

Companies Act 2006

A Private Company Limited by Guarantee

**Memorandum of Association of Solicitors Regulation Authority
Limited**

Each subscriber to this Memorandum of Association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Name of each subscriber

Authentication by each subscriber

The Law Society

Dated:

Company Number [•]

A Private Company Limited by Guarantee

Articles of Association of Solicitors Regulation Authority Limited

(Adopted by Special Resolution passed on [] 2022)

Contents

No.	Heading	Page
	Part 1 - Interpretation and Limitation of Liability	3
1.	Defined terms	3
2.	Applicability of Model Articles	5
3.	Liability of members	5
4.	Objects of the Company	5
5.	General determination and application of profits of the Company	6
6.	Application of profits derived from education and training	6
	Part 2 – Directors	7
	<i>Directors' Powers and Responsibilities</i>	7
7.	SRA Board composition	7
8.	Appointment of directors	7
9.	Termination of director's appointment	7
10.	Decision-making by directors	8
11.	Decisions taken outside of a meeting	8
12.	Calling a directors' meeting	8
13.	Participation in directors' meetings	8
14.	Quorum for directors' meetings	9
15.	Chairing of directors' meetings	9
16.	Casting vote	9
17.	Directors' general authority	9
18.	Directors may delegate	9
19.	Committees	10
20.	Authorisation	10
21.	Matters not requiring an Authorisation	11

22.	Participation in decision-making	11
23.	No obligation to account	11
24.	General	11
25.	Records of decisions to be kept	12
26.	Directors' discretion to make further arrangements	12
27.	Directors' remuneration	12
28.	Directors' expenses	12
	Part 3 – Members	13
29.	Members of the Company	13
30.	Decision making	13
31.	Information sharing and assurance arrangements	13
	Part 4 – Administrative arrangements	15
32.	Means of communication to be used	15
33.	Company seals	16
34.	No right to inspect accounts and other records	16
	<i>Directors' indemnity and insurance</i>	16
35.	Indemnity and insurance	16

Company No. [•]

A Private Company Limited by Guarantee

Articles of Association of Solicitors Regulation Authority Limited

(Adopted on incorporation)

Part 1 - Interpretation and Limitation of Liability

1. Defined terms

1.1 In these Articles, unless the context requires otherwise:

"**Act**" means the Companies Act 2006;

"**Approved Regulator**" has the meaning given by Part 1 of Schedule 4 to the Legal Services Act 2007;

"**Authorisation**" has the meaning given in Article 20.1;

"**Business Day**" means a day (other than a Saturday or Sunday) when clearing banks are open for general business in London;

"**Chair**" means any Lay Director of the Company appointed Chair pursuant to procedures adopted by the directors from time to time;

"**Company**" means Solicitors Regulation Authority Limited, a wholly owned subsidiary of the Law Society, and whose registered office address is at The Cube, 199 Wharfside Street, Birmingham B1 1RN;

"**Council**" means the Council of the Law Society;

"**Designated Purpose**" means:

- (a) the provision of financial assistance, in relation to the costs of the Examination Services, to candidates who are, in the reasonable opinion of the Company, financially disadvantaged;
- (b) the continuance or improvement of Examination Services; and/or
- (c) any other lawful purpose which would not result in the Company ceasing to be an Eligible Body;

"**electronic means**" has the meaning given in section 1168 of the Act;

"**Eligible Body**" has the meaning given in Note 1(e) Group 6 to Schedule 9 of the Value Added Tax Act 1994;

"**Examination Services**" has the meaning given in Note 4 Group 6 to Schedule 9 of the Value Added Tax Act 1994;

"**General Regulations**" means the General Regulations of the Law Society made in October 2019, as amended from time to time;

"**Internal Governance Rules**" means the Legal Services Board Internal Governance Rules 2019 for as long as they are in effect;

"**Law Society**" means the Law Society of England and Wales, a body incorporated by Royal Charter (RC000304) and being an Approved Regulator, and whose principal place of business is 113 Chancery Lane, London WC2A 1PL;

"**Lay Directors**" means those members of the SRA Board who are Lay Persons and who are not Council members;

"**Lay Person**" has the meaning given in paragraph 2(4) of Schedule 1 to the Legal Services Act 2007;

"**Legal Services Board**" has the meaning given in section 2 of the Legal Services Act 2007;

"**member**" has the meaning given in section 112 of the Act ;

"**Model Articles**" means the model articles for private companies limited by guarantee set out at Schedule 2 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as in force on the date when these Articles become binding on the Company, and reference to a numbered Model Article is to the relevant article of the Model Articles;

