THE COMPANIES ACTS

PRIVATE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

NEW ARTICLES OF ASSOCIATION

of

THE INTERNATIONAL COTTON ASSOCIATION LIMITED

(adopted by Special Resolution passed on 27 February 2015, taking effect from 1 April 2015)

Incorporated on 18 December 1962
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THE COMPANIES ACTS

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

NEW

ARTICLES OF ASSOCIATION

of

THE INTERNATIONAL COTTON ASSOCIATION LIMITED

(adopted by Special Resolution passed on 13 May 2014, 
taking effect from 1 June 2014)

DEFINITIONS

1 In these presents and in any Bylaws and Rules made pursuant hereto, unless there be something in the subject or context inconsistent therewith, the following expressions shall have the following meanings respectively (namely):

The Act shall mean the Companies Act 1985 and every other Act incorporated therewith and any provisions of the Companies Act 2006 for the time being in force, and references in these Articles to the Act or any other statute or any other provision thereof shall be read as reference to the Act or such statute or provision as from time to time amended, extended, or re-enacted.

Affiliate Industry Firm means any firm or organisation registered as such under the Bylaws and Rules.

Affiliated Association means an association registered as such in accordance with Article 7 and in accordance with the Articles, Bylaws and Rules applicable thereto.

Agent Firm means any firm or organisation registered as such under the Bylaws and Rules.

Approved panel means the list of individuals, approved annually by the Board of Directors, from which the Directors will appoint the Preliminary Investigation Committee. The list will comprise nine elected Individual Members of the Association, who shall have held office as President, First Vice-President, Second Vice-President, Treasurer or as an Ordinary Director of the Association, but shall have ceased to hold such office, the Associate Directors of the Association, nominees from other Member-Associations of the Committee for International Cooperation between Cotton Associations and independent individuals from outside the cotton and allied textile trades.
**Arbitrators’ Code of Conduct** means the code of conduct for ICA arbitrators as determined by the Directors and from time to time amended.

**Articles** means and includes these Articles of Association and any modification or alteration thereof for the time being in force.

**Associate Director** means such Director as shall have been invited by the Directors and approved by the Individual Members annually to serve the common interests of the industry.

**Association** and **ICA** means The International Cotton Association Limited.

**Association Member Firm** means a member of an Affiliated Association registered as such in accordance with Article 8 and in accordance with the Articles, Bylaws and Rules applicable thereto.

**Association’s offices** means the premises occupied by the Association.

**Business Day** means any day recognised as a normal working day.

**Business Year of the Association** means the period between the termination of the Annual General Meetings of the Association in any two successive years.

**Bylaws and Rules** means and includes all Bylaws and Rules or other regulations of the Association in force for the time being.

**Candidate** includes an individual or firm.

**Clear Days' Notice** means the number of days specified, exclusive of the day on which the notice is served, or is deemed to be served, and of the day for which the notice is given.

**Communication** means the same as in the Electronic Communications Act 2000.

**Company** means any body corporate.

**Cotton Waste** and **Cotton Linters** shall be considered as cotton if it has been contracted for subject to the Bylaws and Rules.

**Director** (when used in relation to a Director of the Association) means any Director of the Association for the time being whether Ordinary or Associate and includes the President, First Vice-President, Second Vice-President, Treasurer and Immediate Past President.

**Director** (except when used in relation to a Director of the Association) includes any person occupying the position of director, by whatever name called.
Electronic Communication means the same as in the Electronic Communications Act 2000.

Firm means any partnership, unincorporated association or company with or without limited liability carrying on business.

General Meeting and Special Resolution shall have the same meanings as in the Act.

ICA List of Unfulfilled Awards consists of two parts.

ICA List of Unfulfilled Awards: Part 1 means the list of companies who have failed to fulfil an arbitration award.

ICA List of Unfulfilled Awards: Part 2 means the list of companies evidenced to be related to companies appearing on the ICA List of Unfulfilled Awards: Part 1.

Immediate Past President does not include a President who is removed pursuant to Article 86 or ceases to be a Director pursuant to Article 94.

Individual Member means an Individual Member of the Association elected pursuant to Article 5.

Member Firm means a Principal Firm, an Association Member Firm, an Affiliate Industry Firm, a Related Company or an Agent Firm.

Month means calendar month.

Notice Board means any board in the Association's office or the Association's website.

Office means the Registered Office for the time being of the Association.

Ordinary Director means such Director as shall have been elected by the Individual Members and excludes the President, First Vice-President, Second Vice-President and immediate past President.

Partner includes a single person constituting a firm and the members of a limited liability partnership, if the context so admits, and the word Partnership shall be construed accordingly.

Place of Business of any Individual Member or Registered Firm means an office where, in the opinion of the Directors, such Individual Member or Registered Firm carries on a bona-fide business relating to cotton.

President includes the First Vice-President or Second Vice-President or any person
appointed by the Directors in accordance with Article 93 to perform temporarily the duties of an absent President.

**Principal Firm** means a firm or company duly registered as such pursuant to Article 6 and in accordance with the Articles, Bylaws and Rules (if any) applicable thereto.

**Public Company** and **Private Company** shall have the meanings which they have under the Act.

**Receiver** includes an administrative receiver.

**Register of Individual Members** means the Register of Individual Members to be kept pursuant to the Act.

**Register of Registered Firms** unless otherwise stated, for the purposes of these Articles, means the Register of Registered Firms kept pursuant to Article 18.4.

**Registration** means registration or re-registration and **Registered** means registered or re-registered.

**Registered Firms** unless otherwise stated, for the purposes of these Articles, means all Principal Firms, Affiliate Industry Firms, Related Companies, Agent Firms, Affiliated Associations and Association Member Firms, details of which are entered in the Register of Registered Firms.

**Related Company** means a company related to a Principal Firm or an Affiliate Industry Firm. In the case of a Principal Firm, a Related Company will be registered either as an **Independent** Related Company or a **Dependent** Related Company in reliance on the information provided to the Association.

**Rights of Principal Firms** include the right to enjoy all the rights and privileges of and incidental to the buying and selling of cotton from time to time afforded by the Association, subject to the Articles, Bylaws and Rules and subject to any restrictions that may be imposed by the conditions of registration.

**Seal** means the Common Seal (if any) of the Association.

**Secretary** means the person or persons whom the Directors may for the time being have appointed to act in such capacity. Whenever reference is made in the Bylaws and Rules to the Secretary, an Alternate (or otherwise a Deputy Alternate), if appointed by the Directors, may act in place of the Secretary in his absence.

**Vice-President** includes the First Vice-President and Second Vice-President where the context so admits.

**Working Day** shall have the same meaning as in the Act.
Written and In Writing includes printing, lithography and other modes of representing or reproducing words in a visible form.

References to posting a notice or other item on the Notice Board in the Association's Offices include making such notice or item available on a part of the Association's website access to which is limited to Individual Members and Registered Firms.

Words importing male individuals include female individuals where the context so admits.

Words importing persons include individuals and firms, where the context so admits.

Words importing the singular number include the plural number and vice versa.

The headings to these Articles shall not be taken as part thereof, or in any manner affect the interpretation or construction thereof.

STATEMENT OF OBJECTS

2 The objects for which the Association is established are:

2.1 to acquire the whole or any part of the undertaking and assets of The Liverpool Cotton Association, Limited,

2.2 to adjust controversies between persons or firms engaged in the cotton trade by arbitration or other means, to establish just and equitable principles in the said trade, to maintain uniformity in Bylaws, Rules, regulations and usages of the said trade, to adopt standards of classification in the same, to provide, regulate and maintain a suitable building, room or rooms for a cotton association, to acquire, preserve and disseminate useful information connected with the cotton interest throughout all markets, to decrease the risks attendant upon the business and generally to promote the cotton trade, increase its amount and augment the facilities with which it may be conducted,

2.3 to levy, take, recover and receive rates, tolls, charges and other sums of money in respect of cotton traded under the Rules,

2.4 to facilitate the due shipment and delivery of cotton to consignees, and to consider all questions as to the loading, carriage by land or sea, delivery and insurance of cotton, and to take such action thereon as the Company may think fit,

2.5 to bring, prosecute or defend, or aid in bringing, prosecuting or defending any actions or suits on behalf of Individual Members and Registered Firms
which the Directors of the Association may think proper or conducive to the objects of the Company,

2.6 to obtain Acts of Parliament for enabling the Association to carry all or any of its objects into effect, or for amending the laws affecting merchants and importers of goods, and to promote, support or oppose legislative or other measures affecting the aforesaid trades and interests,

2.7 to carry on any other business which may seem to the Association capable of being conveniently carried on in connection with any business which the Association is authorised to carry on or engage in or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Association,

2.8 to purchase, take on lease, or in exchange, hire or otherwise acquire any real and personal property, and any rights or privileges which the Association may think necessary or convenient for the purposes of any of its businesses, and in particular any land, buildings and easements,

2.9 to acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Association is authorised to carry on or possessed of property suitable for the purposes of the Association or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Association,

2.10 to amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, cooperation, joint adventure or reciprocal concession with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Association is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Association,

2.11 to improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Association,

2.12 to vest any real or personal property, rights or interest acquired by or belonging to the Association in any person or company on behalf of or for the benefit of the Association and with or without any declared trust in favour of the Association,

