

The Companies Act 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

LOAN MARKET ASSOCIATION

(as amended by special resolution of the Association passed on 1 June 2011)
(as further amended by special resolution of the Association passed on 20 June 2012)
(as further amended by special resolution of the Association passed on 20 November 2013)
(as further amended by special resolution of the Association passed on 2 July 2014)
(as further amended by special resolution of the Association passed on 21 February 2018)

INTERPRETATION

1. In these Articles, except where the context otherwise requires, the following words shall bear the following meanings:

"**2018 General Meeting**" means the general meeting to be held in 2018.

"**Act**" means the Companies Act 2006 as amended, modified or replaced from time to time.

"**AGM**" means annual general meeting of the Association.

"**APLMA**" means the Asia Pacific Loan Market Association.

"**APLMA Director**" shall have the meaning provided for in Article 69.

"**Articles**" means these Articles of Association, as amended from time to time.

"**ASJ Member**" means a body, corporation, unincorporated association or partnership admitted as an African single jurisdiction member of the Association.

"**Associate Member**" means a body, corporation, unincorporated association or partnership admitted as an associate member of the Association.

"**Association**" means the above-named company.

"**Auditors**" means the auditors of the Association from time to time.

"**Bank**" means a Financial Institution which holds a banking licence in its principal jurisdiction or is otherwise determined to be a Bank by a majority decision of the Board.

"Bank Member Representative" means a person employed by a Full Member who is a Bank (who may or may not be the nominated representative of such Full Member).

"Bankruptcy Event" means actions or events where a candidate for membership of the Association or a Member (as relevant): (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; (5) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (4) above and: (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof; (6) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 3 of the Banking Act 2009; (7) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (8) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (4) above; (9) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (10) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in items (1) to (9) (inclusive); or (11) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Board" means the board of directors for the time being of the Association, who have been elected as such in accordance with Articles 58 to 69 inclusive (and any director on the Board shall be known as a **"Board Director"**). For the avoidance of doubt, any Board Director shall be distinct from a member of the Executive.

"Board Director" means a director of the Board.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Byelaws" means the Byelaws of the Association made by the Board pursuant to the powers conferred upon it by Article 57, as amended or replaced from time to time.

"Chairman" means the chairman of the Board elected or chosen, as the case may be, in accordance with Article 75.

"Clear Days" means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"Courtesy Member" means a body, corporation, unincorporated association or partnership admitted as a courtesy member of the Association.

"Executive" means the individual(s) from time to time employed by the Association as either chief executive, managing director or director (or any equivalent role) and who, for the avoidance of doubt, shall not be Board Directors.

"Finance Committee" has the meaning given to it in Article 77.

"Financial Institution" means a bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets in respect of undertakings other than its own parent undertaking, its subsidiary/subsidiaries or another subsidiary/other subsidiaries of its parent undertaking.

"Full Member" means a body, corporation, unincorporated association or partnership admitted as a full member of the Association and being either a Bank or a Non-Bank Investor.

"Interim Director" means a director appointed in accordance with Article 67.

"LMA Website" means the website at <http://www.lma.eu.com> or such alternative website address as may be communicated to Members by or on behalf of the Board.

"LSTA" means Loan Syndications and Trading Association.

"LSTA Director" shall have the meaning provided for in Article 68.

"Members" means the members from time to time of the Association admitted to membership in accordance with these Articles (whether Full Members, Associate Members, ASJ Members, Courtesy Members or members falling within any further class of membership as from time to time determined by the Board) and **"Member"** means any one of them.

"Memorandum" means the memorandum of association of the Association appended to these Articles.

"Non-Bank Investor" means a Financial Institution which does not hold a banking licence in its principal jurisdiction or is otherwise determined to be a Non-Bank Investor by a majority decision of the Board.

"Non-Bank Investor Representative" means a person employed by a Full Member who is a Non-Bank Investor (who may or may not be the nominated representative of such Full Member).

"Notice" is as set out in Articles 91 to 94 and **"notified"** shall be construed accordingly.

"Office" means 10 Upper Bank Street, London, E14 5JJ or such other place or places as the Board shall designate upon notice to the Members. For the avoidance of doubt, notice of such designation to the Members may be via the LMA Website.

"Officers" means the Board Directors, the Secretary and the Executive and **"Officer"** means any of them.

"Secretary" means the secretary of the Association as provided for in the Articles or any other person appointed to perform the duties of the secretary of the Association in accordance with Article 83.

"United Kingdom" means Great Britain and Northern Ireland.

"written" or **"in writing"** means written, printed or lithographed, or partly one and partly another, and other modes of representing or producing words in a visible form including, for the avoidance of doubt, electronic and website communication.

Unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act, but excluding any statutory amendment, modification or replacement thereof not in force at the date of the 2018 General Meeting.

Where an ordinary resolution of the Association is expressed to be required for any purpose, a special resolution is also effective for that purpose.

No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table C in the schedule to the Companies (Table A to F) Regulations 1985 (as amended), or in the model articles in the Schedules to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) (as amended) apply as the regulations or Articles of the Association.

PRIVATE COMPANY

2. The Association is a private company limited by guarantee.
3. The Association is established for the purposes and objects expressed in Clause 3 of the Memorandum.

CLASSES OF MEMBERSHIP

4. As at the date these Articles are adopted, the Association has the following classes of membership:
 - 4.1 full membership;
 - 4.2 associate membership;
 - 4.3 African single jurisdiction membership; and

- 4.4 courtesy membership.
5. The rights and obligations of each class of Member are set out in these Articles and, in addition, pursuant to Article 57, the Board may make Byelaws as are considered necessary, expedient or convenient for the purpose of classifying and regulating membership of the Association.
6. The Board has the power to determine further classes of members.

