Proposed Amendments
ISAF Constitution
Annual General Meeting ISAF
Information Document
ISAF Constitution - Information Papers

The following documents are in this bundle:

1. A letter by ISAF Solicitors Cains, explaining the proposed changes including the reasons and the legal background;

2. A letter from Mrs Peter Wilman of Dixcart Management, the administration office of the ISAF Companies in the Isle of Man;

3. An extract from the minutes of the ISAF Council Meeting May 2010 confirming the proposal, as amended, to the Annual General meeting;

4. A mark-up version of the existing Articles containing the proposed amendments (Document with track changes).
29 March 2010

The Executive Committee
International Sailing Federation Limited
Ariadne House
Town Quay
Southampton
Hampshire
SO14 2AQ

Dear Sirs

Articles of Association of the International Sailing Federation Limited (“ISAF”)

Background

We refer to the letter dated 4 September 2009 from Mr Peter Wilman of Dxicart Management (IOM) Limited (“Dxicart”) to Mr Jerome Pels of the ISAF (the “Letter”). A copy of the Letter is attached as schedule 1 to this letter.

In summary, the Letter deals with Dxicart’s misgivings about the existing structure of the ISAF, whereby each member of the Council (as defined in the ISAF’s Articles of Association (the “Articles”)) is regarded to be a director of the ISAF.

The ISAF is a company limited by guarantee and incorporated under Isle of Man law. Save where the Companies Acts 1931-2004 of the Isle of Man (the “Acts”) or the Articles require otherwise, a company is managed by its board of directors. The directors are given certain powers at law to (among other things) contract on behalf of a company, but with such powers also come responsibilities – a director owes strict fiduciary duties to the company and would be personally liable for any breach of those duties (ie his or her house and property would be at risk if they were sued for any breach of duty).

This firms agrees entirely with the comments made by Mr Wilman in the Letter. For the reasons Mr Wilman states, the current structure of the ISAF is potentially hazardous to both the ISAF and each Council member. It is hazardous to:

(a) the ISAF, because each Council member has ostensible authority to enter into contracts on behalf of the ISAF with third parties; and

(b) to each Council member, because he or she is personally liable for any breach of his or her fiduciary duty. In the circumstances, we would be concerned that the Council members may not even be aware of the existence of these wide-ranging duties and the potential for them to be breached when the best interests of the ISAF are not necessarily the same as the best interests of the persons or any body they represent.
Mr Wilman’s description in the Letter of the know-your-client regulations with which Dixcart and other professionals (both in the Isle of Man and elsewhere) must comply is also accurate. Having nearly 40 directors, some of whom are politically connected and therefore automatically classified as “high risk” clients under the regulations, must make the administration performed by Dixcart both difficult and (for its legal compliance officers) concerning.

We concur with Mr Wilman’s conclusion that the board of directors should only be as large as it needs to be to undertake its duties. It is more appropriate that the Executive Committee (as defined in the Articles), given its size and responsibilities, constitutes the board of directors of the ISAF, rather than the Council.

Scope of Instructions

We have been asked by the Secretary General on behalf the ISAF to:

(a) review the proposed changes to the Articles recommended by the ISAF in order to clearly establish the Executive Committee as the board of directors of the ISAF (the “Proposal”); and

(b) to the extent necessary, suggest any further and consequential amendments to the Articles that may be required to give effect to the Proposal.

Please note that we have not undertaken a general review of the Articles, regulations and bye-laws of the ISAF and that our review of the Articles has been limited to the extent required to comply with our instructions. However, as set out in the next section of this letter we did identify, when performing our review, a number of minor errors and issues that could easily be rectified as part of the current exercise.

For the avoidance of doubt, this firm only advises on matters of Isle of Man law and does not advise on taxation. We would recommend that the ISAF consult its tax advisers in relation to the Proposal.

Proposed Amendments

We attach, as schedule 2 to this letter, a mark-up of the existing Articles containing proposed amendments designed give effect the Proposal (the “Tracked Articles”). The majority of these amendments were suggested by the ISAF, but we have tweaked their suggested amendments in some cases and included additional amendments.

Set out below is a table explaining the reason for each amendment contained in the Tracked Articles.