2.13 to subscribe for, take or otherwise acquire and hold shares, stocks,
debentures or other securities of any other company having objects
altogether or in part similar to those of the Association or carrying on any
business capable of being conducted so as directly or indirectly to benefit
the Association,

2.14 to invest and deal with the monies of the Association not immediately
required in any manner,

2.15 to lend and advance money or give credit to such persons or companies
and on such terms as may seem expedient and in particular to persons or
companies having dealings with the Association and to guarantee the
performance of any contract or obligation and the payment of money of or
by any such persons or companies and generally to give guarantees and
indemnities,

2.16 to receive money on deposit or loan and borrow or raise money in such
manner as the Association shall think fit and in particular by the issue of
debentures or debenture stock (perpetual or otherwise) and to secure the
repayment of any money borrowed, raised or owing by mortgage, charge
or lien upon all or any of the property or assets of the Association (both
present and future) and also by a similar mortgage, charge or lien to
secure and guarantee the performance by the Association or any other
person or company of any obligation undertaken by the Association for any
other person or company as the case may be,

2.17 to draw, make, accept, endorse, discount, execute and issue promissory
notes, Bills of Exchange, Warrants, Debentures and other negotiable or
transferable instruments,

2.18 to apply for, promote and obtain any Act of Parliament, Charter, privilege,
concession, licence or authorisation of any Government, State or
Municipality, provisional Order or Licence of the Department of Trade and
Industry or other authority for enabling the Association to carry any of its
objects into effect or for extending any of the powers of the Association or
for effecting any modification of the constitution of the Association or for
any other purpose which may seem expedient and to oppose any
proceedings or applications which may seem calculated directly or
indirectly to prejudice the interests of the Association or the cotton trade,

2.19 to enter into any arrangement with any Governments or Authorities,
Supreme, Municipal, Local or otherwise or any person or company that
may seem conducive to the objects of the Company or any of them and to
obtain from any such Government, Authority, person or company any
rights, privileges, Charters, Contracts, Licences and concessions which the
Association may think it desirable to obtain and to carry out, exercise and comply therewith,

2.20 to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Association or of any company which is a subsidiary of the Association or is allied to or associated with the Association or with any such subsidiary company or who are or were at any time Directors or Officers of the Association or of any other company as aforesaid and the wives, widows, families and dependants of any such persons and also establish and subsidise and subscribe to any Institutions, Associations, Clubs or Funds calculated to be for the benefit of or to advance the interests and well being of the Association or of any other such company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid,

2.21 to establish or promote or concur in establishing or promoting any company or companies for the purposes of acquiring all or any of the property, rights and liabilities of the Association or for any other purpose which may seem directly or indirectly calculated to benefit the Association and to place or guarantee the placing or underwrite, subscribe for or otherwise acquire all or any parts of the shares, stock, debentures or other securities of any such other company,

2.22 to sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Association or any part thereof for such consideration as the Association may think fit and in particular the shares, stock, debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Association,

2.23 to distribute among the Individual Members, Principal Firms, Affiliate Industry Firms and Related Companies in specie any property of the Association or any proceeds of sale or disposal of any property of the Association,

2.24 to communicate with Chambers of Commerce and other Mercantile and Public Bodies throughout the world and concert and promote and join in concerting and promoting measures for the protection of the cotton trade and traders in cotton,
2.25 to apply to, to become a member of and to cooperate with any other association whether incorporated or not whose objects are altogether or in part similar to those of the Association and to procure from and communicate to any such association any information likely to forward the objects of the Association,

2.26 to act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise and either alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise,

2.27 to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

IT IS HEREBY DECLARED

2.28 the word company in this Article shall be deemed to include any partnership or other body of persons whether corporate or unincorporate and whether domiciled in the United Kingdom or elsewhere;

2.29 the objects specified in each of the paragraphs of this Article shall be regarded as independent objects and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraphs or the name of the Association but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

LIABILITY OF INDIVIDUAL MEMBERS

3 The liability of the Individual Members is limited.

4 Every Individual Member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up whilst he is an Individual Member or within one (1) year afterwards for the payments of the debts and liabilities of the Association contracted before he ceases to be an Individual Member and the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding One Pound.

MEMBERSHIP

5
5.1 Subject as hereinafter provided any individual, regardless of nationality or place of residence, engaged or about to be engaged in the cotton trade or allied textile trades (including spinning, weaving or manufacturing of raw cotton, or in any other industry involved in or connected with the cotton or allied textile trades) shall be qualified, if approved by the Directors, in their absolute discretion, to stand for election as an Individual Member of the Association.

5.2 It shall also be necessary for any such individual, to be eligible to stand for election, to nominate his intended Principal Firm, Affiliate Industry Firm or Related Company at the time of making application for election as an Individual Member of the Association.

6 Any firm which is engaged in the cotton trade or allied textile trades, or in the spinning, weaving or manufacturing of raw cotton, or in other business or industry involved in or connected with the cotton trade or allied textile trades, in any place in the world, shall be hereby qualified, if approved by the Directors, to apply for registration as a Principal Firm.

7 Any association established in any part of the world as an association of individuals or companies (or both) engaged in the cotton trade or allied textile trades, or in the spinning, weaving or manufacturing of raw cotton, or in other business or industry involved in or connected with the cotton trade or allied textile trades, shall be hereby qualified, if approved by the Directors, to apply for registration as an Affiliated Association. Such application should be made in writing to the Directors.

8 Any member of an Affiliated Association that is registered as a mill or producer shall be hereby qualified, if approved by the Directors, to apply for registration as an Association Member Firm.

9

9.1 Save as stipulated in these Articles, all Individual Members shall have the same rights and may attend any General Meeting or meeting of a class of members of the Association and take part in any ballot or vote taken for or in connection with any amendment of the Articles, Bylaws and Rules.

9.2 Member Firms shall have such rights, and be subject to such obligations, as are stipulated in the Articles, Bylaws and Rules.

10

10.1 Any Individual Member or Principal Firm who or which ceases to fulfil any of the conditions laid down in Articles 5 and 6 and any Affiliated Association or Association Member Firm who or which ceases to fulfil any
of the conditions laid down in Articles 7 and 8 (respectively) shall forthwith notify the facts to the Directors who shall decide in their absolute discretion whether such Individual Member, Principal Firm, Affiliated Association or Association Member Firm may continue his or its membership or registration or shall present himself or itself for re-election or re-registration or shall cease to be an Individual Member, Principal Firm, Affiliated Association or Association Member Firm as the case may be.

10.2 It shall be the duty of any Individual Member to notify the Directors of any other change to the information presented to the Association at the time of his election or subsequently.

11 An Individual Member who satisfies the Directors that he is no longer active in the cotton trade may apply to the Directors for a reduction in his annual subscription and if the Directors agree thereto such Individual Member shall, so long as he pays the annual subscription so reduced have the same rights and privileges as an Individual Member except that he shall not be entitled to receive notices of or attend any General Meetings or meetings of any class of members of the Association or to receive notices of or take part in any ballot or vote of the Individual Members or to receive circular letters to Individual Members.

ELECTION OF INDIVIDUAL MEMBERS AND REGISTRATION OF MEMBER FIRMS

12 Every candidate for election as an Individual Member or registration as a Member Firm shall be proposed by one Individual Member and seconded by another Individual Member. The proposer and seconder must not be an Individual Member in the same firm as the candidate.

13 Every application for election as an Individual Member or registration as a Member Firm shall be signed by or on behalf of the candidate and by his or its proposer and seconder and addressed to the Secretary.

14 Every candidate for election as an Individual Member shall furnish to the Directors such information with regard to the nature of the business carried on or proposed to be carried on by his intended Member Firm and the capital employed in the business and the constitution of the firm (including the respective shares and interests thereof and such other information as the Directors may require). Every application for election as an Individual Member or registration as a Member Firm shall provide such information as the Directors may require and as shown on the application form.

15 On receipt of an application for membership the Secretary (or some other person appointed by the Directors) shall have a circular sent to Members stating the name of the candidate and the proposer and seconder (where appropriate) and inviting any Member who has any objection to the election of the candidate to advise the
President within six (6) clear days.

16

16.1 After the expiry of six (6) clear days from the sending of the circular, provided no information has been received from Members under Article 15, the candidate may be elected to membership.

16.2 If, within six (6) clear days of the sending of the circular, information is received from Members under Article 15, the Directors shall consider the application for membership in light of such information and they may, if they think fit, then elect the candidate.

17

17.1 No Individual Member, Principal Firm, Related Company or Association Member Firm shall be entitled to resign from the Association if:

17.1.1 he or it is currently involved in an arbitration arising out of a contract made subject to International Cotton Association Rules and/or ICA Arbitration, or

17.1.2 there is an unfulfilled Quality or Technical Arbitration or Appeal Award made under the Bylaws and Rules of the Association outstanding against him or it.

17.2 The provisions of Article 17.1 shall not affect the right of the Directors to suspend or expel an Individual Member or Member Firm, if he or it at any time has been found guilty of an offence under the Articles.

17.3 Any Individual Member or Member Firm whose resignation or removal is not accepted by the Directors shall, unless all Subscriptions and Fees due to the Association have been paid, forfeit all rights and privileges conferred by the Articles, Bylaws or Rules or otherwise conferred on or enjoyed by him or it but shall remain bound to proceed by arbitration in or on all claims arising out of transactions entered into.