"**Objects**" means the objects of the Company as defined in Article 4;

"**Residual Role**" has the meaning given in Rule 2(2) of the Internal Governance Rules;

"**Solicitor Directors**" means those members of the SRA Board who are solicitors of England and Wales and who are not Council members;

"**SRA Board**" means the board of directors of the Company from time to time, and references in these Articles to "the directors" shall be deemed to be references to the SRA Board;

"**Vocational training**" has the meaning given in Note 3 Group 6 to Schedule 9 of the Value Added Tax Act 1994;

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 In these Articles, unless the contrary intention appears:

(1) any reference to the singular includes the plural and vice versa and reference to any gender includes the other genders; and

(2) any reference to an enactment includes:

(1) that enactment as amended, extended, consolidated, re-enacted or applied by or under any other enactment before the date of adoption of these Articles;

(2) any enactment which that enactment re-enacts, consolidates or enacts in rewritten form (in each case with or without modification, and irrespective of

whether the enactment which is re-enacted or consolidated has been or is subsequently repealed); and

- (3) any subordinate legislation made before the date of adoption of these Articles under that or any other applicable enactment, including one within paragraphs (1) or (2) above.

2. Applicability of Model Articles

2.1 The Model Articles apply to the Company save as inconsistent with these Articles. No other regulations or articles prescribed by subordinate legislation under any statute concerning companies shall form part of the articles of association of the Company.

2.2 Save as otherwise provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles.

3. Liability of members

3.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:

- (1) payment of the Company's debts and liabilities contracted before he ceases to be a member;
- (2) payment of the costs, charges and expenses of winding up; and
- (3) adjustment of the rights of the contributories among themselves.

3.2 Subject to Article 3.3 there shall be no distribution of profits to the member.

3.3 Without prejudice to Articles 6.2 and 6.3, which shall continue to apply following a winding up, if the Company is wound up, the assets (if any) remaining after providing for all its liabilities which are distributed to the member shall be applied only to the promotion of the objects performed and discharged by the Company as at the point of winding up, or objects similar to those objects, and, to the extent possible, Article 5.2 shall continue to apply with respect to any surplus practising fee income forming part of those assets on the winding up.

4. Objects of the Company

4.1 The Company's Objects are to perform and discharge any and all functions as delegated to or conferred upon the Company by the Law Society and the Council pursuant to the General Regulations and the Internal Governance Rules.

4.2 In pursuance of those Objects the Company has the power to:

- (1) buy, lease or otherwise acquire and deal with any property (real or personal) and any rights or privileges of any kind over or in respect of any property (real or personal) and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- (2) hold any surpluses as reserves for such time as the Company shall deem necessary;

- (3) subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- (4) lend and advance money or give credit on such terms as the directors think fit and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan on such terms as the directors think fit and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person;
- (5) lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, positively affect or advance its objects in any way;
- (6) pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
- (7) enter into contracts to provide services to or on behalf of other bodies;
- (8) provide and assist in the provision of money, materials or other help;
- (9) open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- (10) incorporate subsidiary companies to carry on any business; and
- (11) do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of its objects.

5. General determination and application of profits of the Company

- 5.1 Subject to Articles 3.3 and 6, the profits of the Company, however derived, shall be applied solely towards the promotion of the objects of the Company as set forth in these Articles, and no portion thereof shall be distributed directly or indirectly to or for the benefit of the member of the Company.
- 5.2 The Company shall set the levels of practising fee income in accordance with section 51 of the Legal Services Act 2007 and such rules and guidance made by the Legal Services Board from time to time, including that which relate to level of reserves to be held by the Company. When setting the level of practising fee income the Company shall take into account any surplus practising fee income from previous financial years and the arrangements adopted by the SRA Board for level of reserves required to be held by the Company.
- 5.3 The SRA Board will adopt suitable arrangements to ensure compliance with Articles 5.1 and 5.1.

6. Application of profits derived from education and training

- 6.1 The Company shall at all times take steps to remain an Eligible Body.

- 6.2 The profits of the Company derived from the provision of education and vocational training, including Examination Services, shall be applied solely towards the continuance or furtherance of such provision.
- 6.3 The Company shall make arrangements for the segregation of all profits derived from Examination Services which will be applied only for the Designated Purpose.

Part 2 – Directors

Directors' Powers and Responsibilities

7. SRA Board composition

- 7.1 The SRA Board shall at all times (other than in circumstances where there is a casual vacancy):
- (1) comprise individuals appropriately skilled and qualified to carry out the role, including Lay Directors and Solicitor Directors;
 - (2) comprise a majority of Lay Persons; and
 - (3) have a Chair who is a Lay Director.
- 7.2 The SRA Board may adopt from time to time suitable arrangements for the composition of the SRA Board (including maximum numbers of directors) and procedures for:
- (1) the appointment and termination of the directors and the Chair; and
 - (2) the conduct and operations of the SRA Board.