<table>
<thead>
<tr>
<th>Article/ Reference</th>
<th>Amendment</th>
<th>Explanation</th>
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<tbody>
<tr>
<td>Title to Memorandum</td>
<td>Changed “1993” to “2004” in the reference to the Companies Acts.</td>
<td>This is to reflect that the applicable Companies legislation has been updated since the Articles were prepared.</td>
</tr>
<tr>
<td>Definition of “Acts”</td>
<td>See above.</td>
<td>See above.</td>
</tr>
<tr>
<td>Definition of “The Executive Committee”</td>
<td>New definition inserted.</td>
<td>This is designed to make it clear that the Executive Committee is the board of directors.</td>
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<tr>
<td>Definition of “The Council”</td>
<td>Existing definition replaced.</td>
<td>Council is no longer referred to as the board of directors of the ISAF, but as the board established in Article 43.</td>
</tr>
<tr>
<td>Definition of “Regulations”</td>
<td>Definition amended.</td>
<td>The existing definition wrongly referred to the objects set out in the Memorandum and Articles. No objects are set out in Memorandum and Articles, but are contained in a separate document.</td>
</tr>
<tr>
<td>(Article) 2.1</td>
<td>Amended reference from “Table A” to “Table C”.</td>
<td>This was a historic error. A company limited by guarantee is, unless disapplyed, subject to Table C of the relevant regulations, not Table A.</td>
</tr>
<tr>
<td>2.2</td>
<td>Revised wording.</td>
<td>The existing wording tries to apply English law and the jurisdiction of the English courts to the ISAF Constitution and Regulations. However, the Memorandum and Articles are for an Isle of Man company and I would therefore expect any court to regard Isle of Man law as the applicable law for the Memorandum and Articles. I have amended Article 2.2 so that it does not apply to the Memorandum and Articles, but continues to apply to the Regulations and other rules.</td>
</tr>
<tr>
<td>5(d)(i)</td>
<td>Replaced “ISAF” with “Federation”.</td>
<td>The term “ISAF” is not defined in the Articles – the appropriate reference is to the “Federation”.</td>
</tr>
<tr>
<td>9(a)</td>
<td>Replaced “Council” with “Executive Committee”.</td>
<td>In order to perform the functions of a board of directors, the Executive Committee should be responsible for managing the corporate and financial affairs of the ISAF.</td>
</tr>
<tr>
<td>10</td>
<td>As above.</td>
<td>As above.</td>
</tr>
<tr>
<td>11</td>
<td>As above plus deletion of last sentence.</td>
<td>As above.</td>
</tr>
<tr>
<td>14(a)</td>
<td>Replaced “Council” with “Executive Committee”.</td>
<td>As above. Suspension and cancellation of membership should be a matter for the Executive Committee.</td>
</tr>
<tr>
<td>14.1(a)</td>
<td>As above.</td>
<td>As above</td>
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<tr>
<td>19</td>
<td>As above.</td>
<td>As above</td>
</tr>
<tr>
<td>21.1</td>
<td>As above.</td>
<td>As the body entrusted with managing the corporate affairs of the ISAF, the Executive Committee should determine the time and place of General Meetings.</td>
</tr>
<tr>
<td>21.2</td>
<td>Additional wording.</td>
<td>The existing Article cross-refers to Article 59 only (which deals with committees of the Council), but the cross-reference is relevant to both meetings of the Council and its committees, so the both Articles 43 and 59 are relevant.</td>
</tr>
<tr>
<td>23</td>
<td>Replaced “Council” with “Executive Committee” and additional wording.</td>
<td>As the body entrusted with managing the corporate affairs of the ISAF, the Executive Committee should be able to call an Extraordinary General Meeting. However, we have also provided for the Council to be able to instruct the Executive Committee to call an Extraordinary General Meeting.</td>
</tr>
<tr>
<td>32</td>
<td>Additional reference to Executive Committee.</td>
<td>This is a consequential change to reflect the change to Article 23.</td>
</tr>
<tr>
<td>33</td>
<td>Additional wording.</td>
<td>This is a minor change for completeness. The General Assembly forms part of the Annual General Meeting of the ISAF ever fourth year and, therefore, the agenda should include the ordinary business (such as presenting accounts, auditor issues etc) that is required by the Acts to be dealt with at every Annual General Meeting.</td>
</tr>
<tr>
<td>37</td>
<td>Additional wording.</td>
<td>This is an amendment to reflect law – in some matters (such as a resolution to wind up the ISAF) the Acts or the Articles require resolutions to be passed by 75 percent of the members entitled to vote.</td>
</tr>
<tr>
<td>39.1</td>
<td>Replaced “Council” with “Executive Committee”.</td>
<td>Change requested by the ISAF.</td>
</tr>
<tr>
<td>40.2</td>
<td>Article Deleted.</td>
<td>Existing Article 40.2 was required because Dixcart needed certain information on each ‘director’ (currently a Council member) to comply with Isle of Man law. This information will not be required from Council member if Executive Committee members will constitute the directors of the ISAF.</td>
</tr>
<tr>
<td>41</td>
<td>Replaced “Committee” with “Council”.</td>
<td>This was a historical typographical error dating back to when the Council was called the &quot;Permanent Committee&quot;.</td>
</tr>
</tbody>
</table>
It's extremely important that the Council is not seen by third parties to be fulfilling the functions of a board of directors of a company (such as managing the day to day corporate and financial affairs of the ISAF), because this would raise the risk that each Council member could be regarded as a 'shadow' director of the ISAF.

We understand that, in practice, the Council does not perform the functions of a board of directors and, consequently, our intention in amending Article 43 (and Article 68) is to define more precisely the existing role and responsibilities of the Council (and Executive Committee).

In the revised draft Article 43 we have:

(a) incorporated the suggested reference from the ISAF that the Council be responsible for the sport of yachting, including policy making (as opposed to being responsible for the "business of the Federation", which is an all-encompassing term);

(b) inserted an additional responsibility that is intended to be more general than (a) above – namely promoting and carrying out the aims and objectives of the ISAF.

Article 43 contains existing wording that attempts to prevent the Council exceeding its powers. We have tweaked this to ensure the Council’s powers to do not overlap with powers delegated by the Articles or the Acts to the Executive Committee.

The Council's power to make Regulations should be to carry out its functions (which are set out in Article 43) rather than to carry out the objects of the ISAF, otherwise Article 44 might give the Council wider powers than the revised Article 43.

The existing Article wrongly referred to the objects set out in the Memorandum and Articles. No objects are set out in Memorandum and Articles, but are contained in a separate document.

Change requested by the ISAF. The change gives the Executive Committee (rather than the Council) the power to fill a casual vacancy in the in the office of President or
<table>
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<tr>
<th>Page</th>
<th>Change Description</th>
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<tbody>
<tr>
<td>62</td>
<td>Replaced “Council” with “Executive Committee”. Secretarial functions should be performed by the Executive Committee (specifically the Secretary General) rather than the Council.</td>
</tr>
<tr>
<td>66</td>
<td>Article extended to include Executive Committee members. Articles 55 to 66 (inclusive) would, for a normal company, apply to a board of directors. It is likely that, when the Articles were prepared originally, the draftsperson simply replace references to the board of directors with references to the Council. For the reasons discussed, this is not (or is no longer) appropriate. One option would be to replicate or extend each of Articles 55 to 66 (inclusive) to apply to the Executive Committee. However, we understand there are regulations or bye-laws that regulate meetings of the Executive Committee. Article 66 is a standard article in respect of company directors and good corporate governance – for example a director of unsound mind could not discharge his or her duties. This Article should be extended to cover Executive Committee members on the basis they are the directors of the ISAF.</td>
</tr>
<tr>
<td>67</td>
<td>Additional sentence added. We have inserted clarificatory wording to confirm that the Executive Committee constitutes the board of directors. Our instructions have been to not include the Treasurer and Secretary General as directors of the ISAF (on the basis that neither have a vote in the Executive Committee and therefore cannot ‘direct’), but to retain them as members of the Executive Committee. Although it would be more common for an individual with the responsibilities of treasurer to be a director, we understand that the position of the Secretary General is more akin to a company secretary, who would usually attend board meeting of a company, but have not right to vote.</td>
</tr>
<tr>
<td>68</td>
<td>Wording amended and added. Please refer to the explanation of our changes to Article 43. The intention is to ensure that the Article clearly identifies the role of the</td>
</tr>
<tr>
<td>Section</td>
<td>Change Description</td>
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<tr>
<td>69 and 70</td>
<td>Treasurer and Secretary General to be appointed by the Executive Committee.</td>
</tr>
<tr>
<td>70.1</td>
<td>New Article inserted.</td>
</tr>
<tr>
<td>83</td>
<td>New wording.</td>
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<tr>
<td>84</td>
<td>New wording.</td>
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<tr>
<td>88</td>
<td>Additional wording.</td>
</tr>
<tr>
<td>93 to 96 (inclusive)</td>
<td>Replaced “Council” with “Executive Committee”.</td>
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<tr>
<td>Page</td>
<td>Replaced “Council” with “Executive Committee”.</td>
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<tr>
<td>98</td>
<td>Replaced “Council” with “Executive Committee”.</td>
</tr>
<tr>
<td>102</td>
<td>Replaced “Council” with “Executive Committee”.</td>
</tr>
</tbody>
</table>
| 103  | Replaced “Council” with “Executive Committee”. | This standard indemnity wording is designed to protect the officers and auditors of a company only. In any event, the indemnity is severely limited by section 151 of the Companies Act 1931, which only allows a person to be indemnified where the liability does not relate to negligence, default, breach of duty or breach of trust (and a judgment has not been given in his favour in respect of such proceedings).

