

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION OF ITSPA – Internet Telephony Services Providers Association

Interpretation

In these Articles:

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

"the Articles" means the Articles of the Company.

"Associate Member" is as defined in 1.2-1.6.

"the Chairman" the chair of the ITSPA Council.

"Clear Days" in relation to the period of a notice means 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.

"the Company" means the above-named Company.

"the Council" means the Council of Management of the Company.

"Director" means a director of the Company

"executed" includes any mode of execution permitted by law.

"Full Member" as defined in 1.3-1.6

"Member" a Member of the Company in accordance with the provisions of the Articles.

"Member of the Council" an elected member of the Council of Management of the Company.

"Office" means the registered office of the Company.

"the Seal" means the common seal of the Company.

"the Secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

"United Kingdom" means Great Britain and Northern Ireland.

"Working Group" as defined in 12

1. Membership

- 1.1. The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to Membership in accordance with the Articles shall be Members of the Company.
- 1.2. There will be two classes of Members: Full Members and Associate Members.
- 1.3. Members shall be individuals, unincorporated associations, or bodies corporate involved in the communications sector who wish to become Members and who support the objectives of the Company as expressed from time to time in the Articles. The number of Members of the Company is unlimited.
- 1.4. Notwithstanding any other provisions in these Articles, only Internet Telephony Services Providers operating in the United Kingdom may become Full Members.
- 1.5. Full Members shall be entitled to fully participate in all activities of the Company. Associate Members shall also be entitled to fully participate in all activities of the Company, but have no voting rights. The Company may create several categories of Associate Membership with different rights. The Council shall decide any question related to the eligibility of a Member to be a Full Member.
- 1.6. All Members, whether Full or Associate, are encouraged to play an active role in the Company and to participate in ITSPA Working Groups.
- 1.7. Each application for Membership of the Company shall be submitted to the Secretary in writing. No person shall be admitted a Member of the Company unless approved by the Council. Membership admittance shall be decided by a simple majority of Council votes.
- 1.8. Membership shall not be transferable.

2. Ending of Membership

- 2.1. A Member stops being a Member of the Company if:
 - a. the Member resigns from Membership by giving notice in Writing to the Company; or
 - b. Membership is ended under Article 3 below; or
 - c. the Member's subscription (if any) remains unpaid six months after it is due and the Council resolves to end that Member's Membership; or
 - d. the Member fails to respond in Writing within 60 days of being sent a notice in Writing requesting confirmation that they wish to remain a Member and the Council resolves to end Membership. The notice must contain a warning that Membership may be ended.

3. Termination and Suspension of Membership

- 3.1. Council may decide to suspend or expel a Member if the Member:

- a. Shall make default in the observance of the Articles or any bye-law or of any resolution of the Council; or
 - b. defaults in the payment of membership fees or any other monies due to the Company; or
 - c. in the opinion of the Council has been guilty of any act or practice or conduct which brings the Company into disrepute; or
 - d. where, in the opinion of the Council, its continued membership of the Company is against the interests of the majority of its Members;
 - e. or ceases to qualify as a Member pursuant to these Articles or the Membership criteria then in force;
 - f. or fails to comply with the ITSPA code of practice
- 3.2. During suspension the Member may not exercise any rights of Membership.
- 3.3. Council may, in place of expulsion or suspension, substitute such lesser penalty as it may see fit including (but not limited to) warning or reprimand.

4. Subscriptions

- 4.1. The Council may from time to time formulate or draw up and therefore amend or otherwise alter rules relating to any subscription be it of an annual or recurring nature or otherwise which Members shall be required to pay to the Company as a condition of Membership or of continuing Membership of the Company.
- 4.2. Such rules may provide for the expulsion of a Member from the Company or for deletion of a Member's name from the Register of Members in the event of a Member making default in the payment of any such subscription.

5. General Meetings

- 5.1. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 5.2. An annual general meeting shall be held once every calendar year except that the first annual general meeting need only be held within 18 months of the formation of the Company and not more than 15 months must pass between one annual general meeting and the next.
- 5.3. The Council may, when they think fit, convene an Extraordinary General Meeting.

6. Notice of General Meetings

- 6.1. Subject to the provisions of Section 378 (2) & (3) of the Act relating to Special Resolutions, and to the provisions of Section 369 of the Act relating to Annual General Meetings, at least twenty-one Clear Days' notice specifying the place, the day and the hour of any general meeting, and in case of special business the general nature or such business, shall be given to the Members and auditors in the manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the Company in

General Meeting. If special business is to be discussed, full details or the general nature of the meeting must be given.

- 6.2. Notwithstanding the above, with the consent of all the Members entitled to receive notice thereof or of such proportion thereof as is prescribed by the Act in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as those Members think fit.
- 6.3. The accidental omission to give notice to any Member, or the non-receipt by any Member of such notice, shall not invalidate the proceedings of any General Meeting.