MEMBERS

7. The number of Members shall not be less than five Full Members and shall not be subject to any maximum.
8. No entity shall be admitted as a Member of the Association unless such entity is approved as a Member in accordance with the Byelaws.
9. Every Member shall be bound by and shall observe all of the provisions of the Articles and the Byelaws. The Articles and the Byelaws are available to Members on the LMA Website.

FULL MEMBERS

10. Each Full Member shall nominate one individual, employed by it, as its nominated representative, duly authorised by it to act on its behalf, and may also appoint an alternate, employed by the Full Member, to act in the absence of the nominated representative (and such alternate shall have all the powers of such nominated representative as provided by the Articles except for the power to appoint an alternate). Such nominated representative shall have the right on behalf of that Full Member to exercise all relevant rights of membership on its behalf including (but not limited to) attending general meetings of the Association and to voting thereat on behalf of such Full Member. All such nominations shall be notified to the Association and a Full Member may from time to time revoke the nomination of such nominated representative (or alternate, as the case may be) and nominate another nominated representative (or alternate, as the case may be) in his place upon notice to the Association. The Association shall be entitled, in its absolute discretion, to accept or query any notification received by it in respect of this Article 10.
11. A Full Member does not by virtue of its membership have any right to appoint any employee or other person to the Board or any other working party or committee set up in accordance with Article 78. The Board may, however, appoint the nominated representative of any such Full Member who is willing to act to the Board in accordance with Article 67, or if proposed for election in accordance with Articles 61.2 or 63.
12. Subject to payment of any fees and dues payable in accordance with the Byelaws, each Full Member shall be entitled to:
 - 12.1 receive notice of and attend and vote at a general meeting of the Association;
 - 12.2 subject to Article 43, one (1) vote at a general meeting of the Association;
 - 12.3 subject to Article 63, propose for election its nominated representative to the Board; and

- 12.4 access such documentation and information published by the Association as shall be agreed by the Board or the Executive from time to time and available on the LMA Website in accordance with any terms and conditions of the Association published on the LMA Website as they may be amended or replaced from time to time.

ASSOCIATE MEMBERS

13. Each Associate Member shall nominate one individual, employed by it, as its nominated representative, duly authorised by it to act on its behalf. Such nominated representative shall have the right on behalf of that Associate Member to exercise all relevant rights of membership on its behalf including (but not limited to) attending general meetings of the Association on behalf of such Associate Member. All such nominations shall be notified to the Association and an Associate Member may from time to time revoke the nomination of such nominated representative and nominate another nominated representative in his place upon notice to the Association. The Association shall be entitled, in its absolute discretion, to accept or query any notification received by it in respect of this Article 13.
14. An Associate Member does not by virtue of its membership have any voting rights at a general meeting or the right to join any other working party or committee set up in accordance with Article 78.
15. Subject to payment of any fees and dues payable in accordance with the Byelaws, each Associate Member shall be entitled to:
- 15.1 receive notice of and attend (but not vote) at a general meeting of the Association; and
- 15.2 access such documentation and information published by the Association as shall be agreed by the Board or the Executive from time to time and available on the LMA Website in accordance with any terms and conditions of the Association published on the LMA Website as they may be amended or replaced from time to time.

ASJ MEMBERS

16. Each ASJ Member shall nominate one individual, employed by it, as its nominated representative, duly authorised by it to act on its behalf. Such nominated representative shall have the right on behalf of that ASJ Member to exercise all relevant rights of membership on its behalf including (but not limited to) attending general meetings of the Association on behalf of such ASJ Member. All such nominations shall be notified to the Association and an ASJ Member may from time to time revoke the nomination of such nominated representative and nominate another nominated representative in his place upon notice to the Association. The Association shall be entitled, in its absolute discretion, to accept or query any notification received by it in respect of this Article 16.
17. An ASJ Member does not by virtue of its membership have any voting rights at a general meeting or the right to join any other working party or committee set up in accordance with Article 78.
18. Subject to payment of any fees and dues payable in accordance with the Byelaws, each ASJ Member shall be entitled to:

- 18.1 receive notice of and attend (but not vote) at a general meeting of the Association; and
- 18.2 access such documentation and information published by the Association as shall be agreed by the Board or the Executive from time to time and available on the LMA Website in accordance with any terms and conditions of the Association published on the LMA Website as they may be amended or replaced from time to time.

COURTESY MEMBERS

- 19. Each Courtesy Member shall nominate one individual, employed by it, as its nominated representative, duly authorised by it to act on its behalf. Such nominated representative shall have the right on behalf of that Courtesy Member to exercise all relevant rights of membership on its behalf including (but not limited to) attending general meetings of the Association on behalf of such Courtesy Member. All such nominations shall be notified to the Association and a Courtesy Member may from time to time revoke the nomination of such nominated representative and nominate another nominated representative in his place upon notice to the Association. The Association shall be entitled, in its absolute discretion, to accept or query any notification received by it in respect of this Article 19
- 20. A Courtesy Member does not by virtue of its membership have any voting rights at a general meeting or the right to join any other working party or committee set up in accordance with Article 78.
- 21. Each Courtesy Member shall be entitled to:
 - 21.1 receive notice of and attend (but not vote) at a general meeting of the Association; and
 - 21.2 access such documentation and information published by the Association as shall be agreed by the Board or the Executive from time to time which shall be available on the LMA Website in accordance with any terms and conditions of the Association published on the LMA Website as they may be amended or replaced from time to time.