8. Appointment of directors

- 8.1 Subject to Article 7.2, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to office of director either to fill a casual vacancy or as an addition to the existing directors.
- 8.2 The members of the Company shall have no right to appoint or remove a director by ordinary resolution.

9. Termination of director's appointment

- 9.1 A person ceases to be a director as soon as:
- (1) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - (2) a bankruptcy order is made against that person;
 - (3) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (4) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or

- (5) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (6) that person is removed from office pursuant to any procedures determined by the SRA Board from time to time in accordance with Article 7.2.

10. Decision-making by directors

- 10.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 11.

11. Decisions taken outside of a meeting

- 11.1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 11.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 11.3 References in this Article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 11.4 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

12. Calling a directors' meeting

- 12.1 Directors' meetings shall be called by the company secretary on the instructions of the chief executive and/or the Chair.
- 12.2 Meetings of the directors shall generally take place up to eight times a year or as otherwise decided by the directors.
- 12.3 Notice of any directors' meeting must indicate:
 - (1) its proposed date and time;
 - (2) where it is to take place; and
 - (3) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 12.4 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 12.5 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

13. Participation in directors' meetings

- 13.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (1) the meeting has been called and takes place in accordance with the Articles, and
- (2) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

13.2 Any director who is not able to be present in person may participate in a directors' meeting by means of a conference telephone, video conferencing facility or similar communications 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 such meeting and shall be entitled to vote and be counted in the quorum. Such a directors' meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chair is located.

14. Quorum for directors' meetings

14.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

14.2 The quorum for directors' meetings shall be fixed from time to time by a decision of the directors, but unless otherwise fixed it is five.

14.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision to appoint further directors.

15. Chairing of directors' meetings

15.1 The Chair shall preside at every meeting of the SRA Board at which he or she is present.

15.2 If the Chair is not present at a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint another Lay Director who is present, to be Chair of the meeting.

16. Casting vote

16.1 If the number of votes for and against a proposal are equal, the Chair or other director chairing the meeting has a casting vote.

16.2 Article 16.1 does not apply if, in accordance with the Articles, the Chair or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

17. Directors' general authority

Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

18. Directors may delegate

18.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

- (1) to such person or committee;
- (2) by such means (including by power of attorney);
- (3) to such an extent;

(4) in relation to such matters or territories; and

(5) on such terms and conditions;

as they think fit.

18.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

18.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

19. Committees

19.1 Committees to which the directors delegate any of their powers must follow procedures that are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

19.2 The directors may make rules of procedure or terms of reference for all or any committees from time to time, which prevail over rules derived from the Articles if they are not consistent with them.

19.3 The Chair shall appoint a chair to each committee from amongst the existing members of the SRA Board. The term of office is to be agreed between the Chair and the prospective committee chair.

20. Authorisation

20.1 The directors of the Company shall have power and shall be enabled, subject to and in accordance with this Article 20.1, to authorise (an "**Authorisation**") any matter which would or might constitute or give rise to any breach of the duty of a director under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

20.2 An Authorisation may be proposed by any director or member, and may be resolved upon by the directors of the Company in such manner as the directors of the Company deem in their absolute discretion to be appropriate (subject to the provisions of these Articles and the Act).

20.3 An Authorisation may be given subject to such terms and conditions as the directors of the Company may determine in their absolute discretion, and the relevant director shall comply with all such terms and conditions.

20.4 The directors of the Company may revoke or vary an Authorisation at any time, but this shall not affect anything previously done or omitted to be done by the relevant director in accordance with the terms of the Authorisation.

20.5 A director shall not be in breach of the duties he owes to the Company under section 175 of the Act by virtue of the fact that pursuant to the terms of an Authorisation he:

(1) absents himself from a meeting of the directors of the Company or other proceedings of the directors of the Company at which matters relating to the conflict of interest or possible conflict of interest will or may be discussed; or

- (2) makes arrangements not to receive, or refrains from considering, any documents relating to the conflict of interest or possible conflict of interest, or makes arrangements for a professional adviser to receive any such documents on his behalf,

for so long as he reasonably believes the matter to which the Authorisation relates subsists.

