opportunity for a period of two years from termination of the Director's period of office).

- (6) A duty not to accept a benefit from a third party conferred by reason of his being a Director (and this duty shall subsist for a period of two years from termination of the Director's period of office).
- (7) A duty to declare the nature and extent of any direct or indirect interest in any proposed transaction or arrangement with the Club, such declaration to be made at a meeting of Directors or by notice in writing given to the Directors.

All Intellectual Property of the kind defined in Article 1(b) developed by a Director for the purposes of the Club shall be owned by the Club and such Director shall forthwith on the Club's request unconditionally assign to the Club with full title guarantee such Intellectual Property. Where such Intellectual Property relates to copyright work, the Director shall waive his/her moral rights to the work unless otherwise agreed in writing by the Board of Directors. Any work commissioned for or on behalf of the Club by a Director, any Member of the Club or a servant of the Club shall be the property of the Club and such Director, Member or servant shall forthwith procure unconditional agreement to assign with full title guarantee all Intellectual Property and title to such work or property to the Club prior to commencement of effecting such commission unless the Board of Directors otherwise direct. Where such work incorporates copyright, a waiver of moral rights shall also be procured and such commission shall be conditional upon the waiver unless the Board of Directors otherwise direct. The Director, Member or servant of the Club shall do all such acts and execute any documents as may be necessary to vest such rights in the Club.

### **POWERS OF THE BOARD OF DIRECTORS**

**33.** The business of the Club shall be managed by the Board of Directors, who may pay all such expenses of, and preliminary and incidental to, the promotion, formation, establishment and registration of the Club as they see fit, and may exercise all such powers of the Club, and do on behalf of the Club all such acts as may be exercised and done by the Club, and as are not by the Act or by these presents required to be exercised or done by the Club in General Meeting subject nevertheless to any regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Club in General Meeting, but no regulation made by the Club in General Meeting shall invalidate any prior act of the Board of Directors which would have been valid if such regulation had not been made.

The Board of Directors shall not dispose (whether by sale, lease, mortgage transfer, exchange or gift) of the property known as Cornbury House, Cotswold Business Village, Moreton-in-Marsh, Gloucestershire (or part thereof) or of any Heritage items (as hereinafter defined) recorded in the Club's register of heritage items ("Register of Heritage Items") without the previous sanction of a special resolution made at a General Meeting, the notice of which contained particulars of the proposed disposal. The term "Heritage Item" shall be defined as any document, book, magazine, record, picture, poster, painting, vehicle, part of vehicle, award, trophy, cup, souvenir, model car, items of clothing, furniture, jewellery, object, chattel, article, photograph, video, film, drawing, design, work of art, flag, banner, sign, stationery, artifact, ephemera, memorabilia or other item connected with the history and heritage of Porsche AG or the Club, purchased by the Club or donated to the Club and accepted by the Board of Directors from time to time to form part of a collection of such items. If such item(s) is or are held by or on behalf of the Club for 12 months or more, it/they will be deemed accepted as a Heritage Item. The Board of Directors shall cause any Heritage item to be recorded in a Register of Heritage Items to be kept at the Office. The Club in General Meeting may from time to time make reasonable conditions and regulations as to the time and manner of the

inspection by the Members of the Register of Heritage Items and subject to such conditions and regulations the Register of Heritage Items shall be open to inspection by Members at all reasonable times during business hours.

**34.** The continuing Members of the Board of Directors may act notwithstanding any vacancy in their body provided always that in the event that the Members of the Board of Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as the Board of Directors for the purpose of filling up vacancies in their body, or of summoning a General Meeting, but not for any other purpose.

**35.** Subject to the provisions of the Act, the Secretary shall be appointed by the Board of Directors for such term and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

**36.** The seal of the Club shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of at least two Directors or one Director and the Secretary and the said Director and Secretary shall sign every instrument to which the seal shall be affixed in their presence and in favour of any purchaser or person bona fide dealing with the Club such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

#### **VACATION, REMOVAL AND MEETINGS OF DIRECTORS**

**37A.** A person ceases to be a Director:

- (a) As soon as a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts
- (b) As soon as a registered medical practitioner who is treating that person gives a written opinion to the Club stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months
- (c) If he ceases to be a Member of the Club or ceases to own or co-own (with not more than one other person) a Porsche car for a period of more than six consecutive months
- (d) If by notice in writing to the Club he resigns his office
- (e) If he ceases to hold office by virtue of any provision of the Act
- (f) If he fails to attend any duly convened meeting of the Board of Directors for a continuous period of six months without special leave of absence from the Board
- (g) If, by a majority of two Directors, the Board of Directors determines him to be guilty of an act of gross misconduct or of bringing the Club into disrepute provided that at the Meeting of the Board of Directors at which such a decision is made, it is mandatory for all Directors to be present (except the Director against whom the vote is being taken) and with the exception of not more than one Director who need not be physically present but must be involved in the discussions, resolution and voting on any decision at such meeting. Not less than 21 days' notice in writing of the Meeting and its time and place shall be given to the Director concerned together with the nature of the complaints against him/her, all the evidence on which it is intended to rely and the intended resolution of the Board of Directors to determine his/her Directorship.