GENERAL MEETINGS

- 22. The Association shall, in addition to any other meetings in that year, hold a general meeting in every calendar year as its annual general meeting ("AGM") at such time and place as may be determined by the Board, and shall specify the meeting as such in the notices calling it. Each AGM shall be held not more than fifteen (15) months after the holding of the last preceding AGM, including when the AGM replaces a general meeting that was postponed pursuant to Article 33.3.
- 23. All general meetings other than AGMs shall be called general meetings.
- 24. The Board may call general meetings. If there are not sufficient Board Directors to call a general meeting within the United Kingdom, any Board Director may call a general meeting.
- 25. A general meeting that is not an AGM shall be called by at least fourteen (14) Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by at least 95% of the Members having a right to attend and vote at a general meeting. An AGM shall be called by at least twenty one (21) Clear Days' notice, taking into account

the requirements for the appointment and retirement of Board Directors under the Articles.

26. The notice shall specify the time, date and place of the meeting and the general nature of the business to be transacted and must be given either in hard copy or electronic form or via the LMA Website. If a special resolution is proposed, the notice shall specify this intention and shall include the text of any such special resolution. Where, by any provision of the Act, special notice is required of a resolution, the resolution will not be effective unless notice of the intention to move it has been given to Members entitled to attend and vote at a general meeting at least 28 days before the meeting at which it is moved. In the case of an AGM, the notice shall specify the meeting as such.
27. Subject to the provisions of the Articles, the notice shall be given to all the Members entitled to receive it, to the Board Directors and the Auditors save that the accidental omission to give notice of a general meeting or to send, supply or make available any document or information relating to the meeting, or the non-receipt of any such notice, document or information by a person entitled to receive any such notice, document or information shall not invalidate the proceedings at that meeting.
28. Notwithstanding Article 24 above, at the request of at least 5% of the Members having a right to attend and vote at a general meeting, the Board shall call a general meeting:
 - 28.1 within twenty one (21) Clear Days from the date on which the Board receives the request;
 - 28.2 to be held on a date not more than twenty eight (28) Clear Days after the date of the notice convening the meeting; and
 - 28.3 provided that the request states the general nature of the business to be dealt with at the meeting and is in the form required by the Act.
29. If the Board fails to call a general meeting in accordance with Article 28 either:
 - 29.1 a Member who requested the meeting; or
 - 29.2 50% of Members entitled to attend and vote at a general meeting,may call a general meeting, provided that such meeting is called within three (3) months from the date of the original request..

PROCEEDINGS AT GENERAL MEETINGS

30. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, five Members personally present and entitled to vote on the business to be transacted shall be a quorum. For the purpose of the Articles, a Member entitled to vote shall be deemed to be personally present if represented by its nominated representative (or its alternate) or a proxy. No business shall be transacted at any general meeting unless a minimum of two Members are present at the meeting (provided they are not each represented by the same nominated representative or proxy).

31. Subject to the requirement in Article 30 requiring a minimum of two Members to be present at the meeting, a general meeting may validly continue if a quorum ceases to be present during the meeting.
32. The Chairman (if any) (or, in his absence, such other Board Director (if any) as the Board may nominate) shall preside as chairman at every general meeting, but if there be no such Chairman or Board Director, or if at any meeting the Chairman or any such Board Director shall not be present within fifteen (15) minutes after the time appointed for holding the same, or shall be unwilling to preside, the Members present and entitled to vote shall choose any Board Director, or if no such Board Director be present, or if all the Board Directors present decline to take the chair, the nominated representative of some Full Member who shall be present, to preside.
33. General meetings may be dissolved, adjourned or rescheduled in any of the following ways:
 - 33.1 if, within thirty (30) minutes from the time appointed for the holding of a general meeting, a quorum is not present, the meeting, if convened at the request of the Members under Article 28, shall be dissolved. In any other case, the chairman shall either adjourn the meeting to the same day in the next week (or, in the event that such day is not a Business Day, the next Business Day), at the same time and place, or specify that the meeting such be adjourned to such day and at such time and place as the Board shall later determine;
 - 33.2 the chairman may adjourn the meeting from time to time, and from place to place in the following circumstances:
 - 33.2.1 with the consent of Members entitled to vote at the meeting, by way of ordinary resolution;
 - 33.2.2 if, in the chairman's opinion, it is not practical to get the consent of the meeting but it appears necessary to adjourn to facilitate the business of the meeting; or
 - 33.2.3 without the consent of the meeting, if it is necessary to re-establish order or to facilitate conduct of the meeting. The adjournment should only be for such period as might be reasonably necessary to restore order; or
 - 33.3 the chairman may, and shall if so directed by the Board, change the date, time and/or place of a general meeting at any time between notice of the meeting being given and the scheduled commencement of the general meeting if, in his or the Board's reasonable opinion, an event has occurred which means that it would not be practicable for the meeting to take place at the date, time and/or place specified in the notice. If the chairman is unavailable or uncontactable following the occurrence of such event, any Board Director or any member of the Executive may agree to postpone a general meeting. Any meeting postponed in accordance with this Article 33.3, shall be rescheduled. Notice of any rescheduling pursuant to this Article shall be given to all Members entitled to it as soon as possible, and in any event by no later than the scheduled commencement of the general meeting, and for this purpose notice may, subject to the terms of the Act, be by electronic means or via the LMA Website.