- 20.6 The Company may by ordinary resolution suspend or relax the provisions of this Article **Error! Reference source not found.** to any extent. Subject to the Act, the Company may by ordinary resolution ratify any transaction or arrangement not properly authorised by reason of a contravention of this Article **Error! Reference source not found.**

21. Matters not requiring an Authorisation

Subject to the provisions of the Act and the terms of reference adopted in respect of any committees of the Company from time to time, and provided that he has disclosed (by notice in writing to the Company or at a meeting of the directors of the Company) the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may act by himself or through a firm or other business entity in a professional capacity to the Company (except that of auditor) and he or such firm or other entity shall be entitled to remuneration for professional services as if he were not a director;
- (b) may act as a director of a Company or body from which the Company derives funding in the form of a levy or other financial contribution.

and, save as may be specifically provided by any contrary resolution of the directors or the Company, that director shall not be required to seek or obtain an Authorisation in respect of a matter or situation to the extent that such matter or situation is permitted by this Article.

22. Participation in decision-making

If a director has an interest in a proposed decision of the directors of the Company which is required to be declared to the other directors pursuant to section 177(1) of the Act, that director shall (provided that such interest has been declared in accordance with, and the director has otherwise complied with, section 177 of the Act) be entitled notwithstanding such interest to participate fully in the decision-making process for quorum and voting purposes. However, any terms or conditions with respect to participation in decision-making given in connection with an Authorisation shall prevail over and to the exclusion of this Article where applicable.

23. No obligation to account

A director shall not (save as may otherwise be agreed by him or may be determined by the directors of the Company in connection with an Authorisation) be liable to account to the Company for any remuneration, profit or other benefit resulting from any interest to which an Authorisation relates or which is otherwise permitted under this Article 23 or in respect of which the director has complied with the requirements of sections 177 or 182 of the Act, and no contract shall be liable to be avoided on the grounds of any such profit or benefit, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of section 176 of the Act.

24. General

- 24.1 For the purposes of Articles 18 to 21 (inclusive), references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

24.2 Subject to Article 24.3, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair whose ruling in relation to any director other than the Chair is to be final and conclusive.

24.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

25. Records of decisions to be kept

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken by the directors.

26. Directors' discretion to make further arrangements

Subject to the Articles, the directors may make any arrangements which they think fit about how they take decisions, and about how such arrangements are to be recorded or communicated to directors.

27. Directors' remuneration

27.1 Directors may undertake any services for the Company that the directors decide.

27.2 Directors are entitled to such remuneration as the directors determine:

- (1) for their services to the Company as directors, and
- (2) for any other service which they undertake for the Company.

27.3 Subject to the articles, a director's remuneration may:

- (1) take any form, and
- (2) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

27.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

27.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

28. Directors' expenses

28.1 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (1) meetings of directors or committees of directors; or
- (2) general meetings,

of the Company or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Part 3 – Members

29. Members of the Company

29.1 The sole member of the Company shall be the Law Society.

29.2 Membership is not transferable.

30. Decision making

30.1 Subject at all times to article 28.4 the Law Society, as sole member, shall be entitled to enjoy or exercise all or any specified rights of a member as set out in the Act. This applies, in particular but not limited to, the rights conferred by:

- (1) sections 291 and 293 (right to be sent proposed written resolution);
- (2) section 292 (right to require circulation of written resolution);
- (3) section 303 (right to require directors to call general meeting);
- (4) section 310 (right to notice of general meetings); and
- (5) section 314 (right to require circulation of a statement).

30.2 Section 318 (Quorum at meetings) and section 357 (Records of decisions by sole member) of the Act shall apply to decisions made by the Law Society as a sole member.

30.3 In accordance with the provisions of the Act, the directors may whenever they think fit call a general meeting of the company and the Law Society as sole member may require the directors to do so. The directors shall in each year hold a general meeting in addition to any other general meetings that year, and shall specify the meeting as such in the notices calling it.

30.4 In respect of the arrangements for the holding of general meetings (including, without limitation, notice of meetings, voting, chairship), the Law Society as sole member shall be governed by the provisions set out in its General Regulations and its bye-laws. Subject to the provisions of the Act, the Law Society and the Company may agree alternative arrangements from time to time for the purpose.

31. Information sharing and assurance arrangements

31.1 The Law Society in its capacity as member, the Company, and the Company's directors, shall exercise their roles subject always to the General Regulations and the Internal Governance Rules.

31.2 The Law Society and Company shall use their best endeavours to agree and adopt from time to time suitable assurance arrangements to enable the Law Society to fulfil its Residual Role. These shall include the arrangements set out in this article.

31.3 The Council will receive:

- (1) the constitution and governance arrangements for the Company;

- (2) the arrangements the Company has in place for financial management and control; and
- (3) the Company's systems and processes for risk management and internal audit;

so as to assure itself that the Company has appropriate governance systems and controls in place.

