

**THE COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

**MEMORANDUM OF ASSOCIATION
of -
TRAKEHNER BREEDERS' FRATERNITY
Registered in England & Wales: Company Number 4110664**

1. The Company's name is " TRAKEHNER BREEDERS' FRATERNITY"
2. The Company's registered office is to be situated in England and Wales.
3. Its sign, logo and brand is the double elk horn brand of the Trakehner Verband of the Federal Republic of Germany ('the Verband'), with the addition of two lines as shown at the head of the Memorandum and Articles of Association.
4. The Company's objects are:
 - 4.1. to supervise the breeding, branding, recording and selection of Trakehner breeding stock, in accordance with the Contract between the Trakehner Breeder's Fraternity and the Verband dated 25th October 1985 and Directives 90/427/EEC, 92/353/EEC and 92/354/EEC. A Trakehner horse is a horse which carries a double elk horn brand and papers issued by the Verband or a breeding Organisation recognised by them and authorised to use a version of the brand.
 - 4.2. to promote the Trakehner horse in Great Britain
 - 4.3. to support the interest of members
 - 4.4. to register part-bred Trakehner horses
 - 4.5. to carry on or participate in any business or other activity which, in the opinion of the Committee, may conveniently be carried on in connection with any of the other objects of the Company.
5. The Company has the following express powers (which are in addition to any powers implied by law) which may be exercised in connection with any of the Company's objects as set out in clause 4 above:
 - 5.1. To purchase, take on lease or in exchange, hire or otherwise acquire real or personal property and rights of privileges, and to construct, maintain and alter buildings or erections.
 - 5.2. To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Company.
 - 5.3. To establish, undertake and execute any charitable trusts, which may lawfully be undertaken by the Company.
 - 5.4. To borrow or raise money on such terms and on such security as may be thought fit.
 - 5.5. To invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
 - 5.6. To guarantee or enter into any indemnity or other arrangement (which includes the giving of security over the assets or undertaking of the Company) relating to the discharge of any other person's obligations. The Company may do all such things with or without receiving any commercial benefit or consideration.

- 5.7. To make donations and provide assistance of any kind to any body or association having any charitable public or community purpose or object.
- 5.8. To do all things which, in the opinion of the Committee, are necessary or may help the Company to achieve any of its objects.
6. The objects and powers set out in clauses 3 and 4 are to be interpreted in accordance with the following principles:-
7. Each sub-clause and each activity referred to in any sub-clause is to be interpreted in the broadest possible sense and any examples given are not to be interpreted as restricting the meaning of the object or power, which they relate to.
8. Each sub-clause and each activity referred to in any sub-clause is to be interpreted separately and none of the sub-clauses or activities is to be interpreted in a way which would make it subordinate or incidental to another sub-clause or activity, unless the wording expressly requires this.
9. Anything which the Company may do, may be done by it in any part of the world and either alone or in partnership, association or joint venture with one or more other persons and either directly or indirectly. In carrying out any of its objects or exercising any of its powers. The Company may act in any capacity and this includes acting as agent for another person and carrying out the functions for any other person. In addition the Company has power to dispose of all or part of its business or property. The Company also has power to take any lawful steps with a view to a merger with another entity, a transfer of all or part of its undertaking to another entity or a winding up of the Company.
10. Any words in the singular include the plural.
11. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to Members of the Company.
12. Provided that nothing herein shall prevent any payment in good faith by the Company:-
- 12.1. of reasonable and proper remuneration to any Member, for any services rendered to the Company;
- 12.2. of interest at a rate not exceeding 6% per annum on money lent or reasonable and proper rent for premises demised or lent by any Member of the Company;
- 12.3. to a company of which a Member of the Company may be a Member holding not more than one hundredth part of the capital of such company.
13. If, upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any assets whatsoever, such assets shall not be paid to or distributed among the Members of the Company. Such assets shall be transferred either to another body with objects similar to those of the Company or to another body whose objects are the promotion of charity and anything incidental or conducive thereto. Such body shall be determined by the Members of the Company at or before the date of dissolution.
14. No addition, alteration, or amendment shall be made to or in the provisions of the Memorandum or Articles of association or for the time being in force, which would have the effect that the Company shall cease to be a company to which Section 30 of the Companies Act 1985 applies.