34. No business shall be transacted at any adjourned or rescheduled meeting other than business which might have been transacted at the meeting from which the adjournment or rescheduling took place. If a meeting is adjourned or rescheduled for thirty (30) days or more, notice of the adjourned or rescheduled meeting shall be given in the same manner as in the case of an original meeting. Save as in this Article 34 and Article 33.3, no Member shall be entitled to any notice of adjournment or rescheduling, or of the business to be transacted at an adjourned or rescheduled meeting.
35. Where a resolution is passed at an adjourned meeting, the resolution is for all purposes to be treated as having been passed on the date on which it was in fact passed, and is not to be deemed passed on any earlier date.
36. At any general meeting, save as provided by Article 62, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or upon the declaration of the result of the show of hands, demanded by:
- 36.1 the chairman;
- 36.2 by at least five Members personally present and entitled to vote on the business to be transacted; or
- 36.3 a number of Members personally present and entitled to vote on the business to be transacted and representing at least one tenth of the total voting rights of all the Members having the right to vote at the meeting.
37. Unless a poll is demanded:
- 37.1 a declaration by the chairman that a resolution has been carried or not (as the case may be) whether unanimously or by a particular majority; or
- 37.2 an entry to that effect in the minutes of the meeting,
- shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
38. Save as provided by Article 62, the demand for a poll may be withdrawn if:
- 38.1 the poll has not yet been taken and the chairman consents to the withdrawal; or
- 38.2 the chairman, aware that a poll would not make any difference to the result of the vote on a show of hands, informs the meeting of that fact and the Members who requested it subsequently consent to the withdrawal.
39. Subject to the provisions of the Articles, if a poll is demanded in the manner aforesaid, it shall be taken at such time and place, and in such manner, 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.
40. No poll shall be demanded on the election of a chairman of a meeting, or on any question of adjournment.
41. 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

42. Subject as hereinafter provided, every Full Member shall have one vote (whether on a show of hands or on a poll) and each Full Member may vote by its nominated representative (or its alternate) or by a proxy in accordance with Article 45.
43. No Member, other than a Full Member who shall have paid their fees and dues (if any) which shall be due and payable to the Association in respect of its membership within 28 days of any demand therefor, shall be entitled to vote on any question at any general meeting.
44. No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman, whose decision shall be final and conclusive.
45. Votes may be given (whether on a show of hands or on a poll) either by the Member's nominated representative (or its alternate) or by proxy. A nominated representative may appoint up to two proxies to attend, speak and vote on behalf of a Full Member instead of him, but in the event of both proxies attending the meeting, only the first appointed shall have the right to speak and vote. The appointment of a proxy does not prohibit the nominated representative (or its alternate) from attending or voting at the meeting, but if the nominated representative (or its alternate) does attend and vote in person, any votes tendered by the proxy must be rejected.
46. The instrument appointing a proxy shall be in writing under the hand of the appointing nominated representative.
47. The instrument appointing a proxy shall be deposited at the Office, by electronic means or at such other place within the United Kingdom as may be specified in the notice convening the relevant meeting:
 - 47.1 not less than forty-eight (48) hours (excluding any part of a day that is not a Business Day) before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - 47.2 in the case of a poll taken more than forty-eight (48) hours after it was demanded, not less than twenty-four (24) hours (excluding any part of a day that is not a Business Day) before the time appointed for taking of the poll; or
 - 47.3 in the case of a poll taken less than forty-eight (48) hours after it was demanded, before the time appointed for taking of the poll,and, in default, the instrument of proxy shall not be treated as valid.
48. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution.
49. Unless the Association receives notice that the authority of the person appointed as proxy has been terminated (either at the Office or other place referred to in Article 47) at least twenty four (24) hours (excluding any part of a day that is not a Business Day) before

and done by the Association as are not by the Act or by the Articles required to be exercised or done by the Association in a general meeting, subject nevertheless to any regulation of the Articles or the Byelaws, to the provisions of the Act and to such regulations, being not inconsistent with the Articles or the aforesaid provisions, as may be prescribed by the Association in general meeting; but no regulation made by the Association in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

53. The Board may exercise all the powers of the Association to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue bonds, debentures, debenture stock or other securities, whether outright or as security for any debt or obligation of the Association.
54. The Board Directors for the time being may act notwithstanding any vacancy in their body; provided always that if the Board Directors shall at any time be less than the minimum number prescribed by or in accordance with the Articles, it shall be lawful for them to act as the Board for the purpose of admitting persons to membership of the Association, filling up vacancies in their body, or of summoning a general meeting, but not for any other purpose.
55. A Board Director shall not vote on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Association, save that a Board Director shall not be deemed to have such an interest or duty if his interest therein arises solely by virtue of his being a member, officer or nominated representative of a body, provided that he does not hold (other than in a nominee capacity) more than 1% of the capital of such body, and provided also that such Board Director may, notwithstanding his material interest, vote where:
 - (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Association;
 - (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Association for which the Board Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; or
 - (c) the resolution relates in any way to a retirement benefit scheme which has been approved, or is conditional upon approval, by the Board or HMRC for taxation purposes.
56. The Board Directors may be repaid by the Association for any travelling, hotel or other expenses reasonably and properly incurred by them in attending to any matter in connection with the Association.