7. Proceedings at General Meetings

- 7.1. The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Council and auditors, to increase or decrease the number of Members of Council within the limits set herein, to elect Members of the Council in place of those retiring and also additional Members of the Council, and to elect auditors and fix their remuneration. All other business transacted at an Annual General Meeting shall be deemed special.
- 7.2. No business shall be transacted at any General Meeting, except the adjournment of the meeting, unless a quorum is present. Three persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, or one tenth of the Membership whichever is greater, shall be a quorum.
- 7.3. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time or place, or at such other place as the Chairman may appoint.
- 7.4. The Chairman (if any) of the Council shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the Members present shall choose some Member of Council, or if no such Member be present, or if all Members of Council present decline to take the chair, they shall choose some Member of the Company who shall be present to preside.

8. Votes of Members

- 8.1. Subject to any contrary provision of these Articles, each Full Member shall have one vote at any general meeting.
- 8.2. In the case of an equality of votes either on a show of hands or on a poll the Chairman of the meeting shall be entitled a further or casting vote.
- 8.3. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Council may approve):-

"I/We, _____
of _____
being a Member/Members of the above-named Company,
hereby appoint _____

of _____ or,
 failing him _____
 of _____
**as my/our proxy to vote in my/our name(s) and on my/our behalf
 at the Annual/Extraordinary General Meeting of the Company,
 to be held on _____ 20____, and at any adjournment thereof.
 Signed on _____ 20____ ."**

8.4. Where it is desired to afford Members an opportunity of instructing the proxy how he shall act, the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Council may approve):-

**" I/We, _____
 of _____
 being a Member/Members of the above-named Company,
 hereby appoint _____
 of _____ or,
 failing him _____
 of _____
 as my/our proxy to vote in my/our name(s) and on my/our behalf at the
 Annual/Extraordinary General Meeting of the Company, to be held on _____ 20____,
 and at any adjournment thereof.**

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution	No	1	*for	*against
Resolution No 2	*for	*against		

***Strike out whichever is not desired.**

**Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.
 Signed this _____ day of _____ 20____ ."**

8.5. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Council may:-

- a. Be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- b. in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- c. where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Member of the Council;
- d. and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

8.6. A resolution put to vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-

- a. by the Chairman; or
- b. by at least two Members having the right to vote at the meeting; or
- c. by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

9. ITSPA Council

- 9.1. The business of the Company is managed by the Council.
- 9.2. The number of Members of the Council shall not be less than 3, or until otherwise determined by general meeting, more than 12.
- 9.3. The number of Directors of the Company shall not be less than 2. Directors must be Members of the Council.
- 9.4. Members of the Council shall be natural persons. Each Member of the Council shall be elected by the Full Members at the annual general meeting.
- 9.5. Subject to the provisions of the Act, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Council who may exercise all powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Council which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Council by these Articles and a meeting of Council at which a quorum is present may exercise all powers exercisable by the Council.
- 9.6. The Council may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine.

10. Appointment and Retirement of Members of the Council

- 10.1.
 - (i) No company or un-incorporated body shall in any circumstances be eligible to hold office as a Member of the Council.
 - (ii) No person shall in any circumstances be eligible to hold office as a Member of the Council unless the nominee of a Full Member of the Company.
 - (iii) No two Members of the Council shall be nominees of the same Voting Full Member.
- 10.2. At each Annual General Meeting of the Company certain Members of the Council shall retire from office.
 - (i) The total number retiring shall be not less than one third of the greatest number of Members of the Council at any time since the last Annual General Meeting.
 - (ii) Any Member of the Council may retire voluntarily.
 - (iii) Any Member of the Council who was not elected to the Council at or since the Annual General Meeting two years previous shall retire (this

includes all members elected before that date and all members appointed other than election).