17.4 Provided always that no cancellation or suspension of the rights or privileges of any such firm as aforesaid shall affect the rights of any parties to proceed to arbitration on claims arising out of transactions entered into previously thereto.

18

18.1 No Individual Member shall be entitled to carry on any business in raw
cotton under the Association’s Bylaws and Rules unless:

18.1.1 there is registered with the Association the name under which and
the principal place at which all such business is to be carried on,
and

18.1.2 the name is that of a partnership of which he is either the sole
partner or one of the partners or that of a company of which he is
a director or employee.

18.2 The firm or company so registered is hereinafter called the Principal Firm
or Affiliate Industry Firm or Related Company registered in accordance with
the Bylaws and the principal place of business thereof the Registered
address. A Principal Firm or Affiliate Industry Firm or Related Company
may be the Principal Firm or Affiliate Industry Firm or Related Company of
more than one Individual Member, and an Individual Member may register
more than one firm as his Principal Firm or Affiliate Industry Firm or
Related Company provided that he is:

18.2.1 a partner with others in each of more than one partnership, or

18.2.2 a partner with others in each of one or more partnerships and also
a director or employee of one or more companies, or

18.2.3 a director or employee of more than one company,

and in any such case he may register each such partnership or company as
his Principal Firm or Affiliate Industry Firm or Related Company but no firm
so registered shall undertake any business in raw cotton which is not for
account of that Principal Firm or Affiliate Industry Firm or Related Company
exclusively.

18.3 Every Principal Firm and Affiliate Industry Firm or Related Company or
Agent Firm or Association Member Firm shall in all dealings in raw cotton
and other transactions subject to the Bylaws and Rules be bound by and
shall carry out and comply with all the Bylaws and Rules.

18.4 The Register of Registered Firms shall be kept by the Association and shall
record the names of Individual Members procuring the registration of
Principal Firms or Affiliate Industry Firms or Related Companies, the
names of the Principal Firms or Affiliate Industry Firms or Related
Companies or Association Member Firms and their registered addresses,
and the particulars so recorded shall in the absence of manifest error be
conclusive evidence of the facts as between the Association, the Individual
Member and the Principal Firm or Affiliate Industry Firm or Related
A company may not be registered as a Principal Firm, Affiliate Industry Firm or Related Company unless one of its directors or employees is an Individual Member.

If, by reason of death, retirement or any other cause, there shall be no Individual Member authorised by the Directors to represent a Principal Firm, Affiliate Industry Firm or Related Company such firm shall cease to enjoy the privileges of a Principal Firm, Affiliate Industry Firm or Related Company and shall be removed from the Register of Registered Firms.

Application for registration or re-registration shall be made in writing to the Directors and the applicant shall furnish all such information as the Directors may require. On any such application the following provisions shall apply:

the Directors may either accept or reject the application as they think fit or may cause a ballot of the Individual Members to be taken as to whether or not the application shall be accepted,

a rejection by the Directors of any application shall be open to appeal to the Individual Members in General Meeting upon the applicant giving notice in writing to the Secretary within seven (7) days after receiving notice of such rejection,

any ballot shall be taken in such manner as the Directors shall determine.

Whenever, in the opinion of the Directors, there is reason to suppose that a material change in the constitution of a Member Firm has taken place, the Directors, whether such change has or has not been notified to them, shall have power (in addition to and without prejudice to any other powers vested in them and applicable in such a case) to enquire into the matter and, if they are satisfied that a change has taken place, they may either sanction the continuance of the Member Firm upon the Register of Registered Firms, or may pass a resolution that the Member Firm be removed from the said Register but such resolution shall be open to appeal to the Individual Members in General Meeting upon the Member Firm giving notice in writing to the Secretary within seven (7) days after the passing of the resolution.

In any case where a decision has been made that a Member Firm shall be refused re-registration or removed from the Register of Registered Firms consequent upon a change in its constitution such Member Firm shall be entitled (notwithstanding anything express or implied in the Articles to the contrary) at any time within fourteen (14) days after the date of such decision to reform its constitution so as to comply with all the requirements necessary for original registration in the Register and, if it
shall do so to the satisfaction of the Directors, it shall continue on the Register as though such change in its constitution had not taken place.

EXPULSION AND SUSPENSION, ETC. OF INDIVIDUAL MEMBERS OR MEMBER FIRMS

23 Whenever it shall appear, either upon formal complaint made against an Individual Member or a Member Firm by any person or persons, that it is alleged that an Individual Member or a Member Firm has broken any Article, Bylaw or Rule or done, or omitted to do, any act, matter or thing whereby he or it may have rendered himself or itself liable to punishment or penalty under the provisions of the next following Article, the Directors shall appoint a Committee, to be known as the Preliminary Investigation Committee, from the approved panel, with a view to such Committee investigating the conduct of such Individual Member or Member Firm in order to determine whether he or it has committed an offence under the provisions of the next following Article which may result in the Committee's decision to award a penalty under the provisions of Article 27.

24.1 If the Committee shall determine that any Individual Member or Member Firm has committed one of the offences set out below, such Individual Member or Member Firm shall be liable to expulsion, suspension, denial of arbitration services and/or the payment of a fine of an amount not exceeding Twenty five thousand pounds (£25,000) and/or to caution or censure notice of which may be circulated to all firms registered in accordance with the Articles and/or Bylaws:

24.1.1 subject to Article 24.3, entering into a contract for the purchase or sale of raw cotton or for the provision of services with or on behalf of an individual, firm or company listed on the ICA List of Unfulfilled Awards (that contract being concluded on or after the day following notification of listing of the individual, firm or company) or entering into a contract for the purchase or sale of raw cotton or for the provision of services with the intention of circumventing the ICA List of Unfulfilled Awards,

24.1.2 entering into a contract for the purchase or sale of raw cotton or for the provision of services with or on behalf of an individual, firm or company that has been expelled from ICA membership (that contract being concluded on or after the day following notification of expulsion of the individual, firm or company),

24.1.3 knowingly or recklessly giving false information to the Directors of or incidental to any matter with regard to which the Directors are
entitled to information pursuant to any Article, Bylaw or Rule,

24.1.4 failing, neglecting or refusing to carry out, submit to or abide by any provision for arbitration contained in any contract, or any award, direction or decision of any Arbitrator, Umpire or of any Appeal Committee or other Committee of the Association, or of the Directors, made under the provisions of the Articles, Bylaws or Rules or of any contract incorporating such Bylaws and Rules or any of them,

24.1.5 acting in any manner in contravention of the Arbitrators’ Code of Conduct.

24.1.6 acting in any manner detrimental to the interests of the Association or unbecoming membership of the Association,

24.1.7 transacting business relating to the purchase or sale of raw cotton with or for any Individual Member or any Member Firm in circumstances indicating that such business was a breach of good faith towards, or would not have been sanctioned by, the other partners or directors or partner or director in any such firm,

24.1.8 transacting any business relating to the purchase or sale of raw cotton with or for any individual (not being an Individual Member or Member Firm) who is employed in the capacity of director, manager, clerk or otherwise by any Individual Member or Member Firm, except on account of or with the consent of such person's employer,

24.1.9 having brought about his or its failure by conducting his or its business in a reckless and unbusinesslike manner,

24.1.10 any misconduct in his or its business dealings with an Individual Member or Member Firm or any individual, firm, association, exchange or body with which the Association shall have entered into any agreement or undertaking with the object of safeguarding business, or upholding contracts, or of securing mutual protection,

24.1.11 default in furnishing the Directors with such full and true statement of his or its affairs as may be required to be furnished by the Articles, Bylaws or Rules after such Individual Member or Member Firm shall have suspended payment, or been adjudicated bankrupt, or had a receiving order in bankruptcy made against him, or (being a company) shall have gone into administration or
liquidation whether voluntary or compulsory, or had a Receiver appointed of its undertaking (or, in the case of an Individual Member or Member Firm resident or established outside the United Kingdom, has suffered or undergone any similar process) or (in any case) been posted by the Directors on the Notice Board pursuant to any Article, Bylaw or Rule as having failed to meet at maturity his or its liability to any Individual Member or Member Firm,

24.1.12 breach of any Article, Bylaw or Rule requiring an Individual Member or Member Firm who shall find himself or itself or his firm unable to meet at maturity his, its or their liabilities to any Individual Member or Member Firm, to communicate the fact of such inability to the President or Directors within the time prescribed by such Article, Bylaw or Rule,

24.1.13 knowingly publishing or broadcasting or permitting to be published or broadcast in any way whatsoever any misrepresentation relating to the raw cotton trade calculated to mislead the Individual Members or Member Firms and/or the public,

24.1.14 refusing or failing to comply with any proper notice or request given to him by the Directors requiring him to attend at any meetings of the Directors, or to produce any books or documents in his possession, custody or power relating to any raw cotton transaction, or refusing or neglecting to answer any question properly put by any of the Directors at any such meeting relating to any such matters as aforesaid,

24.1.15 non-payment of any fine duly imposed on him or it pursuant to any Article, Bylaw or Rule within fourteen (14) days after the same shall have been imposed or otherwise become due,

24.1.16 failing to notify the Directors of any change to the information concerning his Member Firm presented to the Association at the time of his or its election or subsequently.