15. The liability of the Members is limited.
16. Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the assets of the Company if it should be wound up while he is a Member or within one year after he ceases to be a Member, for payment of the Company's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

**ARTICLES OF ASSOCIATION
TRAKEHNER BREEDERS' FRATERNITY**

1. PRELIMINARY
 - 1.1 The rules contained in Table C in the Schedule to The Companies (Tables A to F) Rules 1985 shall not apply to the Company.
2. DEFINITIONS
 - 2.1 In these Articles the following words have the meanings set out below.
 - 2.1.1 "Act" means the Companies Act 1985 and every statutory modification and re-enactment thereof for the time being in force.
 - 2.1.2 "Articles" means these Articles of Association, and the rules of the Company from time to time in force.
 - 2.1.3 "Clear days" in relation to a period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is to take effect.
 - 2.1.4 "Company" means the above-named Company.
 - 2.1.5 "Committee" and "Committee of Management" means the Board of Directors for the time being of the Company.
 - 2.1.6 "in writing" means written, printed, typewritten, sent and received by facsimile transmission, photographed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.
 - 2.1.7 "Month" means calendar month.
 - 2.1.8 "Registered Office" means the registered office of the Company.
 - 2.1.9 "United Kingdom" means Great Britain and Northern Ireland.
3. INTERPRETATION
 - 3.1 Words and phrases defined in the Act have the same meanings in these Articles.
 - 3.2 Where reference is made to a statutory provision this includes all prior and subsequent enactments, amendments and modifications of that provision and any rules made under it.
 - 3.3 References to the masculine gender include the feminine and neuter and vice versa. Similarly, references to the singular include the plural and vice versa.

- 3.4 The headings in these Articles are inserted for convenience only and shall not affect the construction or interpretation of any of the provisions contained in them.
4. MEMBERSHIP
- 4.1 The name and address of each Member of the Company shall be recorded in the register of Members. Membership is personal to the person concerned and may not be transferred.
- 4.2 A Member shall be recorded in or removed from the register only in accordance with these Articles.
- 4.3 Unless otherwise a condition of membership, membership of the Company shall be renewed annually by 1st January.
- There are two membership categories. "Full Members" are those Members that own a Trakehner horse registered in the Main Stud Book or the Stud Book. "Associate Members" are all other Members of the Fraternity. Within these articles, the term "Member" shall be taken to refer to both categories of Member, unless expressly stated within the Article concerned.
- 4.5 A person applies to become a Member by completing a membership application and depositing the application and appropriate subscription fee at the Membership Registrars Office.
- 4.6 A person becomes a Member once the cheque or other means of payment of the subscription fee has been honoured and the name of the person has been recorded in the register.
- 4.7 By becoming a Member, the Member agrees to observe and perform and be bound by:
- i) the memorandum and articles of association of the Company;
 - ii) the conditions of membership appropriate to that Member; and
 - iii) any Rules pursuant to article 14
- 4.8 Having become a Member, a Member shall cease to be a Member if:
- i) the Member resigns by giving not less than 28 days notice in writing;
 - ii) the Member dies;
 - iii) the Member does not renew his membership by 1st March; or
 - iv) the Member is expelled by the Committee.
- 4.9 A Member who ceases to be a Member during the year shall no longer be entitled to receive the benefits of membership and shall not be entitled to the return of any subscription fees.
- 4.10 If there is any dispute as to whether a person is a Member or there is any defect in membership, the Committee has full powers to resolve the dispute or to correct the defect. The exercise of these powers by the Committee shall be final and binding on all concerned.
5. GENERAL MEETINGS
- 5.1 Each year the Company must hold an Annual General Meeting in accordance with the Act. The Committee will decide when and where the Annual General Meeting will be held.