An underwriter of a directors & officers insurance policy would only expect to insure the persons normally considered to be acting as officers of a company (such as the Executive Committee), rather than the entire membership of the Council. We would be concerned that, unless the underwriter fully understood the structure of the ISAF, it would not pay out on a claim against a Council member for breach of directors duty.

In any event, following the proposed restructuring, the liabilities insured under a directors & officers insurance policy would not in normal circumstances be relevant to Council members, because they would not be conducting the management of the financial and corporate affairs of the ISAF.

If council members and other officials of the ISAF required insurance against liabilities that may be incurred by them in some official capacity, another form of insurance policy (rather than directors & officers insurance) would be more appropriate.

We attach, as schedule 3 to this letter, a clean version of the revised draft Articles.
Reliance

This letter is addressed to, and may only be relied upon by, the ISAF. This letter is limited to the matters expressly stated herein and does not extend to, and is not to be read as extending by implication to, any other matter in connection with the ISAF.

Please do not hesitate to contact us if you have any queries.

Yours faithfully

Cains

Cains
SCHEDULE 1

The Letter
Private and Confidential

Mr Jerome Pels
International Sailing Federation Limited
Ariadne House
Town Quay
Southampton
Hampshire
SO14 2AQ

4 September 2009

Dear Jerome

Board of Directors of International Sailing Federation Limited

I am writing to express our concern at the size of the International Sailing Federation Limited Isle of Man Board, the difficulties that this is placing on Dixcart and the company and our concern that many of the directors are not in a position to undertake their responsibilities as required by company law.

As Appendix 1 I have attached part of a paper from the Isle of Man Government’s Financial Supervision Commission, being a “Guidance Note on the Responsibilities and Duties of Directors under the Laws of the Isle of Man”. In this area of company law the Isle of Man is very similar to the UK and indeed the responsibilities are similar in many jurisdictions around the world. By accepting the position as a director of a company the individual takes on the responsibilities, not only for his/her actions, but also for the Board and the company as a whole. It is not enough to say “I didn’t know” if no attempt has been made to find out and understand what is happening.

What seems to have happened with your organisation is that the responsibilities and positions of directors have become synonymous with that of the Council, who are responsible for setting the rules of sailing, deciding where events will take place, who will run them etc. These decisions do not need to be taken by a director of the company and, in our opinion, the two bodies should be separate.

In this note I will be setting out the following:

1. Why a Board of 38 directors is a problem and is, indeed, damaging to the company.
2. The areas where we believe most directors are not carrying out their responsibilities and how this exposes them personally as well as the company.

3. Our concerns of what the directors are doing and how each of them can contractually bind the company.

1. **Why a Board of 38 directors is a problem and is, indeed, damaging to the company.**

In these days of anti money laundering and anti terrorist regulations, all financial institutions and professional advisers, as well as, in some jurisdictions, those that provide office addresses for use by the organisation, must “know their client”. This normally means knowing the major shareholders (in your case as all shareholders are equal and are all minority shareholders, this is not a concern) and knowing the directors of the company. As all directors are equally responsible, all 38 must be “known”. In the event of changes of director or alternatives being appointed, then these too must be “known”. It would therefore not be a surprise if in any given year 50 directors must be “known”!

I imagine the members of your Board are probably used to having to provide certified copies of their passports, utility bills etc. It is true that these are required in order to assist us and other organisations with the same responsibilities to “know our clients” and in particular to know all the directors of our client companies. These are documents that ensure that background checks undertaken are being carried out on the right individuals, i.e. that individual is who he/she says he/she is.

Before I go further I wish to emphasise that these are not Dixcart rules. These rules are now very international and you would expect to find any corporate services provider, bank, lawyer, accountant, fiduciary etc. applying them.

What will not be so well known is what happens next within the organisation receiving this information. That organisation then needs to carry out a risk review upon its client, dividing its clients between low, medium and high risk. Those clients that are low risk may well only be looked at once a year, whilst those that are high risk need to be looked at every time a transaction is conducted with or on behalf of that client. A client who has directors who are politically connected would automatically have to be classified as high risk, and therefore each transaction on behalf of that client will need to be reviewed by a senior officer before the transaction can be completed. There is no doubt that with a 38 member Board, many of whom hold political or government positions in their countries, it would be impossible not to classify International Sailing Federation Limited as “high risk” and therefore have every transaction reviewed by a senior member of staff.

I would again point out that these are not Dixcart rules, but rules of the regulators of our industries, not just in the Isle of Man, but now
internationally, and this applies as much to the banks as it does to corporate services providers and other professionals.

I hope that this demonstrates the difficulties that these organisations would have in dealing with International Sailing Federation Limited, why opening new bank accounts can be very difficult and why a number of organisations would not be interested in taking on International Sailing Federation Limited as a client without additional fees to cover the extra work and risk. The fact that a Board of this size is treated at the best with suspicion and at worst as "not worth the effort" is, I believe, costly and probably damaging to your organisation.

2. The areas where we believe most directors are not carrying out their responsibilities and how this exposes them personally as well as the company.

I refer you to Appendix 1, being a guidance note on responsibilities and duties of directors under the laws of the Isle of Man, and I will go through in detail a number of the paragraphs referenced in this document.

Paragraph 5.2.6 states "Every director has exactly the same responsibility to the company as a whole and if he neglects that responsibility in the interests of or on the orders of his principal, he will be guilty of a breach of duty. Directors should not allow others to unduly influence them in such a way as to undermine the exercise in good faith of their powers in the manner in which they consider to be in the best interests of the company. Any attempted "string-pulling", whether by other directors, shareholders, beneficial owners or other third parties should be firmly resisted by the directors. The directors must make their own decisions after receiving appropriate professional advice if necessary. They must not simply "rubber stamp" decisions made by others."

There is a general point here that the larger the group of individuals the more likely it is that any one individual will leave it to others to look into any particular point, and I think this paragraph makes it clear that this is simply not good enough. However, there is a specific point for your organisation in that all the members of the Council have a duty to the area that has elected them. They are appointed to the Council to represent that particular area and to vote as instructed by the members of that area. Unfortunately, this is in direct contravention of what they must do as a director, where their only duties can be to the company as a whole and the shareholders in general, and they cannot prefer one group of shareholders over another.

It may be argued that when Council members are voting on Council business they are not undertaking directors' duties, but there is no distinction in company law. Everything that a director does for a company is subject to the same responsibility to the company as a whole, and he can therefore never vote in a way that he believes may not be in the interests of the International Sailing Federation Limited, just because he has been instructed to do so by the members he is representing on the Council.
The paragraphs under 5.3 - Duties of Directors - show how many times this conflict between voting as instructed by members and voting in the best interests of the company as a whole could cause problems. 5.3.3. states "The law imposes duties on directors. If a person does not comply with his duties as a director he may be liable to civil and/or criminal proceedings and he may be disqualified from acting as a director." Therefore not acting in the best interests of the company and not complying with his duties as a director could well have serious consequences.