**37B.** In the event of the occurrence of any event specified in Article 37A above the Member will not be entitled to serve as a Director again for a period of one year from the date of the next Annual

General Meeting following the vacation of office (or if less, the period between the date of the next Annual General Meeting following the vacation of office and the following Annual General Meeting).

**38.** Subject to the provisions of the Act the Club may in General Meeting remove any Director before the expiration of his period of office and appoint another Director who satisfies the requirements of Article 28(a) in his stead but any person so appointed shall hold office until the next Annual General Meeting and shall then be eligible for election to the Board in accordance with Articles 28(a) and 28(b).

**39A.** The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless provided elsewhere in these Articles, five shall be a quorum. All decisions shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a further or casting vote.

**39B(a)** Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors meeting, when the meeting has been called and takes place in accordance with the Articles and they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

**(b)** In determining whether Directors are participating in a Directors meeting, it is irrelevant where any Director is or how they communicate with each other.

**(c)** If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is. If they do not so decide, such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting is.

**(d)** Article 39B shall not apply:-

- (i) To Article 12 and to Article 37A(g)
- (ii) To at least one Board Meeting in every period of 3 months at which meeting it is mandatory for at least 5 Directors to be physically present in the same place with any other Director wishing to attend the meeting being able to do so as allowed by Article 39B (a) and (b).

**40A.** On the request of a Director the Club Secretary shall, at any time, summon a meeting of the Board of Directors by notice served upon all the Directors and any Director may summon a meeting of the Board of Directors by notice served upon all the Directors. A Director who is or is intending to be absent from the United Kingdom may request the Club Secretary and other Directors to give him notice of meetings at an address provided by him for that purpose. Notices of Meetings of the Board of Directors shall be sent to him at that address but, if he does not provide an address, it shall not be necessary to give a notice of meetings to him while he is absent from the United Kingdom.

**40B.** Notice of any Directors meeting must indicate its proposed date and time, where it is to take place and, if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

**41.** The Chairman for the time being of the Board of Directors shall preside at all meetings of the Board of Directors at which he shall be present. In the event of the Chairman not being present within 15 minutes of the time appointed for holding a meeting the Vice-Chairman of the Board of Directors shall be Chairman of the meeting failing him the Directors present shall choose someone of their number to be Chairman of the meeting.

**42.** A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Club for the time being vested in the Board of Directors generally.

**43(a)** The Board of Directors may delegate any of its powers to sub-committees consisting of such Director or Directors as it thinks fit, and any sub-committees so formed shall conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such sub-committees shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board of Directors so far as applicable and so far as the same shall not be superseded by any regulations made by the Board of Directors as aforesaid.

**43(b)** The Board of Directors may delegate any matter to a sub-committee of Members and such sub-committee shall conform to any regulations imposed upon it by the Board of Directors. Any decisions of a sub-committee shall not bind the Club, but shall be provided to the Board of Directors who may ratify them (or not) as the case may be.

**44.** All acts bona fide done by any meeting of the Board of Directors or any sub-committee of the Board of Directors or by any person acting as a Director shall notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

**45.** The Board of Directors shall cause proper minutes to be made of the proceedings of all meetings of the Club and of the Board of Directors and of sub-committees of the Board of Directors, and all business transacted at such meetings, and any such minute of any meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the facts therein stated.

**46.** A resolution in writing signed by all the Members for the time being of the Board of Directors or of any sub-committee of the Board of Directors or a resolution to which each Director has indicated his agreement in writing, shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors or of such sub-committee duly convened and constituted. In this clause reference to all the Directors means those Directors who are entitled to vote on the matter.

## **ACCOUNTS**

**47.** The Board of Directors shall cause proper books of account to be kept with respect to:-

- a) the assets and liabilities of the Club; and
- b) the sums of money received and expended by the Club and the matters in respect of which such receipts and expenditure take place; and
- c) all sales and purchases of goods by the Club.



**48.** The books of account shall be kept at the Office or at such other place or places as the Board of Directors shall think fit and shall always be open to the inspection of any Director.

**49.** The Club in General Meeting may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by the Members of the accounts and books of the Club, or any of them, and subject to such conditions and regulations the accounts and books of the Club shall be open to inspection of Members at all reasonable time during business hours.