BYELAWS

57. In addition to the powers granted under the Articles, the Board may, from time to time, pass such Byelaws, and pass such amendments or replacements to them as they may

deem necessary, expedient or convenient for the proper conduct and management of the Association, and for the purposes of prescribing both classes and conditions of membership and, in particular, but without prejudice to the generality of the foregoing, they may by such Byelaws regulate:

- 57.1 the admission and classification of Members (including the admission of organisations to membership), the rights and privileges of such Members, the conditions of membership and the terms on which Members may resign or have their membership terminated and the subscription (admission) fees, annual membership and other dues, fees or payments to be made by Members;
- 57.2 the conduct of Members in relation to one another, and to the Association's employees;
- 57.3 the setting aside of the whole or any part or parts of the Association's premises at any particular time or times or for any particular purpose or purposes;
- 57.4 the procedure at general meetings and meetings of the Board and any other working party or committee set up in accordance with Article 78, in so far as such procedure is not regulated by the Articles; and
- 57.5 generally, all such matters as are commonly the subject matter of internal company rules.

Notwithstanding the above, no Byelaw shall have effect if, and to the extent that, it shall be inconsistent with the memorandum of association of the Association or the Articles. Subject as aforesaid, all Byelaws made by the Board shall have the same effect as if they were contained in the Articles, save that they may, at any time, be revoked or varied by the Board in the same manner as they may be made.

APPOINTMENT AND RETIREMENT OF BOARD DIRECTORS

- 58. At each AGM (which shall, in accordance with Article 25, be called on at least twenty one (21) Clear Days' notice) the greater of:
 - 58.1 one third of the Board Directors (including any Interim Director, but excluding the LSTA Director and APLMA Director, if any) or if their number is not a multiple of three, then the number nearest to (but not less than) one third; and
 - 58.2 all Interim Directors,shall retire from office in accordance with Articles 59 and 60.
- 59. The Board Directors to retire pursuant to Article 58 (the "**Retiring Directors**" and each a "**Retiring Director**") shall be first (or only, as the case may be), Interim Directors, and second (if required), those who have been longest in office since their last election or appointment. As between Board Directors who have been on the board for an equal amount of time, the Board Directors to retire shall be selected by lot by the Executive. Subject to Article 61, a Retiring Director shall be eligible for re-election and may if willing to act be reappointed.
- 60. The resolution to approve the list of Retiring Directors (the "**Retiring Director Resolution**") shall take place at the meeting of the Board at which any notices pertaining

to the AGM are approved (the "**Pre-AGM Board Meeting**"). The list of Retiring Directors may not be amended once approved by the Board, notwithstanding any changes to the composition of the Board after the passing of the Retiring Director Resolution and prior to the AGM.

61. The Association may, at each AGM, fill each office vacated by a Board Director by electing a person thereto in accordance with the provisions of Article 62. Candidates for election to the Board may include:

61.1 any Retiring Director (which, for the avoidance of doubt, shall include any Interim Director) who has confirmed a wish to be appointed/re-appointed as a Board Director;

61.2 any other person recommended for election by the Board at the Pre-AGM Board Meeting, who has subsequently provided confirmation in writing of his willingness to be elected no later than fourteen (14) Clear Days before the day appointed for the AGM; and

61.3 any candidates proposed for election in accordance with Article 63,

(the "**Eligible Candidates**" and each an "**Eligible Candidate**") provided that in all cases, no person other than a nominated representative of a Full Member for the time being, shall be so recommended or proposed for election.

62. At any AGM, after taking into account the number of Board Directors remaining on the Board (excluding any who are required to retire pursuant to Articles 58), the process for electing Board Directors shall then be as follows:

62.1 the election of candidates to the Board for any available places shall be put to a vote at that meeting and such vote shall be determined by a poll;

62.2 on any poll required under this Article 62 (or any second or subsequent poll) only those candidates who receive a minimum of 20% of the votes cast on the resolution to elect them (the "**20% Threshold**") shall be eligible for election to the Board (the "**Qualifying Candidates**") (unless 20% is not a whole number, in which case the required number of votes will be rounded down to the nearest whole number);

62.3 of the Qualifying Candidates who are Non-Bank Investor Representatives ("**Qualifying Non-Bank Investor Representatives**"), those Qualifying Non-Bank Investor Representatives receiving the most votes shall be the first elected (ranking in priority for appointment in order of the number of votes cast in their favour) so that (taking into account any Board Directors who are also Non-Bank Investor Representatives and not retiring pursuant to Article 58) the number of Non-Bank Investor Representatives on the Board is four. In the event of a tied vote for the fourth appointment, the tied Qualifying Non-Bank Investor Representatives will be subject to a second poll. On the second poll (provided the relevant candidate has met the 20% Threshold) the candidate with the most votes shall be appointed to the Board. In the event of a further tie, lots shall be drawn. If there are already four Non-Bank Investor Representatives on the Board who are not retiring pursuant to Article 58, the procedure set out in Article 62.5 shall be followed;

62.4 if fewer Non-Bank Investor Representatives achieve the 20% Threshold (or there are fewer Non-Bank Investor Representatives standing for election) than there are available

places for them, only those Non-Bank Investor Representatives achieving the 20% Threshold will be elected to the Board, with the remaining places being allocated to the remaining Qualifying Candidates in accordance with Article 62.5;