5.3.3.1 states "Loyalty - A director must act in good faith in what he considers to be the interests of the company." Note this is the interests of the company and not some of its shareholders. This is reinforced by 5.3.3.3. "Independence - A director must not agree to restrict his power to exercise an independent judgement." Again in 5.3.3.5 "Conflict of Interest - Directors must not put themselves in a position where there is a conflict (actual or potential) between their personal interests and their duties to the company, or between their duties to the company and duty owed to another person." Again, being beholden to certain members and being instructed to act on behalf of certain members is a conflict of interest to duties owed to the company as a whole. It is certainly a potential conflict of interest and it may become an actual one, depending on what is being voted upon. This point is again emphasised by 5.3.3.7. "Fairness - A director must act fairly as between different members." This, of course, is the exact opposite to their appointment to the Council, where they are expected to act on behalf of certain members and look after those members' interests.

The above I believe shows the conflict between every director's duties to the company and those of a Council member who has a duty towards certain members.

There are also other problems with having 38 directors, most of whom will not be aware of the rules and regulations in the Isle of Man, or indeed of the company itself.

In 5.3.3.6 it is stated "Care, skill and diligence - A director owes the company a duty to exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both (a) the general knowledge, skill and experience that may reasonably be expected from a person carrying out the same functions as are carried out by that director in relation to the company and (b) the actual knowledge, skill and experience which the director has." I believe this shows clearly that it would simply not be enough to turn to the authorities and say "I expected somebody else to have the knowledge and therefore I didn't look into these matters myself".

It can be seen in 5.4.4. - "A director cannot delegate his overall responsibility. There can be no total abrogation of responsibility. Directors remain responsible for the exercise of powers they delegate." Therefore where a director asks someone to act for him or where the Board of directors as a
whole asks others to undertake a certain task on their behalf, the responsibility still stays with the director and cannot be passed on.

Paragraph 5.5 - Knowledge of the Legal Framework - attempts to show that directors must operate within the legal framework of the laws of the Isle of Man and indeed the rules and regulations of the company, as contained in the memorandum and articles of association. It would be interesting to know how many of the 38 directors of your company have even glanced at the memorandum and articles of association of the company.

I hope I have demonstrated that it is extremely unlikely that the majority of the Board members are fulfilling their legal responsibilities as directors of the company and that they are therefore leaving both themselves and the company open to actions against the company by individuals or countries that are unhappy with a decision that has been made, perhaps in Council, but by directors of the company.

3. Our concerns of what the directors are doing and how each of them can contractually bind the company.

So far I have spoken about directors' duties, but we should not forget directors' powers. Any director has the power to bind your company to any contract. This could be curtailed by changes to the articles of association or other regulations so that there needs to be a minimum number of directors signing any contract, or there has to be a general directors' meeting before a contract is signed. There are, however, two problems with this. Firstly that a counter party will not necessarily know about the internal rules of your company and it may well be viewed by a court that it was not unreasonable that they should expect a director of the company to be able to bind the company, and therefore even though a contract was entered into that was ultra vires for the company, the courts would hold that it was reasonable for the other party to expect a director to be able to bind the company and therefore the contract stands.

Secondly, it will be very difficult to come up with a form of words that covers the major contracts where the Board may need to give approval, as distinct from minor contracts, such as with the person that provides the stationery, where it would obviously be a waste of time everybody sitting around debating where a small contract should be placed.

The problem, therefore, is knowing what all 38 directors are doing and whether they understand that as directors they have the power to bind the company. Of course, any contract they enter into should be recorded by the company so that the company knows what is going on and there is a legal record of it. This, in effect, means that every agreement reached by a committee member who, as we have already noted, is de facto a director, needs to be recorded in the company's records in the Isle of Man.

There is therefore the problem of knowing what all 38 directors have done so that it can be recorded, and being happy that all 38 directors are committing
the company to acts and contracts which the Board as a whole would be happy with.

Conclusion

I hope that I have shown that the present size of the Board of directors of the International Sailing Federation Limited Isle of Man, at 38 individuals, is too large and is not good for the company or the individuals.

My recommendation is that individuals who are voted on to the Council to represent various members' interests should not also be directors. There is an obvious conflict of interest and the individuals do not need to be directors to fulfil their duties to the Council.

If the Board should not be 38 people, how large should it be?

The answer to this is - As many people as required to undertake its duties, but no larger.

In 2003 a review was undertaken by Derek Higgs of the Directorships of the UK Listed Companies and at that time he found the average size of a Board of a UK listed company was seven individuals. It is difficult to see why the Board of the International Sailing Federation Limited Isle of Man needs to be larger.

However, as the Executive presently consists of a President and seven Vice Presidents, I would be happy to see a Board of eight for the company, consisting solely of the Executive. Other non-voting members, such as Presidents of Honour, can be invited to attend the Board meetings, but as they have no vote they should not be given the title, or responsibilities, of a director. At present the Treasurer has a lot of responsibilities, but no representation as he has no vote. My recommendation would therefore be to make the Treasurer a full member of the Board, as a director with a vote, so increasing the Board to nine directors.

I hope the above letter is helpful to your organisation. If you have any comments or would like to discuss anything further, please do not hesitate to contact me.

Yours sincerely,

Peter Wilman
SECTION 5

GUIDANCE NOTE ON THE RESPONSIBILITIES AND DUTIES OF DIRECTORS UNDER THE LAWS OF THE ISLE OF MAN

The Commission's Guidance Notes on the responsibilities and duties of directors under the laws of the Isle of Man are relevant to all directors of Isle of Man incorporated companies but in particular, the Commission is concerned to ensure that directors understand their responsibilities for the proper conduct and financial well-being of an Isle of Man licence holder. Where the licence holder is a corporate service provider providing directors for client companies, such directors are also expected to be aware of their duties and responsibilities.

The Commission's Guidance Notes are intended as a general guide only and must be read in conjunction with the relevant legislation. The guidance is general in scope, and is not in any particular order of relative importance. These notes are derived from the duties and responsibilities that already exist at law, but are not exhaustive and further guidance should be obtained from your legal adviser.

Where corporate directors are permitted, the actions of the directors and members of the corporate director will be relevant in assessing the standards of conduct of the corporate director. Furthermore, these actions will also be relevant in assessing the ongoing fitness and propriety of those directors and members themselves. (see 5.2.2 and 5.6 below).

5.1 These guidance notes are published by the Financial Supervision Commission ("the Commission") in order to assist current and future directors of Isle of Man incorporated companies to perform their duties responsibly and within the laws of the Isle of Man. Directors should ensure that principles of good corporate governance are followed.

