

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

- of -

Consortium of European Research Libraries

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Preliminary

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) Clauses 2 to 35 (inclusive), 57, 59, 82, 102 to 108 (inclusive), 110, 114, 116 and 117 in Table A shall not apply to the Company.

(c) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

INTERPRETATION

2. Clause 1 in Table A shall be read and construed as if the definition of "the holder" were omitted therefrom.

OBJECTS

3. The Company is established for the objects expressed in the Memorandum of

Association.

MEMBERS

4. The subscribers to the Memorandum of Association of the Company and such other organizations or persons as are admitted to membership in accordance with these Articles shall be Members of the Company. No organisation or person shall be admitted as a Member of the Company unless they are approved by the Directors. Every organisation or person who wishes to become a Member shall deliver to the Company an application for membership, in such form as the Directors require, executed by that organisation or person.
5. A Member may at any time withdraw from the Company by giving at least one hundred and eighty clear days' notice to the Company. Membership shall not be transferable and shall cease in any event on the winding up of the Member.
6. The Directors shall terminate the membership of a Member on receipt of the prior written consent of a majority of the Members entitled to vote at a General Meeting in accordance with Clause 7.1.

RESTRICTED MATTERS

7. Each of the following matters is a "Restricted Matter" for the purposes of Clause 8 which may only be undertaken with the prior written consent of the majority of the Members entitled to vote at a General Meeting:
 - 7.1 the termination of the membership of any Member (other than in accordance with Clause 5) and such termination shall only take place when it is reasonable believed that such termination is bona fide in the interests of the Company;
 - 7.2 the change in the nature of the existing business as carried on from time to time for the commencement of any new business not being ancillary or incidental to its existing business;
 - 7.3 the appointment or removal from office of any Directors or Secretary other than in accordance with Clauses 65-69 of Table A (as applied by Clause 17 of these Articles) and Clause 15 of these Articles;
 - 7.4 the making of any investment or the incurring of any expenditure or liability in relation to any one item in excess of ECU 20,000; and
 - 7.5 the cumulative expenditure of income or capital in excess of ECU 100,000 in any period of 12 calendar months or less.

8. Undertakings on the Restricted Matters

8.1 Each of the Members severally undertakes to each other Member to procure that, insofar as he is reasonably able to do so, the Company shall not carry out or do or otherwise effect any Restricted Matter other than with the prior written consent of a majority of the Members entitled to vote at a General Meeting.

8.2 The Company undertakes to each of the Members not to carry out or do or otherwise effect any Restricted Matter other than with the prior written consent of a majority of the Members entitled to vote at a General Meeting other than to the extent that such an undertaking would be ineffective in law as an undertaking by the Company not to exercise a statutory power.

GENERAL MEETINGS AND RESOLUTIONS

9. (a) An Annual General Meeting and an Extraordinary General Meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty-one clear days' notice. All other Extraordinary General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed:
- (i) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
 - (ii) in the case of any other General Meeting by a majority in number of the Members having a right to attend and vote being a majority together holding (subject to the provisions of any elective resolution of the Company for the time being in force) not less than ninety-five per cent of the total voting rights at the Meeting of all Members.
- (b) The notice shall specify the time and place of the Meeting and, in the case of an Annual General Meeting, shall specify the Meeting as such.
- (c) The notice shall be given to all the Members and to the Directors and Auditors.
- (d) Clause 38 in Table A shall not apply to the Company.
- (e) Any Member of the Company entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of him and any proxy so appointed shall have the same right as the Member to speak at the Meeting.
10. (a) No business shall be transacted at any General Meeting unless a quorum is present. Subject to paragraph (b) below that number of Members as represent at least a third of the Members registered at the time of the General Meeting and all of whom are entitled to vote upon the business to be transacted, each being a Member or a duly authorized representative of a corporation, shall be a quorum.
- (b) If and for so long as the Company has only one Member, that member present by its duly authorised representative shall be a quorum.
 - (c) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(d) Clauses 40 and 41 in Table A shall not apply to the Company.