- 5.2 Any general meeting, which is not an Annual General Meeting, is called an Extraordinary General Meeting.
- 5.3 The Committee may at any time and shall, on a requisition made in writing by not less than twelve Members, convene an Extraordinary General Meeting.
6. NOTICE OF GENERAL MEETINGS
- 6.1 At least 8 weeks' notice in writing must be given for every Annual General Meeting of the Company. With the notice the committee will invite nominations to Committee together with a request for items for the agenda of the Annual General Meeting.
- 6.2 At least 21 clear days' notice must be given for every Extraordinary General Meeting.
- 6.3 Any notice must state where the meeting is to be held, the date and time of the meeting and the nature of any special business for the meeting. Article 7 explains what business is treated as special business.
- 6.4 A Member is entitled to attend and vote at a general meeting, but only "Full Members" as defined in Article 4.4 have the right to vote on matters that have effect on the Main Studbook, the Stud Book or Registers and their operation.
- 6.5 The notice calling an Annual General Meeting must state that the meeting is the Annual General Meeting. The notice calling a meeting at which it is proposed to pass a special or extraordinary resolution must state that it is intended to propose the resolution as either a special or extraordinary resolution.
- 6.6 Notice of every general meeting must be given to all Members and to the Company's auditors. If by accident, notice of a meeting is not given to any person who is entitled to receive such notice, the proceedings of that meeting will still be valid. This also applies to any accidental failure to send any other notice or circular relating to the meeting. It also applies where the notice, circular was sent but was not received.
7. PROCEEDINGS AT GENERAL MEETINGS
- 7.1 Any business at an Extraordinary General Meeting is treated as special business. Except for the following, all business at an Annual General Meeting is also treated as special business:
- a) considering and adopting the annual accounts, the Directors' Report, the Auditors' Report and any other document which must be sent with or attached to the accounts;
 - b) appointing Directors to replace any Directors who are retiring or have retired;
 - c) appointing the Auditors; and
 - d) authorising the Directors to fix the remuneration of the Auditors.
- 7.2 Any Member wishing to put forward a resolution or issues to a general meeting or a nomination to an Annual General Meeting must transmit the text of that resolution to the Company Secretary at least 14 clear days before the Company Secretary is bound to notify the Members of the agenda of the meeting.
- 7.3 At least 14 clear days prior to the Annual General Meeting all Members will receive the Agenda and Papers for the Annual General Meeting. The Agenda will always include reports from the Directors of the Company.

- 7.4 Amendments can be proposed to any type of resolution if the amendments are only clerical amendments to correct an obvious error.
- 7.5 No other amendments to any ordinary, special or extraordinary resolution can be proposed or voted on.
- 7.6 Before a general meeting starts to do business there must be a quorum present. If there is not, the meeting cannot carry out any business. However a chairman can be appointed, chosen or elected without a quorum being present because this is not treated as part of the meeting's business. Unless the Articles say otherwise, a quorum for all purposes is 5% of the Members who are entitled to vote and are present in person.
- 7.7 This Article applies if a quorum is not present within 30 minutes of the time fixed for the meeting to start. The chairman of the meeting can decide to extend this time but not for more than 2 hours.
- 7.8 If a quorum is not present within 30 minutes of the time fixed for the start of the meeting or within any extended time period:
- a) if the meeting was requisitioned by the Members, it will be dissolved;
 - b) a meeting which was called in any other way will be adjourned to another day, time and place decided by the chairman.
- 7.9 If a meeting is postponed for more than 14 days, the Committee must give at least 7 clear days' notice for the postponed meeting in the same way as for the original meeting. At the adjourned meeting if a quorum is not present within 30 minutes of the time fixed for the start of the meeting or within any extended time period, the Members who are entitled to vote and are present in person shall be a quorum.
- 7.10 The chairman of the Committee will be the chairman at every general meeting.
- 7.11 If there is no chairman of the Committee, the Directors who are present will choose one of themselves to act as chairman of the meeting. This also applies if the chairman of the Committee is not present within 15 minutes of the time the meeting is due to start or if the chairman is unwilling to chair the meeting.
- 7.12 If there is no Director present within 15 minutes of the time the meeting is due to start or if each Director who is present, is unwilling to chair the meeting, the Members present in person shall choose one of their representatives to be chairman of the meeting.
- 7.13 The chairman of the meeting can take any action to make sure the meeting is orderly. This can be whatever action he thinks is necessary. Any decision the chairman makes relating to matters of order or procedure including whether any question raised is a point of order or procedure will be final and cannot be challenged.
- 7.14 Each Director is entitled to attend and speak at any general meeting.
8. VOTING
- 8.1 Each Member shall have one vote except as provided in Article 6.4.
- 8.2 A poll is demanded in relation to the election of the Chairman as well as the Directors. Ballot papers shall be prepared containing the names of the candidates in alphabetical order.
- 8.3 If a resolution is put to the vote at a general meeting, it will be decided by a show of hands. This applies unless a poll is demanded of those Members