INTRODUCTION

5.2 WHO IS A DIRECTOR? HOW A DIRECTOR IS APPOINTED TO OFFICE AND HOW HE CEASES TO BE A DIRECTOR

5.2.1 There are two distinct company forms in the Isle of Man. These are companies incorporated under the Companies Acts 1931-2004 of the Isle of Man ("1931 Act companies") and companies incorporated under the Companies Act 2009 ("2009 Act companies").

5.2.2 1931 Act companies must have at least two individual directors and corporate directors are not permitted. However, 2006 Act companies may have a single director and corporate directors are permitted, provided that the corporate director is the holder of a corporate service provider ("CSP") licence (which does not exclude acting as such) or is the subsidiary of such a CSP licence holder. A corporate director of a 2006 Act company is a legal person whose actions are directed and determined by natural persons. The directors of the corporate director therefore have responsibilities to ensure that the corporate director fulfils its duties and responsibilities as set out in this guidance.

5.2.3 A director includes any person acting as a director by whatever name called, and acts of a director are valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification. (See sections 341 and 142 of Companies Act 1931 ("1931 Act") and sections 221 and 100 of Companies Act 2006 ("2006 Act").) Therefore, even though it is an offence not to comply with the formalities of a director's appointment, a person is recognised as a director by his functions and by the authority and power he has in fact exercised. Acting as a director in this way makes you a "de facto" director in the eyes of the law.

5.2.4 Although the actual term "shadow director" is not used in the 1931 Act or 2006 Act, both Acts contain provisions which refer to persons in accordance with whose directions or Instructions the director(s) are accustomed to act - and this is the widely accepted definition of a shadow director. A "shadow director" must comply with the same standards as a properly appointed director. Directors should not allow a person who has not been formally appointed to act as a director, nor should they allow their discretion to be fettered by such a person. Equally, a person who has not been appointed as a director should not seek to direct or instruct the directors of a company.

5.2.5 The law relating to the standards to be observed by directors in discharging their duties applies no distinction between executive and non-executive directors. However, it is widely recognised that non-executive directors have a useful independent role to play to ensure that the company's activities are undertaken in compliance with the law and pursuant to principles of good corporate governance.
5.2.6 There is no such entity in law as a "nominee" director. Every director has exactly the same responsibility to the company as a whole and if he neglects that responsibility in the interests of or on the orders of his principal, he will be guilty of a breach of duty. Directors should not allow others to unduly influence them in such a way as to undermine the exercise in good faith of their powers in the manner in which they consider to be in the best interests of the company. Any attempted "string-pulling", whether by other directors, shareholders, beneficial owners or other third parties, should be firmly resisted by directors. The directors must make their own decisions, after receiving appropriate professional advice if necessary. They must not simply "rubber stamp" decisions made by others.

5.2.7 In addition to other statutory requirements for certain information about the company to be available on the public record, both 1931 Act and 2006 Act companies are required to file an annual return with the Companies Registry. This ensures that there is an annual up-date of the company's public record, including details of the company's directors. (See also 5.2.8 and 5.7.1 below.)

5.2.8 A 1931 Act company is required to file notice of any change in its directors with the Companies Registry. When a new director is appointed, resigns or ceases to be a director, a form BN must be completed, and filed with the Companies Registry within one month of the date of the appointment, resignation or cessation (by removal, disqualification or death) taking effect. Failure to notify within the time frame will incur a late filing penalty. Also, any changes in personal details, such as change of name, address, nationality, and occupation, should be notified on the relevant form within one calendar month of the date of such change. A 2006 Act company is not required to file notice of any changes in its directors or of any change of directors' personal details but may elect to do so. If such an election is made, changes to the information filed must be notified to the Companies Registry within one month of the change (see section 204 of the 2006 Act). Whether an election is made or not, a 2006 Act company is required under section 85 of the 2006 Act to file an annual return which, as prescribed by regulations, records the details of serving directors and any changes since the date of the last return so that the directors' details at the date of the annual return will be available on the public record.

5.2.9 The rules governing the appointment and retirement of directors are contained in the 1931 Act and 2006 Act respectively and the constitutional documents of the company. For example, the articles of association may require a director to take shares in the company as a condition of his appointment, and may require all the directors or one third of the directors to retire and offer themselves for election or re-election at the company's annual general meeting.

5.2.10 Both the 1931 Act and the 2006 Act include statutory provisions for the removal of a director from office. (See section 141A of the 1931 Act and section 96 of the 2006 Act.) The constitutional documents may also provide for the removal of a director from office. However, nothing in the constitutional documents or in any service agreement can prevent members of the company from using the statutory power in preference to the procedure set out in the constitutional documents, if they so wish.

5.2.11 Persons may be disqualified from acting as directors by statute. For example, section 141 of the 1931 Act prohibits an undischarged bankrupt from acting as a director of a 1931 Act company without the permission of the court which adjudged him a bankrupt.

5.2.12 In relation to 2006 Act companies, section 93 of the 2006 Act expressly sets out a list of persons who are not permitted by statute to act as a director of a 2006 Act company, including:

1. an individual who is under 18 years of age;
2. an undischarged bankrupt;
3. in the case of a corporate director, a body corporate which does not hold an appropriate Isle of Man CSP licence or which is not a subsidiary of such a body corporate.

5.2.13 In addition, the constitutional documents of the company may include provisions disqualifying or prohibiting certain persons from being eligible to act as a director of that particular company.

5.2.14 Persons may also be disqualified from acting as director of a 1931 Act company or a 2006 Act company by the court (see section 26 of the Isle of Man Companies Act 1992 and section 31 of the Isle of Man Companies Act 1982).

5.3 DUTIES OF DIRECTORS

5.3.1
Directors should understand the nature and extent of the duties, which they owe as directors. They should understand the nature of the role they perform. If they are in any doubt then they should take appropriate professional advice where necessary.

5.3.2 Directors are subject to certain minimum standards of care, skill and diligence in discharging their duties.

5.3.3 The law imposes duties on directors. If a person does not comply with his duties as a director he may be liable to civil and/or criminal proceedings and he may be disqualified from acting as a director. Set out below is a summary of the main duties of a director to his company. It is not an exhaustive and complete statement of a director's duties and the law is subject to change. If a person is unsure about his duties as a director in any particular set of circumstances he should seek advice.

5.3.3.1 Loyalty - A director must act in good faith in what he considers to be the interests of the company.

5.3.3.2 Obedience - A director must act in accordance with the company's constitution (contained in the memorandum and articles of association) and must exercise his powers only for the purposes allowed by law.

5.3.3.3 Independence - A director must not agree to restrict his power to exercise an independent judgement. But if he considers in good faith that it is in the interests of the company for a transaction to be entered into and carried into effect, he may restrict his power to exercise an independent judgement by agreeing to act in a particular way to achieve this.