- 62.5 after any Qualifying Non-Bank Investor Representatives have been appointed to the Board in accordance with Articles 62.3 and 62.4, the remaining Qualifying Candidates shall rank in priority for election in order of the number of votes cast in their favour (regardless of whether they are Bank Member Representatives or Non-Bank Investor Representatives) with the Qualifying Candidate receiving the most votes being the first elected and the Qualifying Candidate receiving the next highest number of votes being the next elected and so on until all of the available places on the Board have been filled. In the event of a tied vote for the final appointment, the tied Qualifying Candidates will be subject to a second poll. On the second poll (provided the relevant candidate has met the 20% Threshold) the candidate with the most votes shall be elected to the Board. In the event of a further tie, lots shall be drawn.
63. No person other than a Retiring Director or a person recommended under Articles 61.2 above shall be eligible for election to the Board at any general meeting, unless within the prescribed time before the day appointed for the meeting there shall have been given to the Association notice in writing by any Member duly qualified to be present and vote at the meeting for which such notice is given, of its intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected. The prescribed time mentioned above shall be such that, between the date when the notice is served, or deemed to be served, and the day appointed for the meeting, there shall not be less than fourteen (14) nor more than thirty five (35) intervening Clear Days. Not less than seven (7) Clear Days before the date appointed for holding a general meeting, notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a Retiring Director seeking to be reappointed under Articles 61.1) in respect of whom valid notice under this Article 63 (or confirmation in writing under Article 61.2) has been duly given to the Association.
64. No person may be appointed as a Board Director in circumstances such that had he already been a Board Director, he would have been disqualified under the provisions of the Articles.
65. Subject as aforesaid, the Association may from time to time by ordinary resolution in general meeting increase or reduce the number of Board Directors and may make the appointments necessary for effecting any such increase.
66. In addition, and without prejudice to the provisions of section 168 of the Act, the Association may by ordinary resolution at a general meeting remove any Board Director before the expiration of his period of office, and may by an ordinary resolution appoint another person who is either recommended for election by the Board or proposed for election in accordance with Article 63 in his stead; but any person so appointed shall retain his office so long only as the Board Director in whose place he is appointed would have held the same if he had not been removed.
67. Subject to Article 51, the Board may from time to time and at any time appoint any nominated representative, for the time being, of a Full Member as a Board Director, either to fill a casual vacancy or by way of addition to the Board (an "**Interim Director**")

provided that no Interim Director may be appointed at the Pre-AGM Board Meeting, or in the period between the Pre-AGM Board Meeting and the AGM. Any Interim Director so appointed shall retain office only until the next AGM, whereupon he or she shall retire in accordance with Article 58, but then be eligible for re-election in accordance with Article 62. No Interim Director shall be appointed by the Board in the period between the Pre-AGM Board Meeting and the next AGM.

68. The "**LSTA Director**" shall be a current director of the LSTA who is nominated and notified in writing to the Executive of the LMA by the LSTA to be a Board Director and who, following receipt of such nomination by the Association, is elected as a Board Director by the Board. If the LSTA fails to provide written notice to the Executive of the nomination of an individual to be LSTA Director, or if the individual so nominated fails to be elected as LSTA Director, then the position of LSTA Director shall stay vacant until a new nomination is received. The term of appointment of the LSTA Director is for one year, but the LSTA Director may be re-nominated and re-elected (and re-nomination will be deemed to have been given unless the Executive is otherwise notified). The LSTA Director shall have all the powers and duties of any other Board Director as provided in the Articles except that Articles 58, 59, 60, 61, 62, 63 and paragraphs (f) and (j) of Article 70 shall not apply to the LSTA Director. The LSTA Director shall be entitled to receive notice of and attend any meeting of the Board, but shall not be entitled to vote at such meeting.
69. The "**APLMA Director**" shall be a current director of the APLMA who is nominated and notified in writing to the Executive of the LMA by the APLMA to be a Board Director and who, following receipt of such nomination by the Association, is elected as a Board Director by the Board at the following meeting of the Board. If the APLMA fails to provide written notice to the Executive of the nomination of an individual to be APLMA Director, or if the individual so nominated fails to be elected as APLMA Director, then the position of APLMA Director shall stay vacant until a new nomination is received. The term of appointment of the APLMA Director is for one year, but the APLMA Director may be re-nominated and re-elected (and re-nomination will be deemed to have been given unless the Executive is otherwise notified). The APLMA Director shall have all the powers and duties of any other Board Director as provided in the Articles except that Articles 58, 59, 60, 61, 62, 63 and paragraphs (f) and (j) of Article 70 shall not apply to the APLMA Director. The APLMA Director shall be entitled to receive notice of and attend any meeting of the Board, but shall not be entitled to vote at such meeting.

DISQUALIFICATION OF BOARD DIRECTORS

70. The office of a Board Director, including the Chairman, shall be vacated:
- (a) if he shall have been absent from two consecutive meetings of the Board between AGMs. For the purpose of this Article (but subject to paragraph (b) below) Board Directors shall not be deemed to be absent where they attend a meeting of the Board via telephone;
 - (b) if he fails to attend two meetings of the Board in person between AGMs;

- (c) For the avoidance of doubt, paragraphs (a) and (b) above relate solely to the office of a Board Director but shall not include the LSTA Director or the APLMA Director.
- (d) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (e) if he becomes of unsound mind;
- (f) if he ceases to be a nominated representative of a Full Member of the Association;
- (g) if by notice in writing to the Association he resigns his office;
- (h) if he ceases to hold office by virtue of any provision of the Act or he becomes prohibited by law from being a director of a company;
- (i) if he shall previously have been removed from office pursuant to the provisions of the Articles (other than where a Board Director retires pursuant to Articles 58, 59 or 67 and is subsequently re-elected); or
- (j) if the Full Member whose nominated representative he is, ceases to be a Full Member of the Association that is entitled to appoint a nominated representative pursuant to the Articles.