present, before the resolution is put to the meeting or before or when the result of the show of hands is declared by the chairman. A poll can be demanded:

- a) by the chairman of the meeting;
- b) by at least 5 Members who are present either in person at the meeting and are entitled to vote; or
- c) by Members in accordance with the Act.

8.4 The following applies when there is a vote by a show of hands and no poll is demanded or any demand for a poll is withdrawn. The chairman can declare that on a show of hands:

- a) a resolution has been passed or has been passed unanimously or has been passed by a particular majority; or
- b) a resolution has been lost or has been lost by a particular majority.

8.5 The chairman's declaration will be final and conclusive. The declaration must be entered in the minute book, which will be conclusive proof of the fact. The number or proportion of votes recorded for or against a resolution must be noted in the minutes.

8.6 A demand for a poll on a particular matter will not stop a general meeting from continuing to deal with other matters. If a poll is demanded it may, if the chairman consents, be withdrawn at any time before the end of the meeting or before the poll is taken (whichever is earlier). If a demand for a poll is withdrawn, any declaration of the result of a vote on that resolution by a show of hands, which was made before the poll was demanded, will be valid.

8.7 If the votes at a general meeting are equal, either on a show of hands or on a poll, the chairman of the meeting will be entitled to a second or casting vote.

8.8 Every Member who is present in person and entitled to vote at a general meeting will have one vote on a show of hands or on a poll.

8.9 Where:

- a) an objection is raised to the right of any person to vote at a meeting;
- b) votes have been counted that should not have been counted or that could have been rejected;
- c) votes are not counted that should have been counted;

these things will only affect the validity of the decision of the meeting if the objection is raised or the error is pointed out at the meeting at which the vote was cast or the error occurred. The chairman of the meeting will decide all such objections and errors and his decision will be final and conclusive. This Article applies in the same way to adjourned meetings.

9. THE COMMITTEE OF MANAGEMENT

9.1 The Committee of Management shall be the Directors of the Company within the meaning of the Act.

9.2 The Directors of the Company shall be the Chairman, Company Secretary, Studbook Registrar, Assistant Registrar & Membership Secretary, Honorary Treasurer, Show Organizer, and Marketing & Sales Director.