24.2 Without prejudice to the provisions contained in the last preceding clause, the following acts shall be deemed to be misconduct within the meaning thereof, namely:

24.2.1 wilful or intentional non-fulfilment of any contract or fraudulent breach of any contract,
24.2.2 frivolous repudiation of any contract,

24.2.3 refusal to refer any question in dispute to arbitration under any submission or contract or agreement to arbitrate for the time being in force,

24.2.4 refusal or neglect to carry out or abide by any arbitration or any appeal award or to comply with any decision, direction or award of any arbitrator or any Appeal or other Committee of the Association,

24.2.5 any conduct which, in any arrangement or undertaking to be entered into or given by any Individual Member or Member Firm shall be considered by the Directors as constituting misconduct,

24.2.6 persistent breach of any of the Articles, Bylaws or Rules,

24.2.7 persistent refusal to comply with any lawful directions of the Directors.

24.3 If a Member Firm wishes to trade with a party against whom it has an outstanding award listed on the ICA List of Unfulfilled Awards: Part 1 with the sole purpose of settling that award, then that Member Firm will be required to advise the Directors in writing of that intention. Within seven (7) days of entering into a contract or contracts for that purpose, the Member Firm shall provide the Directors with a copy of that contract or contracts showing the date, reference number and estimated date of fulfilment of that contract and the relevant settlement agreement, with any confidential information redacted as required. Subject to compliance with the above, the provisions of Article 24.1.1 shall not apply to that contract or contracts.

25 The Preliminary Investigation Committee shall be constituted and its proceedings regulated according to the following provisions:

25.1 The said Committee shall be appointed by the Directors, from an approved panel. The approved panel shall comprise:

25.1.1 nine Individual Members of the Association. The Individual Members shall have held office as a President, First Vice-President, Second Vice-President, Treasurer or Ordinary Director of the Association, but shall have ceased to hold such office, and any Individual Member of the said panel who shall be elected or re-elected to any such office, shall, ipso facto, cease to be a member of the said panel. They will be elected by the Individual Members of the Association at any Annual General Meeting or
other General Meeting or as otherwise determined by the Directors,

25.1.2 up to eight Associate Directors,

25.1.3 up to two nominees of other Member-Associations of the Committee for International Cooperation between Cotton Associations (CICCA) who have held or hold office as a director of their Association, and

25.1.4 up to three independent individuals from outside the cotton and allied textile trades, who shall be appointed by the Directors.

25.2 The Directors will appoint a Committee comprising:

25.2.1 a Chairman, who shall be an Individual Member of the Association and shall have held office as President of the Association, and

25.2.2 up to six individuals from the approved panel, including an independent individual.

25.2.3 A majority of the members of the Committee must be Individual Members of the Association.

25.3 The Directors will have power at any time and from time to time to appoint any qualified person as a member of the panel to fill any casual vacancy among the elected Individual Members, but any member of the said panel so appointed shall hold office only until the next following Annual General Meeting of the Association, and shall then be eligible for election.

25.4

25.4.1 Any four members of the Committee, including the Chairman and an independent individual, shall constitute a quorum for all purposes, notwithstanding any vacancy or vacancies in the constitution of the said Committee.

25.4.2 In the event of a quorum becoming unobtainable the Directors may appoint alternative members of the approved panel to be members of the Committee.

25.4.3 In the event of the Chairman of the Committee becoming unavailable or being unwilling to act, the Directors will appoint an alternative Past President to act as Chairman of the Committee.

25.5 The Committee may meet at such times and places and conduct their
investigation regarding any matter referred to them in such manner as they shall, in their sole and absolute discretion, think fit and may, by notice in writing, require any person or persons whose conduct is the subject of their investigation, or who may be liable to be affected in any way by their report, or any other person or persons whatsoever, to attend before them at such time and place as they may direct, for the purpose of giving information or answering questions or producing any books, documents, papers, tapes, films or records.

25.6 The Secretary or Alternate Secretary shall act as Secretary of the said Committee in connection with any matter submitted to them for enquiry.

25.7 In case of an equality of voting, the Chairman of the said Committee shall have a second or casting vote.

25.8 Any resolution passed by a majority of the said Committee present at any meeting or by half the members present with the aid of the Chairman's casting vote, shall be deemed a valid resolution of the said Committee.

CONDUCT OF INVESTIGATION BY PRELIMINARY INVESTIGATION COMMITTEE

26 The Preliminary Investigation Committee shall have power to enquire into and investigate, not only the matters specifically referred to it for enquiry, but also any further or other act, matter or thing coming to their notice in the course of such investigation which, in their opinion, whether concerning the conduct of any Individual Member or Member Firm named in the enquiry or of any other Individual Member or Member Firm may constitute an offence under Article 24. The said Committee will not continue their investigation into an allegation against an Individual Member or Member Firm if that allegation is withdrawn.

27

27.1 On the completion of the investigation the Chairman of the said Committee shall present a report, in writing, to the President for the time being of the Association, on behalf of the said Committee, stating whether in their opinion an offence under Article 24 has been committed. If the said Committee shall determine that the Individual Member or Member Firm concerned has committed an offence under Article 24 that Individual Member or Member Firm shall be liable to a penalty of:

27.1.1 denial of arbitration services

27.1.2 caution

27.1.3 censure
27.1.4 payment of a fine
27.1.5 suspension
27.1.6 expulsion

or any combination thereof, as the said Committee shall decide.

27.2 If the Preliminary Investigation Committee decides that the penalty to be imposed is the denial of arbitration services, or caution or censure or any combination thereof, the Individual Member or Member Firm concerned shall be entitled at any time within fourteen (14) days after the date of service of their decision or such further period as the said Committee may prescribe, to give notice, in writing, to the Directors of his or its desire to appeal to the Directors to review the decision of the said Committee. The Directors shall have power to endorse, rescind, mitigate or vary the penalty imposed by the said Committee.

27.3 If the Committee decides that the penalty to be imposed is likely to attract payment of a fine and/or suspension and/or expulsion, the decision of the Committee shall not be implemented unless and until it has been referred to the Board of Directors who shall have power to further investigate the circumstances. The Directors shall have power to endorse, rescind, mitigate or vary the penalty decided upon by the Committee.

27.4 The Preliminary Investigation Committee will determine by whom the costs of the investigation are to be borne.

28

28.1 Without prejudice to Article 30.2 any Individual Member or Member Firm who shall be concerned or interested in any such investigation or whose conduct is the subject of the investigation by the Preliminary Investigation Committee shall be entitled at his, its or their own expense to:

28.1.1 give evidence personally,

28.1.2 obtain any professional or expert assistance and for that purpose to have any legal representative, accountant or expert present at the investigation but without any right of audience,

28.1.3 call any accountants or experts as witnesses,

28.1.4 call any witness or witnesses and to produce any books or documents which he or it may consider material to the case,
28.1.5 appoint any Individual Member of the Association, who shall be willing so to act, to assist him or it in his or its case, to examine witnesses and to address the said Committee on his or its behalf.

28.2 The said Committee shall be at liberty to have their Solicitor present at the investigation for the purpose of advising them on legal or technical matters and to assist them in drawing up their decision in writing.

CONDUCT OF APPEAL HEARINGS AND INVESTIGATIONS BY THE BOARD OF DIRECTORS

29

29.1 In case the Directors shall be required to conduct an investigation arising from any decision of the Preliminary Investigation Committee that involves payment of a fine, suspension, expulsion or any combination thereof or an appeal is received against a decision of the Preliminary Investigation Committee to deny arbitration, or to caution or censure, the Directors shall fix a date and place for the hearing of such appeal or review of the findings and decisions of the Preliminary Investigation Committee, and shall give not less than twenty eight (28) days notice thereof, in writing, to such Individual Member or Member Firm indicating the nature of the hearing. The Directors may by such notice or at any time or times thereafter require such Individual Member or Member Firm to furnish all information in his or its power with reference to the matter to be enquired into, and to produce for the inspection of the Directors any books or documents in the possession, power or control of himself, itself or of his or its firm relating thereto of any company or firm which he or it controls.

29.2 No Director who has participated in a Committee investigating a case shall take any part in an investigation by the Directors relating to that case or in any appeal hearing pertaining to that case.

30

30.1 The provisions of Article 28 shall apply to appeal hearings and investigations conducted under Article 29.

30.2 The Directors shall be at liberty to have their Solicitor present at the appeal hearing or investigation for the purpose of advising them on legal or technical matters and to assist them in drawing up their decision in writing.
31.1 The Directors shall have the power to give notice in writing, at any time or times, to any Individual Member or Member Firm or any other person requiring him to attend at any such appeal hearing or investigation and to give any information or to produce thereat any books, documents, papers, tapes, films, records or information, (including without prejudice to the generality of the foregoing any accounts and other information relating to the finances of any Individual Member or Member Firm) in the custody control or power of himself or itself or of his firm or of any company or firm which he or it controls relating to the matter in question.

31.2 Where the Member Firm is a corporate body, such Member Firm shall attend in the person of one of its directors or (in the case of a limited liability partnership) one of its members.