5.3.3.4 No secret profits - A director must not use the company's property, information or opportunities for his own or anyone else's benefit unless he is allowed to by the company's constitution or the use has been disclosed to the company in general meeting and the company has consented to it (although this may not be sufficient in some circumstances).

5.3.3.5 Conflict of Interest - Directors must not put themselves in a position where there is a conflict (actual or potential) between their personal interests and their duties to the company or between their duty to the company and a duty owed to another person. If there is a conflict between an interest or duty of a director and an interest of the company in any transaction, the director must account to the company for any benefit he receives from the transaction. This applies whether or not the company sets aside the transaction. But the director does not have to account for the benefit if he is allowed to have the conflicting interest or duty by the company's constitution (and he has complied strictly with the requirements and terms of the company's constitution in that regard) or the interest or duty has been fully and properly disclosed to and approved by the company in general meeting. The 2006 Act contains express statutory provisions which provide that (subject to any provision to the contrary in the company's constitutional documents) a director of a 2006 Act company may in certain circumstances have a conflicting interest with the company and still retain any benefit which he derives by reason of such interest provided that the director has disclosed his interest in accordance with, and strictly complied with, the requirements of sections 103 to 105 of the 2006 Act. Directors must also remember their duty to disclose any interest to the board of directors of the company (see section 148 of the 1931 Act and section 104 of the 2006 Act).

5.3.3.6 Care, skill and diligence - A director owes the company a duty to exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both (a) the general knowledge, skill and experience that may reasonably be expected from a person carrying out the same functions as are carried out by that director in relation to the company, and (b) the actual knowledge, skill and experience which the director has.

5.3.3.7 Fairness - A director must act fairly as between different members.

5.4 POWERS OF DIRECTORS

5.4.1 The powers of directors are derived from law and their powers relating to the management of the company may be further defined in its constitutional documents. They must exercise their powers:

5.4.1.1 in what they honestly believe to be the best interests of the company; and

5.4.1.2 for a proper purpose, being the purpose for which the power is intended.

5.4.2 Directors' powers are not individual but collective. However a board (subject to the articles of association) may delegate certain powers to one or more of their number or, if its constitutional documents permit, to non-directors.

5.4.3 Usually the board of directors will take all management decisions, and only those matters required by statute or the company's constitutional documents to be decided by the shareholders or members will be left in their hands. The directors are not agents of the members, and cannot be instructed by the
members in general meeting as to how they should exercise their powers. It is important therefore that directors are mindful of any attempt to influence either themselves or any other board member in such a way as to undermine the exercise of their powers. The members have a statutory right to remove a director before the expiration of his period of office (see section 141A of the 1931 Act and section 98 of the 2006 Act).

5.4.4 A director cannot delegate his overall responsibility. There can be no total abrogation of responsibility. Directors remain responsible for the exercise of powers they delegate. Where delegation is properly authorised there still must be a proper monitoring of the exercise of the delegated powers. Provided it is duly authorised the board of directors may delegate their powers to a third party. For example the board may pass a resolution agreeing to enter into a contract but may, by power of attorney authorise a third party to execute the contract. In all circumstances the board should keep the attorney’s powers within restricted parameters and ensure that it does not relinquish control over the company’s affairs.

5.4.5 A director may rely on information, given by an employee, expert, professional adviser or another director in relation to matters within their competence or responsibility, provided that the director acted in good faith, made proper enquiries and had no ground for suspicion.

5.4.6 In general terms it is for the directors to meet, discuss and if appropriate, approve the substance of any material transactions the company is entering into. To a certain extent the directors can rely on opinions provided by the company’s advocates, accountants and other advisers but the decision of whether to enter into a transaction or not must be a decision for the directors.

5.5 KNOWLEDGE OF THE LEGAL FRAMEWORK

5.5.1 A director must operate within the legal framework of the laws of the Isle of Man (or be reasonably able to rely on someone who possesses the relevant knowledge), to ensure that the company’s operations comply with all relevant laws. In addition to the laws of the Isle of Man, directors must also have sufficient knowledge (or be reasonably able to rely on someone who does) of the laws of any other jurisdictions within which their companies may operate and ensure that such operations comply with those laws.

5.5.2 In addition to complying with relevant laws, a director should ensure that he has knowledge of the memorandum and articles of association of the company. The memorandum gives the basic information about the company (name, registered office, type of company etc) and the articles of association deal with the internal conduct of the company’s affairs. However, a 2006 Act company does have more flexibility than a 1931 Act company as to what information can be included in its memorandum of association.

5.5.3 A 1931 Act company incorporated after 1st June 1989 or to which Part I of the Isle of Man Companies Act 1986 applies may adopt all or any part of the statutory standard model articles of association made under section 7 of the Companies Act 1986 and contained in the Companies (Memorandum and Articles of Association) Regulations 1988. (Table A is the model for a company limited by shares.) A 1931 Act company may, however, tailor its own articles, within the powers and limitations of the relevant statutory requirements, to meet its particular needs.

5.5.4 A 2006 Act company limited by shares or limited by guarantee may adopt all or any part of the relevant statutory model articles of association made under section 5 of the 2006 Act and contained in the Companies (Model Articles) Regulations 2006. A 2006 Act company may also tailor its own articles, within the powers and limitations of the relevant statutory requirements, to meet its particular needs.

5.5.5 It should be noted that the 1931 Act and 2006 Act only permit companies to do certain specified acts if their constitutional documents also authorise it. For example, a 1931 Act company may reduce its capital only if authorised to do so by its articles of association (and subject to the sanction of the court) (section 66 of the 1931 Act) and the directors of a 2006 Act company can only remove a fellow director if this is expressly permitted by its constitutional documents (section 96(4) of the 2006 Act).

5.5.6 The 2006 Act allows flexibility concerning the internal management of the company and many sections of the 2006 Act allow the company’s constitutional documents to provide otherwise than is required by or stated in the 2006 Act. For example,

1. the rights attaching to a share in the company are set out in section 27(1) of the 2006 Act but the company’s constitutional documents may negate, modify or add to such rights

2. section 66(2) of the 2006 Act enables a members’ meeting to be held at short notice if a member or members holding at least 90%, or such smaller percentage as may be specified in its articles, of the voting rights have waived notice of the meeting;

3. section 106(1) of the 2006 Act provides that the directors of a 2006 Act company may meet at such times and in such manner and places within or outside the Isle of Man as they may
determine to be necessary or desirable and can regulate their proceedings as they see fit, subject to any contrary provision in the company's constitutional documents.

5.5.7 The company's constitutional documents have no effect to the extent that they contravene or are inconsistent with the Act. Although not expressly specified in the 1931 Act, for the avoidance of doubt this is stated in the 2006 Act (see section 7(2)).