**50.** Once at least in every year the Board of Directors shall lay before the Club in General Meeting an income and expenditure account for the period since the last preceding account made up to a date not more than four months before such meeting, together with a balance sheet made up as at the same date. Every such balance sheet shall be accompanied by a report of the Board of Directors and a report of the Auditors. and a copy of such account balance sheet and reports shall 21 days before the meeting be sent to all persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served.

### **AUDIT**

**51.** Once at least in every year the accounts of the Club shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

**52.** Auditors shall be appointed and their duties regulated in accordance with the Act.

### **NOTICES AND COMMUNICATIONS**

**53(a)** Any notice to be given to or by any person pursuant to these Articles shall be in writing.

**(b)** Any notice or document or information sent in writing by the Club to a Member pursuant to the Articles may be sent as follows:-

(i) In hard copy form by either handing it to the Member or by sending it by post in a re- paid envelope addressed to the Member at his registered address as appearing in the register of Members. Proof that the envelope was properly addressed pre-paid and posted shall be conclusive evidence of the sending of the notice or document or information and it shall be deemed to have been received at the expiration of 48 hours after the envelope was posted.

(ii) In electronic form if the Member has agreed (generically or specifically) that the notice or document or information can be sent in that form and the Member has not revoked that agreement. Where it is sent by electronic means (for example by e-mail or fax) it may only be sent to an address specified by the Member (generically or specifically) and (provided the Club is able to show that it was properly addressed), it shall be deemed to have been received at the expiration of 48 hours after it has been sent. Where it is sent by hand or by post (for example sending a disc by post) then the same provisions as to service apply as in (i) above. The notice or document or information must be made available in a form and by a means which the Club reasonably considers will enable the Member to read it and retain a copy of it.

(iii) By being made available on a website if the Member has agreed (generically or specifically) that the notice or document or information can be sent in that form (and if the Member has not revoked that agreement) or if the Member is taken to have so agreed. A Member is taken to have so agreed if the Member has been asked individually by the Club to agree and the Club has not received a response within 28 days beginning with the date on which the Club's request was sent (provided that the Club's request stated clearly what the effect of a failure to respond would be and the Club's request was not made less than 12 months after a previous request in respect of the same or a similar class of documents or information). The notice or document or information must be made available in a form and by a means which the Club reasonably considers will enable the Member to read it and retain a copy of it. The Club must notify the Member of the presence of the notice or document or information on the website, the address of the website, the place on the website where it can be accessed and how to access it. The notice or document or information is deemed to have been received on the date the notification is received (or is deemed to have been received) or if later, the date on which the notice or document or information appears on the website. The notice or document or information must be available on the website for the period required by any legislation or these Articles but if no such period is specified, then for a period of at least 42 days beginning with the date on which the notification is sent to the Member. A failure of availability on the website throughout the aforesaid period shall be disregarded if it is made available for part of that period and the failure is wholly attributable to circumstances that it would not be reasonable to expect the Club to prevent or avoid.

**(c)** Article 53(b) shall not apply to a notification to a Member by the Board of Directors that his membership has been determined. Such notification shall be sent to the Member by recorded delivery as specified in Article 12.

**(d)** With regard to membership by a Principal Member and a Joint Member, any agreement to methods of communication as referred to in clause (b) (ii) and (iii) above must be agreed (or deemed to be agreed as the case may be) by both the Principal Member and the Joint Member in order for such agreement to be valid. For the avoidance of doubt, in respect of (b) (ii), both the Principal Member and the Joint Member must specify the same address, in order for such agreement to be valid.

**(e)** In respect of membership by a Principal Member and a Joint Member, the Club shall have satisfied any requirement to send any document or information to the Joint Member by sending the same document or information to the Principal Member. This does not apply to any document or information to be sent by the Club to a Joint Member pursuant to Article 12 or to Article 37(A)(g) or to any document or information that is not being sent at the same time to all other Members of the Club.

**(f)** A Member present in person at any meeting of the Club shall be deemed to have received notice of the meeting and where necessary of the purposes for which it was called.

## **INDEMNITY**

**54.** Subject to the provisions of the Act every Chairman Director Secretary Auditor employee or officer of the Club shall be indemnified out of the assets of the Club against any liability incurred by

him in that capacity in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence default or breach of duty in relation to the affairs of the Club.

**55.** A Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material and which conflicts or may conflict with the interests of the Club. Such Director shall not be counted in the quorum present at the meeting and any question arising as to the right of a Director to vote, shall be referred to the other Directors present at the meeting and their decision on the matter shall be final and conclusive.

## **INSURANCE**

**56.** The Directors may decide to purchase and maintain insurance, at the expense of the Club, for the benefit of any Director or former Director of the Club or a subsidiary company in respect of any loss or liability which has been or may be incurred by such Director in connection with that Director's duties or powers in relation to the Club or a subsidiary company.