32 Notice, in writing, of the time and place fixed for holding any such appeal hearing or investigation as aforesaid shall be communicated in writing to each of the Directors for the time being of the Association at his registered address, or at his usual or last known place of residence, whether or not he shall be known to be absent from home or abroad, but the accidental omission to give any such notice or any failure in the delivery thereof shall not affect the validity of the appeal hearing or investigation or of the decision of the Directors present thereat in relation to the Individual Member or Member Firm whose conduct is the subject of the investigation.

33 The necessary quorum of Directors to constitute a valid meeting for the holding of any such appeal hearing or investigation and for determining any penalty to be imposed shall be six Directors and the decision of at least two thirds of the Directors present and voting shall be conclusive and binding.

34 The Directors may from time to time adjourn any meeting convened to hear such appeal or make any such investigation.

35 It shall be no objection to any decision or resolution of the Directors relating to any such appeal hearing or investigation, or imposing any penalty on any Individual Member or Member Firm found guilty of any such offence as aforesaid that such decision or resolution was arrived at or passed at an adjourned meeting of the Directors, but no Directors shall be counted in the quorum or entitled to vote at any meeting convened for hearing of an appeal or making such investigation or for imposing any penalty who was not present at every previous meeting or meetings convened for the purpose of such appeal hearing or investigation.

36 In case the Directors shall determine, on the making of any such investigation, that the Individual Member or Member Firm whose conduct has been called in question has not committed any offence within the meaning of the Articles, or that no such offence has been proved to their satisfaction, the Directors shall state their decision.
either at the meeting at which the appeal or investigation shall be concluded, or at any future meeting of the Directors, notice whereof shall be given to such Individual Member or Member Firm. If it is found that there is no case to answer, the Directors will determine by whom the costs of the appeal or investigation are to be borne.

37

37.1 In case the Directors shall determine on the hearing of an appeal or making of any such appeal hearing or investigation as aforesaid that the Individual Member or Member Firm whose conduct is the subject of the appeal hearing or investigation has committed any offence within the meaning of the Articles but that there are mitigating circumstances or that the offence committed is capable of remedy or mitigation by some act or thing to be done by such Individual Member or Member Firm, the Directors shall, either at the meeting or adjourned meeting at which the investigation shall be concluded, or at any subsequent meeting, notice whereof shall be given to such Individual Member or Member Firm, announce their decision or they may invite such Individual Member or Member Firm to do any such act or thing as aforesaid by way of remedies or mitigating the offence committed by him or it.

37.2 Subject to payment of a fine (if any) within fourteen (14) days or to such Individual Member or Member Firm undertaking to do and duly performing any such act or thing as he or it may be invited to do as aforesaid, all further proceedings shall be stayed, and such Individual Member or Member Firm shall not have any right of appeal against such decision.

37.3 If there is a case to be answered, the Directors will determine by whom the costs of the investigation are to be borne. These costs will normally be borne by the defendant.

38

38.1 In case the Directors shall decide, on the hearing of an appeal or making of any such investigation as to the conduct of any Individual Member or Member Firm, that he or it has been guilty of any offence within the meaning of the Articles which cannot, in their opinion, be adequately punished or disposed of in the manner mentioned in the last preceding Article, the Directors shall either at the meeting at which the appeal hearing or investigation is concluded, or at any subsequent meeting of the Directors (to be held not later than one (1) calendar month thereafter, and due notice thereof shall be given to such Individual Member or Member Firm) announce their decision, specifying the offence which they shall have
found such Individual Member or Member Firm to have committed and also stating the penalty which they shall have decided to impose on him or it.

38.2 Notice in writing of such decision shall be, within fourteen (14) days after such declaration thereof, served by the Secretary on, or sent by recorded delivery or courier to the Individual Member or Member Firm affected thereby at his or its registered address, or at his or its usual or last known place of abode.

38.3 Subject to the provisions hereinafter contained relating to appeals to the Members, such decision shall take effect as from the time when such notice thereof shall have been posted on the Notice Board, pursuant to Article 42.

39

39.1 Any Individual Member or Member Firm against which the Directors shall have given a decision in the manner mentioned in Article 38 shall be entitled at any time within fourteen (14) days or such further period as the Directors may prescribe after the date of service of the Directors' decision in the manner mentioned in the said Article, to give notice, in writing, to the Directors by serving the same at the Registered Office of the Association of his or its desire to appeal to the Individual Members to rescind the decision of the Directors and/or to mitigate, rescind or vary the penalty imposed by the Directors as aforesaid.

39.2 Pending the hearing of such appeal, such Individual Member or Member Firm, in case the penalty imposed on him or it by the Directors shall involve expulsion or suspension, shall retain all rights and privileges of membership or registration and shall remain bound to proceed by arbitration in or on all claims arising out of transactions entered into before the decision of the Directors under appeal shall have been given.

39.3 In case the penalty imposed by the Directors shall involve the payment of a fine, such fine (in the absence of any direction to the contrary by the Directors) shall be paid within fourteen (14) days, notwithstanding the notice of appeal, but shall be refunded without interest in whole or in part if the Individual Members at the hearing of the appeal shall so resolve.

40 Upon receipt of a notice given under Article 39 the Directors shall convene a General Meeting of the Association at a date not later than twenty eight (28) days after service at the Registered Office of the Association of such notice. Not less than fourteen (14) clear days' notice, in writing, of such Meeting shall be communicated to all the Individual Members of the Association for the time being at their usual or last known
places of business or places of residence, but the accidental omission to give such notice to any Individual Member, or to post the same on the Notice Board, or any failure in the delivery thereof shall not affect the validity of such meeting, or of any decision by the Individual Members with regard to such appeal.

41

41.1 The voting at such meeting shall be conducted in person or by proxy. The provisions of the Articles with respect to General Meetings of Individual Members shall apply to such Meeting, save and except that voting will be carried out in accordance with this Article and that the Individual Member or Member Firm which the Directors shall have found guilty of the offence, or on whom they shall have imposed the penalty under consideration, shall have no right of voting.

41.2 Such Meeting shall have power, by resolution of a majority of the Individual Members present and voting, to rescind the decision of the Directors, or to mitigate, increase or otherwise vary the penalty imposed by them. In default of any such resolution, the decision of the Directors and the penalty imposed by them shall stand.

42 Notice of any decision of the Directors under Article 38 shall, within fourteen (14) days after the declaration of such decision, be posted on the Notice Board of the Association and notice of any appeal therefrom shall be posted within 48 hours after notice of such appeal shall be served at the Registered Office of the Association, and notice of the result of such appeal shall be posted within 48 hours after the ascertainment of the result of the voting of the Individual Members thereon. Notice of any decision of the Directors under Article 37 shall be posted as aforesaid, in default of any decision to the contrary by the Directors in any particular case.

43

43.1 Any Individual Member or Member Firm, upon being suspended or expelled, shall forfeit all rights and privileges by the Articles, Bylaws or Rules or otherwise conferred on or enjoyed by him or it but shall remain bound to proceed by arbitration in or on all existing claims arising out of transactions entered into before such expulsion shall take effect.

43.2 If, by reason of the expulsion or suspension from membership of any partner or director in a Principal Firm, Affiliate Industry Firm or Related Company there shall cease to be at least one partner or director in such firm who is an Individual Member (in cases where this is required by these
Articles), all the rights and privileges of such firm under or by virtue of the Articles, Bylaws or Rules shall forthwith in the case of expulsion of such partner or director, be deemed to be cancelled, and in the case of suspension of such partner or director be deemed to be suspended during the period of his suspension, but subject in either case to the rescission or any variation of the resolution for his or their expulsion or suspension (as the case may be) on the hearing of any appeal therefrom under the provisions in that behalf hereinbefore contained, and subject as regards suspension of such rights and privileges to the provisions of clauses 43.5 and 43.6 of this Article.

43.3 Provided always that no cancellation or suspension of the rights or privileges of any such firm as aforesaid shall affect the rights of any parties to proceed to arbitration on claims arising out of transactions entered into previously thereto.

43.4 An Individual Member or Member Firm who has been suspended shall be liable to pay all subscriptions during his or its suspension in the same manner as if he or it had not been suspended.

43.5 In the case of the suspension of the rights and privileges of any Individual Member or Member Firm under any of the preceding provisions hereof, the Directors, on the request, in writing, of such Individual Member or Member Firm shall have power by resolution (if they so think fit) to authorise any persons or person nominated by such request, in writing, to enjoy the privilege of membership during such period not exceeding the period of suspension, upon such conditions and subject to such limitations (if any) as the Directors in their sole and absolute discretion shall think fit, for the purpose of enabling such person or persons to carry on the business of such Individual Member or Member Firm during such period as aforesaid, with power to the Directors by resolution at any time, and without assigning any reason, to rescind such authority.

43.6 Provided always that any persons or person so authorised by the Directors shall be deemed to be the agents or agent for all purposes of such Individual Member or Member Firm, and in no case shall the Association or the Directors be responsible in any way for or in respect of any thing done or omitted to be done by any such person, the person so authorised by the Directors shall be entitled to exercise in respect of such Individual Member or Member Firm the privileges of membership during the period and upon the conditions, and with the limitations (if any), prescribed by such resolution, and shall be liable to the Association for the observance of the Articles, Bylaws and Rules and for all subscriptions, fines and defaults for
which such Individual Member or Member Firm would have been liable if he or it had not been so suspended as aforesaid.