5.6 LIABILITIES - CRIMINAL AND CIVIL

5.6.1 Many provisions in the 1931 Act impose specific duties on a company's officers (particularly directors) in connection with the conduct of the company's business. In many instances, the 1931 Act provides that a failure to perform such duties constitutes a criminal offence.

5.6.2 Generally the 2006 Act imposes duties on the company itself but section 223 provides that if an offence committed by the company is proved to have been committed with the consent or connivance of or to be attributable to neglect on the part of a director, manager or other officer of the company or its registered agent, or a person who was purporting to act in any such capacity, that person as well as the company is guilty of the offence and is liable to be proceeded against and punished accordingly.

5.6.3 Where a director acts in breach of his fiduciary duty, he may be liable to indemnify the company for any loss it has suffered as a result, and to account to the company for any profit made. In some cases the members, with full knowledge, can ratify the actions of the directors. Such ratification cannot obviously be guaranteed and, in any event, may not be sufficient in some circumstances.

5.6.4 A director must always remember that he may be held accountable for losses if he has not complied with his statutory and fiduciary duties or failed to exercise the requisite duty of care, diligence and skill and that there is no such entity as a "nominee" director when it comes to liability.

5.6.5 Directors should also be aware of potential liability on a "constructive trust" basis if they are engaged or assist in wrongful conduct. A constructive trust is imposed where a person receives assets and, although there is no formal recognition by him that anyone else has any interest in them, it would be inequitable to deny such an interest.

5.6.6 Directors should also be aware of the various statutory provisions which impose personal liability on directors guilty of wrongdoing. For example section 269 of the 1931 Act (which also applies to 2006 Act companies by virtue of section 182 of the 2006 Act) contains detailed provisions in relation to the personal responsibility of directors for fraudulent trading. If a director enables a company to carry on business and incur debts when to the knowledge of the director there is no reasonable prospect of the debts being paid, the director could suffer personal liability in such circumstances. Section 260 of the 1931 Act (which also applies to 2006 Act companies by virtue of section 182 of the 2006 Act) gives the court wide powers to make an order requiring a director to repay or restore any money which he has misapplied or retained or become liable or accountable for to the company or to contribute to the company's assets an appropriate sum by way of compensation. In addition, section 51 of the 2006 Act imposes a statutory personal liability on directors of a 2006 Act company where a 'distribution' has been made by the company to the members and the company did not, immediately after the distribution, satisfy the solvency test.

5.6.7 There are also provisions which enable the court to make orders disqualifying individuals from acting as directors (section 31 of the Companies Act 1982; section 26 of the Companies Act 1992).

5.7 ADMINISTRATION AND ACCOUNTS

5.7.1 The directors are responsible for the company's administration, including maintenance of proper accounting records, minutes of meetings, statutory books and filing of information at the Companies Registry. It is usual for these duties to be delegated - to the Secretary of a 1931 Act company or to the Registered Agent of a 2006 Act company - but this does not relieve the directors of the ultimate responsibility.

5.7.2 It is the duty of the directors under the Companies Acts:

- to ensure that proper accounting records are kept by the company;
- to prepare and approve annual accounts which comply with the Companies Acts;
- to ensure that the company sends a copy of the accounts to parties entitled to receive them; and
- to lay the accounts and reports before the shareholders in general meeting.

5.7.3
Under the 2008 Act, the obligation to maintain accounting records falls on the company and the Registered Agent is required to hold such records. However, the responsibility for accounting records lies with the directors as they are responsible for the management of the company (see section 91(1) of the 2008 Act). The 2008 Act does not require a 2006 Act company to prepare financial statements or have them audited (but the company's constitutional documents may so provide) and there is no statutory requirement in the 2006 Act to lay accounts before the members in general meeting or send them copies, but members may on request access the accounting records of a 2008 Act company (see section 82 of the 2006 Act).

5.8 BOARD MEETINGS

5.8.1 As already mentioned, the powers of directors are not individual but collective. The directors should therefore exercise their powers by holding board meetings at which collective decisions are taken. The articles of association may stipulate when and how board meetings shall be held, and the quorum requirements. A meeting cannot proceed to business unless a quorum is present. Any member of the board is entitled to call a meeting of directors and every director is entitled to receive notice of a meeting.

5.8.2 Minutes must be kept of the proceedings of board meetings. Once agreed and signed by the chairman of the meeting they are evidence, though not conclusive evidence, of the proceedings to which they relate. In respect of 1931 Act companies, where minutes have been made in accordance with the relevant statutory provisions then, until the contrary is proved, the meeting shall be deemed to have been duly held and convened, and all proceedings shall be deemed to have taken place, and all appointments of directors, managers, or liquidators shall be deemed to be valid (see section 119 of the 1931 Act). A written resolution, may replace a meeting of the board (section 109(3) of the 2006 Act and in respect of a 1931 Act company, section 118A to 118C of the 1931 Act and its articles).

5.9 GOOD CORPORATE GOVERNANCE

- Corporate governance relates to ownership and control and the roles of owners, directors, company secretary (1931 Act companies), registered agent (2006 Act companies), managers and shareholders and the way the business of the company is run. The board of directors are but one component. Good corporate governance can best be achieved by appropriately experienced and qualified individuals applying informed and independent judgements. Directors have an important role in ensuring good corporate governance.
Extract from Council Minutes May 2010

1. Urgent Submissions

(a) M01-10 ISAF Directors – Constitution from the Executive Committee

The President explained that he would like to debate submissions M01-10 – M05-10 before any voting took place. If Council approve M01-10 then Council must automatically reject M02-10, M03-10, M04-10 and M05-10.

**Decision:**

This procedure was unanimously approved.

Vice President Eric Tulla directed Council to the document prepared by the ISAF Lawyers (Cains) which had been circulated in advance. The lawyers had suggested changes to the Articles for submission to the General Assembly during the ISAF Annual Conference, November 2010. The Constitution Committee had reviewed the proposals and put forward two friendly amendments. Cains have been consulted about these amendments and they have advised they are entirely appropriate.

M01-10 was proposed by Charley Cook and seconded by Kurt Lonnqvist

M02-10 was proposed by Maximo Rivero-Kelly and seconded by David Sprague

M03-10 was proposed by Stig Hvide Smith and seconded by David Sprague

M04-10 was proposed by David Sprague and seconded by Rafael Gonzalez

M05-10 was proposed by Maximon Rivero-Kelly and seconded by David Sprague

A full debate took place with the originator being allowed to present their submission.

**Decision:**

On a proposal from Charley Cook seconded by Kurt Lonnqvist Council approved submission M01-10 with the following amendment to the text as approved by Cains. (19 approve, 8 reject, 7 abstain):

**CANCELLATION OF MEMBERSHIP**

14.(a) Notwithstanding Articles 15 to 20, when a member National Authority has been in arrears on all or a part of its subscription, fees, dues or other payments due to the Federation or any of its subsidiary or associated companies for a year or more, and having been warned to make payment at least 30 days previously, and the Secretary General having so certified in writing, the Executive Committee may by a majority vote suspend or the Council may by a majority vote cancel the membership in the Federation of a Member National Authority with immediate effect.