PROCEEDINGS OF THE BOARD

- 71. The Board may meet together for the dispatch of business, and may adjourn and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business. Unless otherwise determined, the quorum shall be five (5) Board Directors of which three (3) are present in person. No business shall be transacted at any meeting of the Board unless a quorum is present at the time the meeting proceeds to business.
- 72. Questions arising at any meeting of the Board shall be decided by a majority of votes. The APLMA Director and the LSTA Director shall not be entitled to vote. The Chairman shall not be entitled to vote unless there is an equality of votes, in which case the Chairman shall have a casting vote. For the avoidance of doubt, this Article shall not apply to votes relating specifically to appointments of Board Directors, which shall be expressly governed by Article 62.
- 73. A Board Director or a member of the Executive may, and on request of a Board Director, the Executive shall, at any time, summon a meeting of the Board by notice, such notice to be reasonable, served upon the Board Directors in such manner as the Board may from time to time prescribe.
- 74. Subject to the requirements of paragraph (b) of Article 70, a Board Director may validly participate in a meeting of the Board or of the Finance Committee through the medium of telephonic or video link. Subject to the Act and the quorum provided for by Article 71, all business transacted in this way by the Board or the Finance Committee is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the Board or of the Finance Committee.

75. The Board shall once each calendar year elect a Chairman from one of their number who shall be entitled to preside at all meetings of the Board at which he shall be present, and who shall hold office for a period of one year, but if no such Chairman is elected, or if at any meeting the Chairman is not present within thirty (30) minutes after the time appointed for holding the meeting and willing to preside, the Board Directors present shall choose one of their number to be Chairman of the meeting.
76. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretion exercisable by the Board pursuant to these Articles.
77. The Board may delegate any of its powers relating to financial matters to a finance committee (the "**Finance Committee**") consisting of one or more Board Directors, together with the Chief Executive, or in the event that there is no Chief Executive at a particular point in time, such other member of the Executive as the Board may select. Any delegation may be made subject to any conditions that the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of the Finance Committee shall be governed by the provisions of the Articles regulating the proceedings of directors so far as they are capable of applying. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to the Finance Committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the Finance Committee.
78. Aside from matters delegated to the Finance Committee, the Board also delegates to any member of the Executive such of its powers as are considered reasonably desirable or necessary to be exercised by him or her relating to the day to day management of the Association, including the ability to form committees and working parties for any particular purpose. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to the Executive, the provision shall be construed as permitting the exercise of the power, authority or discretion by the Executive.
79. All acts bona fide done by any meeting of the Board or the Finance Committee, or by any person acting as a Board Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Board Director.
80. The Board shall cause proper records to be kept of all written resolutions. The Board shall cause proper minutes to be made of all appointments to the Finance Committee, the proceedings of all meetings of the directors (including the names of all persons present thereat) and of the business transacted at such meetings. All such records and minutes shall be entered into books provided for the purpose. All such records must be kept for at least ten (10) years from the date of the meeting or resolution or decision (as appropriate). Any such record purporting to be signed by a Board Director shall be deemed to be evidence that the proceedings have complied with the relevant formalities

set out in the Articles. Any such minutes of any meeting shall be sufficient evidence without any further proof of the facts therein stated.

81. A resolution in writing signed by all of the Board Directors or of all the members of the Finance Committee who are entitled to receive notice of a meeting of the Board or of the Finance Committee shall be as valid and effective as if it had been passed at a meeting of the Board or of the Finance Committee duly convened and constituted. Any such resolution may consist of several instruments in like form each executed by one or more of the said Board Directors or (as the case may be) members of the Finance Committee.
82. Any bank account in which any part of the assets of the Association is deposited shall be operated by the Board and shall indicate the name of the Association. All cheques, negotiable instruments and other orders for payment of money from that account and all receipts for moneys paid to the Association shall be signed or otherwise accepted or endorsed by at least one Board Director or by a person authorised by a resolution of the Board to do so.

SECRETARY

83. Subject to any requirements of the Act, the Secretary shall be appointed by the Board for such time, at such remuneration and upon such conditions (including as to reimbursement for costs and expenses) as the Board may think fit, and any Secretary so appointed may be removed by the Board. The Board may from time to time by resolution appoint an assistant or deputy Secretary, and any person so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting. To the extent permitted by the Act and excepting the power to sign instruments on behalf of the Association, powers of the Secretary may be delegated to employees of the Association such that the functions of the Secretary shall be properly performed if they are performed by such employees of the Association, and any notice or other communication to be delivered to or by the Secretary shall be properly delivered if sent to or by employees of the Association at the Office; provided, however, that the Secretary shall assume responsibility for the acts of such employees to the extent that such acts relate to the functions of the Secretary.

THE COMMON SEAL

84. The Association's common seal shall not be affixed to any instrument except by the authority of a resolution of the Board (or the Finance Committee authorised in that behalf) and in the presence of at least two Board Directors or one Board Director and the Secretary, who shall sign every instrument to which the seal shall be so affixed in their presence and in favour of any purchaser or person bona fide dealing with the Association such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

ACCOUNTS

85. The Board shall cause accounting records to be kept in accordance with the requirements of the Act.
86. The accounting records shall be kept at the Office, or, subject to the provisions of the Act, at such other place or places as the Board shall think fit, and shall be open to the

inspection of the Officers of the Association from 9am to 5pm Monday to Friday, excluding public holidays.

87. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Association or any of them shall be open to the inspection of Members not being Officers of the Association, and no Member (not being an Officer) shall have any right of inspecting any accounting records or other book or document of the Association except as conferred by statute or authorised by the Board or by the Association in general meeting.
88. At the AGM in every year, the Board shall lay before the Members an income and expenditure account for the most recently completed accounting reference period of the Association (if any), together with a proper balance sheet made up as at the last day of such period. Every such balance sheet shall be accompanied by proper reports of the Board and the Auditors, and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall be circulated to all persons entitled to receive notices of general meetings not later than the end of the period under the Act for filing accounts and reports with the registrar of companies or, if earlier, the date on which the Association actually delivers its accounts and reports to the registrar of companies and, in any event, no later than forty-eight (48) hours prior to the time of the AGM. The Auditors' report shall be open to inspection before the meeting.

AUDIT

89. In accordance with the provisions of the Act the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained for each financial year for which the annual accounts are prepared by one or more properly qualified Auditor or Auditors.
90. Auditors shall be appointed and their rights, duties, powers and remuneration shall be regulated in accordance with the provisions of the Act, the Board Directors being treated for all purposes as the Board Directors mentioned in those provisions.

NOTICES

91. Save where these Articles expressly state otherwise, any notice, document or information to be sent or supplied by the Association may be sent or supplied in accordance with the Act in hard copy form, in electronic form or via the LMA Website.
92. The Association may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at his registered address, or by leaving it at that address, or by sending it using electronic means to an address for the time being notified to the Association by such Member for that purpose, or via the LMA Website in each case in accordance with the Act.
93. A Member present, either in person or by proxy, at any meeting of the Association shall be deemed to have received notice of the meeting, and, where requisite, of the purposes for which it was called.

94. Any notice or other communication given to a Member (or other person entitled to receive notice) pursuant to the Articles that is served by post shall be deemed to have been served forty-eight (48) hours after posting and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post as a prepaid first class (or airmail, if to an address outside the United Kingdom) letter. A notice not sent by post but left at a Member's registered address is deemed to have been given on the day it was left. If a notice or document (other than a share certificate) is sent by electronic means, it is treated as being delivered at the time it was sent. If a notice or document is communicated via a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

INDEMNITY, DEFENCE COSTS AND INSURANCE

95. To the extent permitted by the Act:
- 95.1 Without prejudice to any indemnity to which he or she may otherwise be entitled, every person who is or was a Board Director or other Officer of the Association may be kept indemnified out of the assets of the Association against all costs, charges, losses and liabilities incurred by him or her (whether in connection with any negligence, default, breach of duty or breach of trust by him/her or otherwise) in relation to the Association or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him/her:
- 95.1.1 to the Association or to any associated company; or
 - 95.1.2 to pay a fine imposed in criminal proceedings; or
 - 95.1.3 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); or
 - 95.1.4 in defending any criminal proceedings in which he/she is convicted; or
 - 95.1.5 in defending any civil proceedings brought by the Association, or an associated company, in which judgment is given against him/her; or
 - 95.1.6 in connection with any application under section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct) in which the court refuses to grant him/her relief; or
 - 95.1.7 arising directly or indirectly from any dishonest, fraudulent, malicious or illegal act or omission by him/her.
- 95.2 In Articles 95.1.4, 95.1.5 and 95.1.6, the reference to a conviction, judgment or refusal of relief is a reference to one that has become final. A conviction, judgment or refusal of relief becomes final:
- 95.2.1 if not appealed against, at the end of the period for bringing an appeal, or

- 95.2.2 if appealed against, at the time when the appeal (or any further appeal) is disposed of.
- 95.3 An appeal is disposed of:
- 95.3.1 if it is determined and the period for bringing any further appeal has ended, or
- 95.3.2 if it is abandoned or otherwise ceases to have effect.
- 95.4 In Article 95.1, "associated company", in relation to the Association, means a company which is a subsidiary of the Association, or a holding company of or a subsidiary of any holding company of the Association.
- 95.5 Without prejudice to Article 95.1, or to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Act and otherwise upon such terms and subject to such conditions as the Board may in its absolute discretion think fit, the Board shall have the power to make arrangements to provide a Board Director or other Officer of the Association with funds to meet expenditure incurred or to be incurred by him or her in defending any criminal or civil proceedings or in connection with an application under section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct) or to enable any Board Director or other Officer of the Association to avoid incurring any such expenditure.
- 95.6 Where at any meeting of the Board or the Finance Committee any arrangement falling within paragraph 95.5 above is to be considered, a Board Director shall be entitled to vote and be counted in the quorum at such meeting unless the terms of such arrangement confers upon such director a benefit not generally available to any other director; in that event, the interest of such director in such arrangement shall be deemed to be a material interest for the purposes of Article 55 and he/she shall not be so entitled to vote or be counted in the quorum.
- 95.7 To the extent permitted by the Act, the Board may exercise all the powers of the Association to purchase and maintain insurance for the benefit of a person who is or was:
- 95.7.1 a director, secretary, other Officer or Auditor of the Association or of a company which is or was a subsidiary undertaking of the Association or in which the Association has or had an interest (whether direct or indirect); or
- 95.7.2 trustee of a retirement benefits scheme or other trust in which a person referred to in sub-paragraph 95.7.1 above is or has been interested,
- indemnifying him/her and keeping him/her indemnified against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Association.

DISSOLUTION

96. Clause 7 of the Memorandum relating to the winding-up or dissolution of the Association shall have effect in respect of each Member.