44 In case a fine shall be imposed on any Individual Member or Member Firm pursuant to the Articles, Bylaws or Rules, such Individual Member or Member Firm shall pay to the Association the amount of the fine within fourteen (14) days, and such fine shall be deemed to be a debt owing by such Individual Member or Member Firm to the Association and shall be recoverable accordingly.

INSOLVENCY, ETC. OF INDIVIDUAL MEMBERS OR MEMBER FIRMS

45 Any Individual Member or Member Firm who or which shall find himself or itself unable to meet at maturity his or its liabilities arising out of any dealing in cotton or has suspended payment or resolved to suspend payment shall, as soon as possible, communicate such inability, suspension or resolve to the Association by means of a letter addressed to the President who shall, as soon as possible, cause such letter to be posted on the Notice Board, where it shall remain for five (5) business days and a copy thereof to be sent to each Registered Firm:

46 In case the Directors shall receive information from any source which the Directors may consider reliable that any Individual Member or Member Firm

46.1 is unable to meet his or its liabilities or has suspended or resolved to suspend payment or has made any composition with or assignment for the benefit of his or its creditors generally or has had a Receiving Order in Bankruptcy made against him or it or being a company has gone into administration or liquidation, whether voluntary or compulsory, or has had a Receiver appointed of its undertaking (or in the case of an Individual Member or Member Firm resident, incorporated or established outside the United Kingdom has suffered or undergone any similar process), or

46.2 has made an arrangement (other than as provided for in clause 46.1 of this Article) with his or its creditors they shall investigate the correctness of such information and if satisfied that such information is correct, may pass a resolution to that effect.

On the passing of any such resolution as is referred to in this Article, a copy thereof shall as soon as possible be posted on the Notice Board where it shall remain for five (5) business days and a copy thereof be sent to each Registered Firm.

47 The posting on the Notice Board of a Notice or a copy of a resolution pursuant to Article 46 and/or Article 49 shall, unless otherwise agreed by the buyer and the seller of a contract or by the Administrator, Liquidator, Receiver, official Receiver, Trustee or Trustee in Bankruptcy or equivalent officer as the case may be, (whether or not
copies are to be or have been sent, as stipulated in Articles 46 and 49), as from the
time when the same shall have been posted, operate as an immediate closing, in
accordance with the Bylaws and Rules for the time being in force, of all contracts
made subject to the Bylaws and Rules of the Association by the Individual Member or
Member Firm nominated therein and then outstanding. All such contracts shall be
liquidated at prices and upon terms to be fixed in accordance with the Bylaws and
Rules.

48 Any Individual Member or Member Firm having claim or contract against or with any
Individual Member or Member Firm who has given notice of his or its suspension
under Article 45 may demand, in writing, an investigation by the Directors of the bona
fide or necessity of such suspension and if the Directors shall be satisfied that the
Individual Member or Member Firm who has given such notice of suspension was at
the date of the notice of such suspension able to fulfil his or its contracts or pay his or
its liabilities at maturity, the Directors may pass a resolution to that effect and if the
Directors pass such a resolution, any party whose contract with such Individual
Member or Member Firm has been closed and who has suffered loss by reason of
such closure shall be entitled to damages therefor from such Individual Member or
Member Firm. Such damages shall be assessed by Arbitration, in accordance with
the Bylaws and Rules.

49 On or at any time after the receipt by the President of any such letter as is mentioned
in Article 45 or the passing by the Directors of a resolution that they are satisfied that
any such information relating to any Individual Member or Member Firm as is
mentioned in Article 46 is correct, then the Directors may at their discretion pass a
resolution suspending forthwith that Individual Member or Member Firm from all
rights and privileges of membership or registration, provided that if such Individual
Member or Member Firm shall at any time after the passing of such last mentioned
resolution prove to the satisfaction of the Directors that he or it has made honourable
settlement with his or its creditors, the Directors may in their discretion cancel such
last mentioned resolution on such terms and subject to such conditions as they think
fit. The Directors shall cause a copy of any Resolution passed under this Article to
be posted on the Notice Board and a copy thereof to be sent to each Registered
Firm.

ANNUAL SUBSCRIPTIONS, FEES, ETC.

50 The Directors may, with the sanction of a General Meeting, for the purpose of
carrying on the business of the Association, from time to time require each Individual
Member and Registered Firm to pay such:

annual subscription, and/or

registration fee
(the rates of which may differ as between Individual Members and the different categories of Registered Firms) for their registration pursuant to the Articles, Bylaws and Rules as the Directors may think necessary.

51

51.1 All annual subscriptions and fees for registration pursuant to the Articles, Bylaws and Rules shall be paid at such time, whether in advance or otherwise, and in such manner as the Directors, with the sanction of a General Meeting, shall from time to time prescribe.

51.2 In the event of failure by any Individual Member or Registered Firm to make payment of his or its annual subscription or fees for registration pursuant to the Articles, Bylaws or Rules he or it shall, at the discretion of the Directors, be liable to have his or its registration cancelled.

APPLICATION OF ANNUAL SUBSCRIPTIONS, ETC.

52 All monies received by the Association in respect of annual subscriptions, fees for registration, fines and otherwise, shall belong to the Association absolutely and may be dealt with in such manner as the Directors may from time to time think fit.

BORROWING POWERS

53 The Directors may from time to time at their discretion borrow from the Directors, Individual Members or Member Firms or other persons, any sum or sums of money for the purposes of the Association.

54 The Directors may raise, or secure the payment or repayment of such monies in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures, or debenture stock of the Association, charged upon all or any part of property and rights of the Association (both present and future).

55 Every debenture or other instrument issued by the Association for securing the payment or repayment of the money may be so framed that the monies thereby secured shall be assignable free from any equities between the Association and the person to whom the same may be issued. Any debentures, debenture stock, bonds or other instruments or securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, voting at General Meetings and meetings of classes of members of the Association, appointment of Directors and otherwise.

56 The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Association and
shall duly comply with the requirements of the Act as to matters requiring registration, whether in the books of the Association or with the Registrar of Companies or otherwise.

**GENERAL MEETINGS**

57 A Meeting, herein referred to as the Annual General Meeting, shall be held once in every calendar year, at such time not being more than fifteen (15) months after the holding of the last preceding Annual General Meeting and at such place as may be determined by the Directors.

58 The Directors may, whenever they think fit and shall forthwith on the requisition of not less than one tenth of the Individual Members of the Association carrying the right of voting at General Meetings, convene a General Meeting of the Association.

59 The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office of the Association, and may consist of several documents in like form, each signed by one or more of the requisitionists.

60 The Directors may call General Meetings and, on the requisition of Individual Members pursuant to Article 59 and the provisions of the Act, shall forthwith proceed to convene a General Meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient Directors to call a General Meeting, any Director or any Individual Member of the Association may call a General Meeting.

61 Any Meeting convened under the foregoing Articles by the requisitionists shall be convened under the same manner as nearly as possible as that in which Meetings are to be convened by Directors.

62 General Meetings shall be called by fourteen (14) clear days' notice, in writing, at the least. The notice shall specify the place, the day and the hour of meeting and the general nature of the business to be transacted, and shall be given in a manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are entitled to receive such notices from the Company.

63 The accidental omission to give notice of a Meeting to, or the non-receipt of notice of a Meeting by, any person entitled to receive such notice shall not invalidate the proceedings at that Meeting.

**PROCEEDINGS AT GENERAL MEETINGS**

64 The business of an Annual General Meeting shall be to receive and consider the recommendation of the Directors as to the annual subscriptions for Individual Members and Member Firms for the ensuing year, to receive the announcement of
the result of elections for President, First Vice-President, Second Vice-President, Ordinary Directors and members of the Preliminary Investigation Committee in the place of those retiring by rotation or otherwise, to appoint Auditors (if appropriate) and fix their remuneration and to transact any other business which, under these presents, ought to be transacted at an Annual General Meeting.

65 Five Individual Members, present in person or by proxy, shall be a quorum for any General Meeting for the choice of a Chairman and the adjournment of the Meeting. For all other purposes the quorum for any General Meeting shall be 19 Individual Members present in person or by proxy. No business shall be transacted at any Meeting unless the requisite quorum be present at the commencement of the business.

66 The President, if any, (and, in his absence, the First Vice-President, if any and, in his absence, the Second Vice-President, if any) shall be entitled to take the chair at every Meeting. If such officers have not been appointed or if none of them be present at a Meeting within five minutes after the time appointed for holding such Meeting, the Directors present or, in default, the Individual Members present shall choose a Director as Chairman and, if no Director be present or if all the Directors present decline to preside, then the Individual Members present shall choose one of their number to be Chairman.

67 If, within twenty minutes from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon such requisition as aforesaid, shall be dissolved; but, in any other case, it shall stand adjourned to the same day in the next week, at the same time and place and if, at such adjourned Meeting, a quorum is not present, those Individual Members who are present in person or by proxy shall be a quorum and may transact the business for which the Meeting was called.