- (iv) If the number retiring under (ii) and (iii) is insufficient, then further Members of the Council shall retire starting with those longest in office since the last time they were elected, then continuing with those next longest in office, and so on until a sufficient number has been selected. If more Members of the Council were elected on the same day than is needed to meet the number required, those to retire shall be selected from among them by lot unless they otherwise agree among themselves.
- 10.3. At each Annual General Meeting, an election shall be held to fill the vacancies on the Council. Where there is a resolution to change the number of places, the election shall not be held until after that resolution has been decided.
- 10.4. No person shall be eligible for election to the office of Member of the Council at any General Meeting unless, not less than seven nor more than twenty-one days before the date appointed for the meeting, the Company shall have received in writing:
- (i) a nomination of that person by some Member of the Company duly qualified to attend and vote at the meeting for which such notice is given, and
 - (ii) a statement from that person stating that he is willing to be elected.
- 10.5. A retiring Member of the Council shall be eligible to be nominated for re-election.
- 10.6. If the number of persons nominated is not greater than the number of vacancies (taking into account those members retiring) then all those persons are deemed elected without a vote. Otherwise sufficient persons shall be elected to bring the number to that determined under (10.8) below.
- 10.7. The retirement of Members of the Council and the election of new ones takes effect at the end of the General Meeting where they retire or are elected.
- 10.8. The Company may from time to time by ordinary resolution increase or decrease the number of Members of the Council. No existing Member of the Council shall be required to retire as a result of such a decrease.
- 10.9. The Members of the Council shall have power from time to time and at any time to appoint any other persons who are eligible under Article 10.1 as Members of the Council but so that the total number of Members of the Council shall not at any time exceed the maximum number, fixed as above, and so that no such appointment shall be effective unless two thirds of the Members of the Council concur therein.
- 10.10. No Member of the Council shall vacate or be required to vacate his office as Member of the Council on or by reason of his attaining or having attained the age of seventy or any other age, and any Member of the Council retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Member of Council shall be capable of being appointed or re-appointed as a Member of the Council notwithstanding that he has attained the age of seventy and no special notice need be given of any resolution for the appointment or re-appointment as a Member of the Council of a person who shall have attained the age of seventy, and it shall not be necessary to give to the Members of the Company notice of the age of the Council or person proposed to be appointed or re-appointed as such.
- 10.11. The Members of the Council for the time being may act notwithstanding any vacancy in their body; provided always that in case the Members of the Council shall at any time be or be reduced in number to less than the minimum number prescribed by or in accordance with these presents, it shall be lawful for them to act as the Council for the

purpose of admitting persons to the membership of the Company, filling up vacancies in their body, or of summoning a General Meeting, but not for any other purpose.

- 10.12. The Company may by ordinary resolution, of which special notice has been given in accordance with section 379 of the Act, remove any Member of the Council before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company of such Member.
- 10.13. The Company may by ordinary resolution appoint another person who is eligible under Article 10.1 in place of a Member of the Council removed from office under the immediately preceding Article. Without prejudice to the powers of the Council under Article 10.8 the Company in General Meeting may appoint any person to be a Member of the Council either to fill a casual vacancy or as an additional Member of the Council. The person appointed to fill such vacancy shall be subject to retirement at the same as if he had become a Member of the Council on the day which the Member of the Council in whose place he is appointed was last elected as a member of the Council.

11. Disqualification of Members of the Council

- 11.1. The office of a Member of the Council shall be vacated if:-
- a. he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - b. he is, or may be, suffering from mental disorder and either:-
 - i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under Mental Health (Scotland) Act 1960;
 - ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect of his property or affairs; or
 - c. he resigns from his company; or
 - d. if without leave he be absent, otherwise than on the affairs of the Company, from meetings of the Council for six consecutive months, and the Council within twelve months of the last meeting attended by him resolve that his office be vacated.

12. Delegation by the Council to Working Groups

- 12.1. The Council may delegate any of their powers to any Working Group provided that all acts and proceedings of such Working Group shall be reported back to the Council as soon as possible and provided further that no expenditure shall be incurred by any such Working Group except in accordance with a budget previously agreed by the Council. Any such delegation may be made subject to any conditions the Council may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a Working Group with two or more Members shall be governed by these Articles regulating the proceedings of the Council so far as they are capable of applying.
- 12.2. A Working Group may meet and adjourn whenever it chooses.

- 12.3. Questions at the meeting must be decided by a majority of votes of the Members present.

13. Proceedings of the Council

- 13.1. The Council may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as it sees fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined, the quorum shall be three or one-third of the complete Council whichever is greater. Questions arising at any meeting shall be decided by a simple majority of votes, although consensus will be sought at all times. Input from the full Membership shall be encouraged through their active involvement in Working Groups, although the Company's business shall not be dictated by any one, single Member. In case of an equality of votes the Chairman shall have a second or casting vote.
- 13.2. The Council shall from time to time elect a Chairman who shall be entitled to preside at all meetings of the Council at which he shall be present, and may determine for what period he is to hold office but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the meeting and willing to preside, the Members of this Council present shall choose one of their number to be Chairman of the meeting.
- 13.3. All or any of the Council may participate in a meeting of the Council by means of conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take part where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is present.

14. Secretary

- 14.1.** Subject to the provisions of the Act, the Secretary shall be appointed by the Council for such term, at such remuneration and upon such conditions as the Council may think fit; and any Secretary so appointed may be removed by the Council. Provided always that no Member of the Council may occupy the salaried position of Secretary.

15. Minutes

- 15.1. The Council shall cause minutes to be made in books kept for the purpose
- a. of all appointments of officers made by the Council; and
 - b. of all proceedings at meetings of the Company, and of the Council, and of Working Groups, including names of the Members of the Council present at each such meeting.