11. (a) If and for so long as the Company has only one Member and that Member takes any decision which is required to be taken in General Meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act.

(b) Any decision taken by a sole Member pursuant to paragraph (a) above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

12. (a) Clause 44 in Table A shall be read and construed as if the words "and at any separate meeting of the holders of any class of shares in the Company" were omitted therefrom.

(b) Clause 46 in Table A shall be read and construed as if paragraph (d) was omitted therefrom.

VOTES OF MEMBERS

13. (a) On a show of hands, every Member present in person shall have one vote. On a poll every Member present shall have one vote.

(b) Clauses 54 and 55 in Table A shall not apply to the Company.

(c) No Member shall be entitled to vote at any General Meeting unless all monies presently payable by him to the Company have been paid PROVIDED THAT this voting suspension may be waived by a majority in number of the Members (not including any such non-paying Member) for such period and with such conditions as they may stipulate.

ORGANISATIONS ACTING BY REPRESENTATIVES AT MEETINGS

14. Any organisation which is a Member of the Company may by resolution of its committee or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as that organisation could exercise if it were an individual Member of the Company.

APPOINTMENT OF DIRECTORS

15. (a) Clause 64 in Table A shall not apply to the Company.

(b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whenever the minimum number of Directors shall be one, a sole Director

shall have authority to exercise all the powers and discretions vested in the Directors generally by Table A and by these Articles, and Clause 89 in Table A shall be modified accordingly.

(c) The Directors shall be required to retire by rotation in accordance with Clauses 73 and 74 of Table A save that only one-third of the Directors shall be required to retire at the first Annual General Meeting and Clause 73 of Table A shall be modified accordingly.

(d) Clauses 75 to 80 (inclusive) in Table A shall not apply to the Company.

(e) A retiring Director shall be eligible for re-election.

(f) The Company at the meeting at which a Director retires in the above manner may fill the vacated office by electing a person to it, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

(g) Clause 83 in Table A shall be read and construed as if the words "of any class of shares or" were omitted therefrom.

(h) No person other than a Director retiring by rotation shall be appointed a Director at a General Meeting unless not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice signed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

(i) Subject to paragraph (h) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.

BORROWING POWERS

16. Subject to Clause 7 the Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge and standard security over its undertaking and property, or any part thereof, and to issue debentures, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

17. (a) The second sentence of Clause 66 in Table A shall not apply to the Company.

(b) A Director, or any such other person as is mentioned in Clause 65 in Table A,

may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

GRATUITIES AND PENSIONS

18. Clause 87 in Table A shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

19. (a) A Director may vote, provided that he has disclosed to the Directors the nature and extent of his interest (and such disclosure may be in the form set out in Clause 86 of Table A), at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Clause 72 of Table A shall be read as if the words "and such other persons as they may think fit" were inserted at the end of the first sentence.

(c) The words from "and may enter" in the first sentence of Clause 84 of Table A to the end of the Clause shall not apply to the Company.

(d) The third sentence of Clause 88 of Table A shall not apply to the Company.

(e) Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

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SECRETARY

20. The words "at such remuneration and upon such conditions" in Clause 99 of Table A shall not apply to the Company.

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MINUTES

21. Clause 100 in Table A shall be read and construed as if the words "of the holders of any class of shares in the Company" were omitted therefrom.

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THE SEAL

22. (a) If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Clause 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Clause 101 of Table A shall not apply to the Company.

(b) The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

NOTICES

23. Clause 112 in Table A shall be read and construed as if the second and third sentences were omitted therefrom.

24. Clause 113 in Table A shall be read and construed as if the words "or of the holders of any class of shares in the Company" were omitted therefrom.

INDEMNITY

25. (a) Every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

(b) The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.

(c) Clause 118 in Table A shall not apply to the Company.

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Dated 16th June 1994

Witness to the above signatures:

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