68 Unless otherwise stipulated in these Articles, every question submitted to a Meeting shall be decided in the first instance by a show of hands and, where the question is capable of being decided by a bare majority, the Chairman (if he is an Individual Member entitled to vote at the Meeting) shall, in the case of an equality of votes both on a show of hands and at a poll, have a casting vote, in addition to the vote to which he is entitled as an Individual Member. A proxy (as such) shall not be entitled to vote on a show of hands.

69 At any Meeting, unless a poll is demanded by the Chairman or by five or more persons present and entitled to vote at the Meeting, including persons acting as proxies, who shall be deemed to make such demand on their own behalf (if they are entitled to vote at the meeting other than as proxy) and on behalf of their appointor or each of their appointors, a declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book of the proceedings of the Association,
shall be conclusive evidence of the fact, without proof of the number or proportion of
the votes recorded in favour of or against such resolution.

70 If a poll is demanded as aforesaid it shall be taken at such time and place and either
immediately or (except in relation to the choice of a Chairman or the adjournment of a
Meeting) after an interval not exceeding seven (7) days, as the Chairman of the
Meeting directs, and the result of the poll shall be deemed to be the resolution of the
Meeting at which the poll was demanded.

71 Every poll shall be taken in such manner as the Chairman directs.

72 On any other occasion the Chairman at a Meeting may, with the consent of the
Meeting adjourn the same from time to time, and place to place, and no business
shall be transacted at any adjourned Meeting other than the business left unfinished
at the Meeting from which the adjournment took place.

73 The demand of a poll shall not prevent the continuance of a Meeting for the
transaction of any business other than the question on which a poll has been
demanded.

VOTING

74

74.1 Every Individual Member, when he is entitled to vote, shall have one vote
and no more. No person other than an Individual Member shall be entitled
to receive notice of or attend any meeting of the Association or to receive
notice of or take part in any ballot or vote.

74.2 The Directors may make such arrangements as they think fit for the casting
of votes by means of electronic communications.

74.3 The appointment of 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 Directors may:

74.3.1 in the case of an instrument in writing, 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 Association 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

74.3.2 in the case of an appointment contained in an electronic
communication, where an address has been specified for the purpose of receiving electronic communications:

74.3.2.1 in the notice convening the Meeting; or

74.3.2.2 in any instrument of proxy sent out by the Association in relation to the Meeting; or

74.3.2.3 in any invitation contained in an electronic communication to appoint a proxy issued by the Association in relation to the Meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

74.3.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received 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

74.3.4 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

and an appointment of proxy which is not so deposited, delivered or received in a manner so permitted shall be invalid.

In this Article, address, in relation to electronic communications, includes any number or address used for the purposes of such communications.

In calculating the periods referred to in this Article, no account shall be taken of any part of a day which is not a Working Day.

**DIRECTORS**

75 The Board of Directors shall comprise:

75.1 the President, First Vice-President, Second Vice-President and Immediate Past President,

75.2 up to 10 Ordinary Directors, and

75.3 up to 10 Associate Directors,

until otherwise determined by the Association in General Meeting.
Subject to the provisions of Article 82 the President, First Vice-President, Second Vice-President and all Ordinary Directors shall be elected by the Individual Members. [Such elections shall be conducted in such manner as the Bylaws or Rules shall from time to time prescribe.]

Only Individual Members shall be eligible to hold the office of Ordinary Director, Treasurer, First Vice-President, Second Vice-President or President.

The Associate Directors shall be such persons who have been invited by the Directors and approved by the Individual Members to serve the common interests of the industry.

At every Annual General Meeting the President, First Vice-President and Second Vice-President and one third of the Ordinary Directors, or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office.

80

The Ordinary Directors to retire at each Annual General Meeting shall be:

80.1 any Ordinary Director whose continuance on the Board of Directors would result in his serving for more than six (6) consecutive Business Years as an Ordinary Director, and/or

80.2 those who have been longest in office.

For the purposes of this Article, the length of time an Ordinary Director has been in office shall be computed from his last election. As between two or more Ordinary Directors who have been in office for an equal length of time, those to retire shall, in default of agreement between them, be determined by a ballot of the Directors.

A retiring Ordinary Director shall be eligible for re-election as an Ordinary Director unless such re-election would result in his serving for more than six (6) consecutive Business Years as an Ordinary Director.

The Treasurer shall be elected annually by the members of the Board at their first meeting after the Annual General Meeting.

An Immediate Past President, but not one removed from office, shall be an ex-officio member of the Board of Directors for a period of one (1) Business Year, at the end of which he shall be eligible to stand for election as an Ordinary Director. The retiring First Vice-President shall be eligible for re-election or for election to the office of President or Treasurer or for election as an Ordinary Director at the end of his term of
office. The retiring Second Vice-President shall be eligible for re-election or for election to the office of First Vice-President, President or Treasurer or for election as an Ordinary Director at the end of his term of office.

Any Individual Member who agrees to stand for election to the office of President, First Vice-President, Second Vice-President or Ordinary Director shall be proposed by an Individual Member and seconded by an Individual Member in such manner as the Bylaws or Rules shall prescribe.

If default shall be made in filling any of the aforesaid vacancies at or before any Annual General Meeting of the Association, the retiring Directors or those of them whose places have not been filled up shall continue in office until the next Annual General Meeting, and so on from Business Year to Business Year until their places are filled up, subject however to any resolution to reduce the number of Ordinary Directors.

The Association in General Meeting may from time to time increase or reduce the number of Directors, and may also determine in what manner or rotation such increased or reduced number are to go out of office.

The Association in General Meeting may remove any President, First Vice-President, Second Vice-President or Director before the expiration of his period of office and, if thought fit, appoint another person in his stead, but any person so appointed shall hold office during such time only as the vacating officer or director would have retained the same office or appointment, if he had not been removed.

The Board of Directors may remove the Treasurer before the expiration of his period of office and, if thought fit, appoint another person in his stead, but any person so appointed shall hold office during such time only as the vacating officer or director would have retained the same office or appointment, if he had not been removed.

A casual vacancy on the Board of Directors shall occur when any Director shall vacate his office in accordance with Article 94 before the completion of his term of office.

A casual vacancy occurring among the Directors, except Associate Directors, shall be filled by an election to be held among the Individual Members.

A casual vacancy occurring among the Associate Directors shall be filled by such person who shall be invited by the Directors to complete the term of office of the Associate Director whose vacation of office shall have caused the casual vacancy.

The proceedings of the Board of Directors shall not be invalidated by reason of any casual vacancy having not been filled.
The President and First Vice-President of the Association shall respectively be the Chairman and Deputy Chairman for the time being of the Board of Directors. If at any meeting of the Directors they shall both be absent, the Directors may, subject to the provisions of the next succeeding Article, appoint one of their number to act as Chairman of such meeting.

If at any time the President shall for any cause whatsoever not be available to perform his duties, the First Vice-President shall have power to perform the same and if for any cause whatsoever neither the President nor the First Vice-President shall be available, then the Second Vice-President shall have power to perform the same. If the President, First Vice-President and Second Vice-President are not available, then the most recently retired President who is available shall (subject to the provisions of the next succeeding Article) have power to perform the duties of President until the President, First Vice-President or Second Vice-President be available. In case no retired President be available, then any five Directors may appoint any one of the Directors (including one of themselves) to perform the said duties.

The office of a Director shall be vacated:

94.1 in the event of his death, or

94.2 if, by notice in writing to the Association, he resigns his office, or

94.3 if he becomes bankrupt or suspend payment or file a petition for liquidation of his affairs, or compound with his creditors, or

94.4 if he be found lunatic or become unsound of mind, or

94.5 if he absent himself from the meetings of the Directors for three consecutive meetings without special leave of absence from the Directors, or

94.6 if he is concerned in, or participates in the profits of any contract with the Association, or

94.7 if he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director.

But no Director shall vacate his office by reason of his being a shareholder or director of any company which has entered into contracts with or done any work for the Association. Nevertheless, he shall not vote in respect of such contract or work and, if he does so vote, his vote shall not be counted.
PROCEEDINGS OF DIRECTORS

95 The Directors may meet together or confer, by telephone or teleconference facilities, for the despatch of business, adjourn and otherwise regulate their meetings or conferences as they think fit, and (except in such cases as the Articles otherwise provide) five Directors shall be a quorum. A Director may, and the Secretary upon the direction of any Director shall, at any time summon a meeting or conference of the Directors.

96 Questions arising at any meeting or conference of Directors shall be decided by the votes of a majority of the Directors present or conferring and voting (except in such cases as the Articles, Bylaws or Rules otherwise provide) and, in case of equality of votes, the Chairman shall have a second or casting vote.

97 A meeting or conference of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these presents vested in or exercisable by the Directors generally.

98 The Directors may from time to time and at any time:

98.1 delegate any of their powers, authorities and discretions to Committees appointed by them, pursuant to Article 105.1.2, and/or

98.2 by power of attorney or otherwise appoint any person, whether nominated directly or indirectly by the Directors, to be the agent of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit and the terms of any such appointment may include provisions for the protection and convenience of persons dealing with any such agent as the Directors may think fit and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

99 The meetings or conference and proceedings of any such committee consisting of two or more Individual Members shall be governed by the provisions herein contained for regulating the meetings or conference and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of the committee, or by any such regulation as aforesaid.

100 All acts done at any meeting of the Directors, or of a committee, or by any person acting as a Director or member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or committee or persons acting as aforesaid, or that they or any of them
were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee.