- 9.3 The Directors appointed under Article 9.2 must be Members under Article 4.4, and be of good financial standing with the Company. The Chairman, Company Secretary, Studbook Registrar, Assistant Registrar & Membership Secretary, and Honorary Treasurer must be Full Members owning horses approved for breeding in the Main Stud Book or Stud Book.
- 9.4 The posts will be subject to election on a three-year cycle of rotating posts in the following order:
- | | | | |
|--------|---------------------|--|----------------|
| Year 2 | Chairman | Honorary Treasurer | Show Organizer |
| Year3 | Stud Book Registrar | Marketing & Sales Director | |
| Year1 | Company Secretary | Assistant Registrar & Membership Secretary | |
- 9.5 A person who is eligible may be appointed as a Director in the following manner:
- 9.5.2 The Members can, by passing an ordinary resolution, appoint a Director either as an extra Director or a Director to fill a vacancy where someone has ceased to be a Director.
- 9.5.3 The Committee can appoint up to two Directors at any one time to fill vacancies. Any Member so appointed shall retain his office until that office is due for re-election.
- 9.6 The Committee may appoint a Member or groups of Members to undertake tasks on behalf of the Fraternity.
- 9.7 A Member who is entitled to attend and vote at the meeting and who wishes to propose a person for appointment as a Director must deliver a written notice to the Companies Secretary Office nominating that person. The notice must contain the full name and address in Great Britain of that person and be signed by the person concerned confirming that he is willing to be elected.
- 9.8 In case there shall not be a sufficient number of candidates nominated and willing to serve the Committee may at or after the Annual General Meeting fill the remaining vacancy or vacancies entirely at its discretion.
- 9.9 A Director will cease to be a Director in any of the following circumstances:
- If he delivers a written resignation to the Company Secretary’s Office or offers it at a Committee meeting.
 - If the Committee decides that he is no longer able to be a Director because of physical or mental incapacity or mental disorder.
 - If he has missed Committee meetings for a continuous period of 6 months without the Committee’s consent.
 - If he becomes bankrupt, or insolvent, or compound with his creditors.
 - If he is prohibited by law from being a Director.
 - If he ceases to be a Director under the Act or is removed under these Articles.
 - If he be convicted of any offence triable at the Crown Court.

10. DIRECTORS' FEES AND EXPENSES

- 10.1 A Director shall not be entitled to any remuneration for performing his services as a director unless otherwise sanctioned by an ordinary resolution of the Members.
- 10.2 The Company will pay the reasonable travelling, hotel and incidental expenses incurred by the Directors to attend and return from:
- Committee meetings;
 - meetings of subcommittees of the Committee;
 - general meetings; and
 - other meetings on the Company's business.
 - The Company can also pay all other expenses properly and reasonably incurred by Directors in conducting the Company's business or performing their duties.

11. THE COMMITTEE'S POWERS AND DUTIES

11.1 The Committee will manage the Company's business. The Committee can use all of the Company's powers except where the Articles or the Act say that powers can only be used by the Members voting at a general meeting.

11.2 The Committee is always subject to:

- the provisions of the Act;
- the Company's memorandum of association;
- the requirements of these Articles;
- any directions given by the Trakehner Verband under Contract provisions or under Directives 90/427/EEC, 92/353/EEC and/or 92/354/EEC, and
- any directions given by the Members passing a special resolution at a general meeting.

However, if the memorandum or articles of association of the Company are altered, or a special resolution is passed, relating to something, which the Committee has already done which falls within its powers, this cannot invalidate the Committee's previous action.

11.3 Any other Articles, which give special authority or powers to the Committee, do not limit or restrict but add to the powers given by this Article.

12. BORROWING POWERS

12.1 The Committee can exercise all the Company's powers to borrow money and to mortgage or charge all or any part of the Company's business and activities, property and assets (present and future) and uncalled capital. The Committee can also exercise all the Company's powers to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. In exercising these powers the Committee is subject to the requirements of the Act.

13. PROCEEDINGS OF THE COMMITTEE

13.1 The Committee can decide when to have meetings and how to conduct them. The Committee must, however, comply with any specific provision in these Articles, which applies to Committee meetings.