16. The Seal

- 16.1. The Seal shall only be used by the authority of the Council or of a committee of the Council authorised by the Council. The Council may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Member of the Council and by the Secretary or by a second Member of the Council.

17. Income of the Company

- 17.1. The income of the Company shall be applied solely towards the promotion of all or any of the objects of the Company as set forth in the Company's Memorandum of Association as the Council may from time to time think fit.
- 17.2. The Council shall have the power to create a reserve fund or reserve funds to be applicable for any such purposes, and, if the Council shall think fit, also to apply all or any part of the reserve fund appropriated to any particular purpose to any other one or more of such purposes.
- 17.3. Pending any such application, any reserve fund may at the discretion of the Council either be employed in the business of the Company or be invested from time to time in such investment as the Council may think fit.

18. Accounts

- 18.1. The Council shall cause proper books of account to be kept:-
- a. Of the sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place.
 - b. Of all sales and purchases of property and goods by the Company.
 - c. Of the assets and liabilities of the Company.
- 18.2. Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 18.3. The books of account shall be kept at the Office or, subject to Section 227 of the Act, at such other place or places as the Council may determine, and shall be made available for inspection within one working day whenever requested by the Council. The Council may from time to time by resolution determine whether and to what extent and at what times and places and on what conditions the books and accounts of the Company or any of them shall be open to the inspection of the Members not being Members of the Council, and the Members shall have only such rights of inspection as are given to them by the Act or by such resolution as aforesaid.
- 18.4. At the Annual General Meeting in every year, the Council shall lay before the Company an income and expenditure account for the period since the preceding account, or in the case of the first account since the incorporation of the Company, made up to date not more than six months before such meeting. A balance sheet as at the date to which income and expenditure account is made up, shall be made out and laid before the Company at the Annual General Meeting, every such balance sheet shall be accompanied by proper reports of the Council and Auditors. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid shall,

fourteen Clear Days previously to such meeting, be sent to the Auditor and every Member entitled to receive notices of the General Meeting in the manner in which notices are hereinafter directed to be served.

19. **Audit**

- 19.1. Auditors shall be appointed and their duties regulated in the manner provided by Sections 384 to 392 (inclusive) of the Act or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if "Member of the Council" and "the Council" were substituted for "Director" and "the Directors" respectively.

20. **Notice**

- 20.1. Any notice to be given by or to any person pursuant to these Articles shall be in writing.
- 20.2. The Company 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 by email to his registered email address.
- 20.3. Any person may give any notice to the Company by sending at its registered address or by leaving at that address or by sending it by email to any address specified for that purpose (and the Company may specify different email addresses for different types of notice) and either notified by the Company to the Members in accordance with 18.2 above or published by the Company on a Web server accessible to the Members.
- 20.4. A Member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 20.5. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 20.6. Any notice if served by email shall be deemed to have been served at the expiration of 48 hours after the same shall have been sent, and in proving such service it shall be sufficient to prove that the email was properly addressed and that email had previously been sent to the Member's registered email address and not returned as undeliverable.

21. **Dissolution**

- 21.1. Clauses 4 and 7 of the Memorandum of Association relating to the winding up or dissolution of the Company shall have effect and be observed as if the provisions thereof were repeated in these Articles.

22. **Indemnity**

- 22.1. Subject to the provisions of the Act but without prejudice to any indemnity to which a Member of Council may otherwise be entitled, every Member of the Council or other officer or auditor of the Company shall be indemnified out of the assets of the Company

against any liability incurred by him in defending any proceedings, whether in civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of charges, losses, expenses or liabilities incurred by him in the execution and discharge of his duties or in relation thereto provided that this Article shall not apply in relation to costs which a Member of the Council is ordered to pay or of which he is deprived.

23. Rules & Bye-laws

- 23.1. The Council shall have power from time to time to make, alter, and repeal all such rules or bye-Laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and may include therein provisions defining privileges and benefits accruing to Members; the election of a Chairman and Vice-Chairman and the rights and privileges attaching to either office; the admission and retirement of Members and the conditions attached thereto and the basis on which such privileges and benefits may be terminated; and, the subscriptions and entrance or other fees payable, and shall adopt such means as they deem sufficient to bring the notice of the Members of the Company all such Rules or Bye-Laws, alterations, and appeals.
- 23.2. All such Rules or Bye-Laws so long as they shall be in force shall be binding upon all Members of the Company, provided nevertheless that no Bye-Law shall be inconsistent with or shall affect or repeal anything contained in the Memorandum or Articles of Association of the Company and that any rule or bye-Law may be set aside by a special resolution of a general meeting of the Company.

24. Headings

- 24.1. The headings of these Articles are for convenience only and shall not be taken as part of them or in any manner affect the interpretation or construction of the same.