101 A Director may hold any other office of profit (other than the office of Auditor) under the Association, in conjunction with his office of Director.

DIRECTORS' CONFLICTS OF INTEREST

102

102.1 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation on reasonable notice) authorise, to the fullest extent permitted by law:

102.1.1 any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Association and which may reasonably be regarded as likely to give rise to a conflict of interest (which expression when used in this Article includes a conflict of interest and duty and a conflict of duties);

102.1.2 a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Association and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises

provided that for this purpose the Director in question and any other interested Directors are not counted in the quorum at any meeting of the Directors at which such matter or such office, employment or position is authorised and the authorising resolution is agreed to without his or their voting (or would have been agreed to if his or their votes had not been counted);

102.2 if a matter or office, employment or position has been authorised by the Directors in accordance with this Article then:

102.2.1 the Director in question shall not be required to disclose to the Association any confidential information relating to such matter or such office, employment or position if to make such a disclosure would result in a breach or a duty or obligation of confidence owed by him in relation to or in connection with that matter or that office,
employment or position;

102.2.2 the Director in question may absent himself from meetings of the Directors at which anything relating to that matter or that office, employment or position will or may be discussed; and

102.2.3 the Director in question may make such arrangements as such Director thinks fit for Board and committee papers to be received and read by a professional adviser on behalf of that Director; and

102.3 the Directors may not delegate to a committee any of the powers conferred by this Article.

POWERS OF DIRECTORS

103 The management of the business and the control of the Association shall be vested in the Directors, who may pay all expenses incurred in promoting and registering the Association and may exercise all such powers and do all such acts and things as may be exercised or done by the Association, and are not hereby or by Statute or the Articles expressly directed or required to be exercised or done by the Association in General Meeting, but subject nevertheless to such Bylaws or Rules not being inconsistent with these presents, as may from time to time be made by Special Resolution, but no Bylaws or Rules shall invalidate any prior act of the Directors which would have been valid if such Bylaws or Rules had not been made.

104 The Directors may at any time and from time to time appoint and dismiss any person or persons in the employ of the Association as Executive Directors and/or Managing Director. An Executive Director and/or Managing Director so appointed shall not be a member of the Board and shall not be entitled to vote at meetings of the Directors. Subject as aforesaid the Directors may define and limit the powers and duties of any Executive Directors and/or Managing Director and may determine his remuneration if any. Any remuneration may be in addition to the remuneration payable to him as an employee of the Association.

COMMITTEES

105

105.1 Committees shall be constituted as follows:

105.1.1 Committees consisting of Individual Members appointed by the Directors each year for any purpose incidental to the business of the Association. The President, First Vice-President and Second Vice-President shall be ex officio members of every such Committee (except Quality Appeal Committees and the
Preliminary Investigation Committee) and the Directors shall also be entitled to depute any one or more Directors not exceeding three in number, to serve as an additional member or members of any such Committee exclusive of any Quality Appeal Committee or the Preliminary Investigation Committee. Individual Members and/or persons other than Individual Members may also be appointed by the Directors, pursuant to any Bylaw or Rule making provision for such additional appointment to any Committee.

105.1.2 Committees from time to time appointed by the Directors out of their own number with or without the addition of Individual Members or persons other than Individual Members, for the purpose of exercising any powers authorities and discretions exercisable by the Directors which the Directors shall delegate to them.

105.2 Notwithstanding the foregoing provisions of this Article the American Cotton Shippers Association of Memphis, Tennessee, in the United States of America, shall be entitled in each year to nominate one person who need not be an Individual Member or Director, to serve on Quality Appeal Committees whenever American Cotton, American/Pima varieties, or other cotton which has been traded by a member of the American Cotton Shippers Association is concerned. No person shall be so nominated unless his nomination has been approved by the Secretary of Agriculture of the United States of America or his authorised representative. Upon receipt of written approval the Directors, if they also approve, shall appoint such person to the said Committees, to serve until the close of the next ensuing Annual General Meeting of the Association. Such person when eligible to serve shall in all respects be a full member of such Committee, save that his remuneration from the Association shall be limited to participation in the Appeal Fees. Similarly, such person shall also be entitled to serve on the Value Differences Committee.

105.3 Notwithstanding the foregoing provisions of this Article, Member-Associations of the Committee for International Co-operation between Cotton Associations (CICCA) that have adopted the Association's Trading Rules, shall be entitled to nominate one person to serve on the Rules Committee with full voting rights whenever the said Trading Rules are under consideration. The nomination should to be in writing and should be valid for one (1) Business Year until the date of the next Annual General Meeting.

106 All Committees to be appointed in accordance with the last preceding Article shall, in
the exercise of the powers and functions delegated to them respectively, conform to the Articles, Bylaws and Rules and any regulations (not inconsistent therewith) that may from time to time be imposed on them respectively by the Directors.

**BYLAWS AND RULES**

107 The Association may at any time and from time to time by Special Resolution, make, vary, alter or rescind Bylaws and Rules (not being inconsistent with any of the provisions of the Articles).

108 The Bylaws and Rules shall be binding on all the Individual Members and Registered Firms and all persons claiming through them respectively, and all the officers of the Association.

**THE SEAL**

109 The Seal shall never be used except by the authority of the Directors and every instrument to which the Seal is affixed shall be signed by a Director and be countersigned by the Secretary (or some other person appointed by the Directors).

**THE TREASURER**

110 The Managing Director shall be in charge of all the finances and investments of the Association. The Treasurer shall have overview of all the finances and investments of the Association and shall in conjunction with the Managing Director hold and deal with the same in such manner as the Directors shall from time to time direct, not being inconsistent with these Articles or the Act.

**ACCOUNTS**

111 The Directors shall cause proper accounting records to be kept in accordance with the Act.

112 The accounts and books of the Association shall be kept at the Registered Office of the Association, or (subject to the Act) at such other place or places as the Directors think fit.

113 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Association, or any of them, shall be open to the inspection of the Individual Members, and no Individual Member shall have any right of inspecting any accounts or books or documents of the Association except as conferred by Statute or authorised by the Directors or by a resolution of the Association in General Meeting.

114 The Directors shall comply with the provisions of the Act relating to the sending of
copies of the annual accounts of the Association to the persons entitled thereto.

REGISTERS

115 A Register of Individual Members shall be kept in compliance with the provisions of the Act. A separate Register shall be kept of Registered Firms.

NOTICES

116 Save as otherwise in these Articles provided, a notice given or required to be given by the Association to any Individual Member or Member Firm by post may be given by sending it through the post in a prepaid letter addressed to such Individual Member or Member Firm at his or its registered address or by using electronic communications to a number or address for the time being notified for that purpose to the Association.

117 Any notice required to be given by the Association to the Individual Members or Member Firms or any of them respectively, and not expressly provided for by these presents, may be served either personally or by post, or may be delivered by hand at their registered addresses or may be sent using electronic communications.

118

118.1 Any notice given by letter shall be deemed to have been served 24 hours after the letter containing the same is despatched and, in proving the giving of the notice, it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

118.2 Any notice, if given by facsimile or electronic communications shall be deemed to have been served on the day the facsimile or electronic communication is despatched.

119 Where a given number of days’ notice or notice extending over any other period is required to be given, neither the day of service nor the day upon which such notice will expire shall be included in such manner of days or other period.

120 The foregoing provisions as to notice shall be without prejudice to any provisions as to notices (not inconsistent herewith) which shall be contained in the Rules.

ARBITRATIONS

121 Whenever any difference arises between any Individual Member or Principal Firm or Related Company or Association Member Firm and any other Individual Member or Principal Firm or Related Company or Association Member Firm concerning any contract made subject to International Cotton Association Rules and or Arbitration it
shall be referred to arbitration in accordance with the Bylaws and Rules, unless arbitration has been denied under these Articles.

NUMBER OF INDIVIDUAL MEMBERS

122 The number of Individual Members is unlimited.

INDEMNITY AND INSURANCE

123

123.1 Every Director or other officer or auditor of the Association 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 1157 of the Companies Act 2006 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 Association 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 sections 232 or 532 (respectively) of the Companies Act 2006.

123.2 The Directors shall have power to purchase and maintain for any director or officer of the Association (other than an auditor) insurance against any such liability as is referred to in section 233 of the Companies Act 2006.

WINDING - UP

124 Upon the passing of a Resolution to wind-up the Association, any surplus funds remaining available at that time for distribution after payment of all debts and expenses shall be applied:

**FIRST:** on the payment to each Individual Member, Principal Firm, Affiliate Industry Firm or Related Company then registered in the Registers of the Association of an amount which is in the same proportion to such surplus funds as the proportion of the subscriptions and fees paid to the Association by the said Individual Member, Principal Firm, Affiliate Industry Firm or Related Company for the last three (3) complete financial years of the Association preceding the passing of the aforesaid Resolution to the total of all the subscriptions and fees received by the Association during the aforesaid period,

**SECOND:** if, after all the aforesaid payments have been made, there shall be any surplus then remaining, it shall be distributed to and among such one or more
organisations as may be chosen by the Directors and as shall not be trading with the primary object of making a profit but shall have, as their sole or main object, the maintenance, furtherance and encouragement by whatever means of the growth and use of cotton.