- 13.2 Matters for decision, which arise at a Committee meeting, will be decided by a majority vote. If the votes are equal, the chairman of the meeting will have a second or casting vote.
- 13.3 A Committee meeting can be called by a Director. It must be called by the Secretary if a Director requests a meeting.
- 13.4 The quorum needed to deal with the business of the Committee is 4 Directors.
- 13.5 If the number of Directors is less than the number fixed under the Articles for a quorum for a Committee Meeting, the continuing Directors or Director can continue to act. However in these circumstances they or he can only convene a general meeting and cannot use any of the Committee's other powers.
- 13.6 If there are no Directors able or willing to act, any 5 Members can call a general meeting.
- 13.7 If there is no chairman or the chairman is absent, the Directors who are present can choose which of them will chair the meeting.
14. THE RULES OF THE COMPANY
- 14.1 To further the objects of the Company as set out in clause 5 of the Memorandum, the Committee has power to issue rules relating to the activities of the Company, Members and the breeding of the Trakehner horse in Great Britain such as to
- the selection and grading of stallions and mares
 - performance testing
 - stud book entries and branding procedures
 - the Judges Panel
 - the marketing and promotion of the Trakehner Horse
 - the qualification for prizes and trophies
 - the duties of Directors.
- 14.2 The Rules previously adopted by the Trakehner Breeders' Fraternity shall form the basis of Rules made and adopted by the Committee, and shall have retrospective application as though made by the Committee at the time of application.
- 14.3 All Rules passed by the Committee will be published to the Members at the earliest convenience, and copied to the Trakehner Verband.
15. COMPANY SECRETARY
- 15.1 If for whatever reason the post of the Company Secretary becomes vacant the committee will appoint somebody appropriate to full fill this role until the next election.
16. SEAL
- 16.1 The Company's common seal can only be used with the Committee's authority.
- 16.2 The Committee can decide who will sign any document, which is to be sealed with the common seal. But unless the Committee decides otherwise, it must be signed by a Director and the Company Secretary or by 2 Directors and must be recorded to the minute book.
- 16.3 A document signed by one Director and the Company Secretary, or by 2 Directors, which states that it has been executed by the Company will have the

same effect as if it had been sealed and must be recorded to the minute book. This will not apply if the Act says otherwise.

17. ACCOUNTS

- 17.1 The Committee must make sure that proper accounting records, which comply with the Act, are kept.
- 17.2 The accounting records must be kept at the Registered Office or at any other place, which the Committee thinks fit and the Act allows.
- 17.3 The Directors can always inspect the accounting records.
- 17.4 No Member or other person has any right to inspect any accounting record or book or document of the Company unless:
- he is entitled by law;
 - he is authorised to do so by the Company; or
 - he is authorised to do so by the Members passing an ordinary resolution at a general meeting.

18. AUDITORS

- 18.1 The appointment and duties of the Company's Auditors will be governed by the Act. The Auditor is entitled to attend any general meeting and to receive notices of and any other communication relating to any general meeting, which any Member is entitled to receive. The Auditor will also be entitled to speak at any general meeting on any business, which concerns him as auditor.

19. NOTICES

- 19.1 Any notice or other document can be served or delivered by the Company on or to a Member:
- personally or by posting it (with postage paid) to the address given for the Member in the register of Members;
 - by publishing the notice or other document in " TBF News" or other publication or newsletter determined by Committee.
- 19.2 Where a notice or document is served by post, it will be treated as being served and delivered 24 hours after it was posted.
- 19.4 Any notice or document, which is published in accordance with article 19.1.2, will be treated as having been served on the third day after publication.

20. WINDING UP

- 20.1 The Committee can on behalf of the Company and in the Company's name present a petition to a court for the Company to be wound up.

21. INDEMNITY

- 21.1 Every Director, Company Secretary and all other officers of the Company are entitled to require the Company to indemnify them against all the costs, charges, losses, expenses and liabilities which he incurs in or in connection with the performance of his duties as an officer or employee of the Company.

21.2 This includes any liability in defending any proceedings, criminal or civil, relating to any act or omission or alleged act or omission by him as an officer or employee of the Company. In the case of any liability incurred in defending any proceedings, judgement must be given in favour of the individual (or the proceedings must be dealt with in such a way that he is neither found guilty of nor admits to any material breach of his duties) or he must be acquitted, or the court must give relief in connection with any application under any statute for relief from liability.