31.4 The SRA Board will report to the Council three times a year, in March/April, June/July and September/October:

- (1) At the March/April meeting, the Company's annual report for the previous financial year will be provided. This will give information on:
 - (1) the SRA Board's oversight and governance of the Company including how the SRA Board has discharged its responsibilities both directly and through its committees;
 - (2) the Company's financial performance for the year;
 - (3) an overview of the Company's governance arrangements and Board activity;
 - (4) strategic priorities for the SRA Board and decisions it has made; and
 - (5) a table showing financial performance broken down into expenditure, income and recoveries.
- (2) At the June/July meeting the SRA Board will provide:
 - (1) a copy of the Company's annual accounts as filed with the Registrar of Companies;
 - (2) the amount required by the Company to be collected from the regulated profession for the following budget year, to allow the section 51 practising fees to be agreed for submission to the Legal Services Board.
- (3) At the September/October meeting, the Company's budget for the next financial year will be provided.
- (4) The Company will also provide a report on the Company's response to any assessment of its regulatory performance by the Legal Services Board.

31.5 The Law Society group audit committee will receive in each financial year:

- (1) The management letters from the Law Society's external auditors on the audit of the Company's element of the Law Society's accounts including those for the compensation fund administered by the Company;
- (2) A report on the operation of effective systems of financial control to include accounting principles, financial policies and controls adopted by the Company; and
- (3) A report on the operation of the arrangements in place for the management of risk and internal audit.

- 31.6 The Law Society may request and/or the Company may provide further information where this is justified on reasonable grounds for example:
- (1) to provide additional detail to matters referred to above where the level of detail is inadequate to allow the Law Society to comply with other statutory obligations;
 - (2) if there appears to be a material inconsistency with other information it has received.
 - (3) where the information received indicates that there have been issues of non-compliance with delegated duties which have not been disclosed to the Law Society.
- 31.7 The Company will volunteer such further information as it considers reasonable that the Law Society should be aware of in order to be assured of its compliance, including information on any issue of non-compliance with regulatory functions and the action taken to remedy it. It shall report to the Council in the event that it is made aware of any adverse regulatory decision against it from the Legal Services Board or Office for Professional Body Anti-Money Laundering Supervision and will provide a copy of the decision and any action plans agreed to address compliance issues.
- 31.8 The Law Society shall provide to the Company such information and documents as may reasonably be required or requested from time to time by the directors in order for the Company to discharge its functions in accordance with the terms of delegation in the General Regulations, the Internal Governance Rules and the Legal Services Act 2007.
- 31.9 The Law Society and the Company shall promptly inform each other of any decision, plan, communication or other arrangement which may reasonably be considered likely to undermine the discharge of regulatory functions by the Company (in compliance with section 28 of the Legal Services Act 2007) or the discharge of representative functions by the Law Society and to promptly inform each other of any decision, plan, communication or other arrangement which relates to the other's role.
- 31.10 The Law Society may only seek to amend or revoke functions and powers delegated to or conferred upon the Company by the Law Society and the Council pursuant to the General Regulations or to intervene in the exercise of regulatory functions in exceptional circumstances. The expectation is that such circumstances would only arise if:
- (1) the Company becomes ineffective or ceases to operate within the ambit of the Legal Services Act 2007 and the Legal Services Board's Internal Governance Rules and, due to delegation, the issues fall outside the Law Society's control; and
 - (2) the Company has been given a reasonable opportunity to rectify the issues of concern and has failed to do so in a reasonable time.

Part 4 – Administrative arrangements

32. Means of communication to be used

- 32.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 32.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which

that director has asked to be sent or supplied with such notices or documents for the time being.

- 32.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

33. Company seals

- 33.1 Any common seal may only be used by the authority of the directors.
- 33.2 The directors may decide by what means and in what form any common seal is to be used.
- 33.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 33.4 For the purposes of this Article, an authorised person is:
- (a) any director of the Company;
 - (b) the Company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

34. No right to inspect accounts and other records

Except as provided by law or authorised by any protocols agreed by the directors from time to time, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

Directors' indemnity and insurance

35. Indemnity and insurance

- 35.1 In this Article:

"**relevant director**" means any director or former director of the Company or an associated Company;

"**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

"**associated company**" means a subsidiary of the Company or the Company's holding company.

- 35.2 Subject to Article 35.3, a relevant director of the Company or an associated Company may be indemnified out of the Company's assets against:
- (1) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

- (2) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); or
- (3) any other liability incurred by that director as an officer of the Company or an associated company.

35.3 Article 35.2 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

35.4 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.