**DISQUALIFICATION OF MEMBERS OF THE COUNCIL AND EXECUTIVE COMMITTEE**

66. The office of a member of the Council and/or the Executive Committee shall be vacated:

(a) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;

(b) if he becomes of unsound mind;
(c) if by notice in writing to the Secretary General Secretariat he resigns his office;

(d) in the case of a member of the Executive Committee, if he ceases to hold office by virtue of any provision of the Acts or he becomes otherwise prohibited by law from being a Director of a Company.

In accordance with the agreed procedure Council rejected submissions M02-10, M03-10, M04-10 and M05-10.

Council noted that this will now go forward as a proposal from Council to amend the Constitution to the General Assembly in November. A complete draft of the proposed changes will be circulated to all Members in accordance with the Articles and Regulations.
## AIMS OF THE INTERNATIONAL SAILING FEDERATION (ISAF)

**Approved by Council**

The objects and aims for which the International Sailing Federation, as the controlling authority of the sport of sailing in all its forms throughout the world, is established are:

(a) to act as and carry out the functions and duties of such authority;

(b) to promote the sport of sailing in all its branches regardless of race, religion, gender or political affiliation;

(c) to establish, supervise, interpret and amend the rules regulating sailboat racing and to adjudicate disputes and take any appropriate disciplinary action (including the imposition of appropriate penalties);
(d) to act as the supervising organisation for the sport of sailing, to grant and withdraw international or recognised status to or from classes of boats and to prescribe the relevant rules and measurement procedures;

(e) to act as the organising authority of the Olympic Sailing Regatta;

(f) to control, organise, conduct, license or sanction other championships, sailing events or activities;

(g) to examine, study, investigate, consider and report on all matters affecting the sport of sailing and any persons interested therein or associated therewith and to collect, analyse and distribute information, statistics, opinions and reports thereon;

(h) to represent and protect the interests of any member of the Federation;

(i) to convene, arrange, organise and hold regattas, races and competitions of all sorts, to create and stimulate interest in and publicise the sport of sailing, to convene, arrange, organise and hold exhibitions, shows, displays, meetings, seminars, conferences and discussions, and to provide prizes, bursaries, grants and awards for competitors and others;

(j) to provide administrative services of any sort whatsoever for any association, union, society, club, committee, body or person interested in or associated with sailing in any of its forms.
THE COMPANIES ACTS 1931 TO 2004

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

INTERNATIONAL SAILING FEDERATION LIMITED

1. The name of the Company is “International Sailing Federation Limited” (hereinafter “the Federation”).

2. The Federation is a private company.

3. The liability of the members is limited.

4. Every member of the Federation undertakes to contribute such amount as may be required (not exceeding £1) to the assets of the Federation in the event of its being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Federation contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
GENERAL

1.1 These presents the words standing in the first column of the Table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context -

<table>
<thead>
<tr>
<th>WORDS</th>
<th>MEANINGS</th>
</tr>
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<tbody>
<tr>
<td>Acts</td>
<td>The Companies Acts 1931 to 2004 and every statutory modification and re-enactment thereof for the time being in force.</td>
</tr>
<tr>
<td>These Articles</td>
<td>These Articles of Association, as amended from time to time.</td>
</tr>
<tr>
<td>The Executive Committee</td>
<td>The Board of Directors of the Federation.</td>
</tr>
<tr>
<td>The Federation</td>
<td>The above-named Company.</td>
</tr>
<tr>
<td>The Council</td>
<td>The body established by the Federation for the purposes set out in Article 43.</td>
</tr>
<tr>
<td>Office</td>
<td>The registered office of the Federation.</td>
</tr>
<tr>
<td>Seal</td>
<td>The common seal of the Federation.</td>
</tr>
</tbody>
</table>
Month
Calendar month.

In writing
Written, printed or lithographed, or partly one and partly another, and other modes of representing or producing words in a visible form.

Clear days
In relation to a period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

Full Member
A National Authority granted full membership in the Federation.

Member
A member of the Federation of any class.

National Authority
An organization, whether incorporated or unincorporated, controlling the sport of yachting or sailing in any country or in any political entity granted status as an Olympic nation.

Regulations
Regulations adopted by the Council to carry out the aims and objects of Federation.

Yachting
Includes the sport of sailing in all its forms.

Special resolution
A resolution passed by a 75% majority vote at a meeting of which not less than 21 days' notice has been given as more particularly defined in the Acts.
1.2 Any words importing the singular number only shall include the plural number, and vice versa.

1.3 Words importing the masculine gender only shall include the feminine gender; and vice versa.

1.4 Words importing persons shall include corporations.

1.5 Subject as aforesaid, any words or expressions defined in the Acts shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.

2.1 The Regulations contained in Table C in the schedule to the Companies (Memorandum and Articles of Association) Regulations 1988 ( "Table C" ) shall not apply to the Federation, but the Articles hereinafter contained shall constitute the regulations of the Federation.

2.2 Any disputes relating to the validity or construction of Regulations or any other rules or regulations made there under (together, the ISAF Regulations), and any disputes relating to the application of the ISAF Regulations or the exercise of powers there under, shall be subject to the exclusive jurisdiction of the courts of England and Wales and their principles, and shall be governed by English law, excluding English choice of law principles.

MEMBERSHIP

3. The number of members with which the Federation proposes to be registered is unlimited.

3.1 No invitation to the public to subscribe for debentures of the Company shall be made.

4. Membership in the Federation shall consist of the following classes:

(a) Full Member - full membership in the Federation granted to a National Authority.
(b) Associate Member - membership in the Federation granted to a National Authority under Article 5(b).

(c) ICA Member - membership granted to International and Recognized Classes recognized by the Federation.

(d) Affiliate Member - membership granted under Article 5(d).

(e) ISAF Member - membership granted to individuals under 5(e).

(f) Honorary Member - membership granted under Article 5(f).

5. Membership in the Federation may be granted by the Council in the various classes of membership as follows:-

(a) Full Member - Application for full membership of the Federation shall be made to the Secretary General who shall place it before the Council. The Council shall take into consideration the status of the sport in the country and of the constitution of the National Authority making the application.

(b) Associate Member - Application for associate member status as defined in the Regulations shall be made to the Secretary General who shall place it before the Council. The Council shall take into consideration the status of the sport in the country and of the constitution of the National Authority making the application.

(c) ICA Member - Class Associations governing International and Recognized Classes that have met the criteria specified in the Regulations and have been granted International or Recognized status by the Council shall be granted ICA membership.

(d) Affiliate Member - An Affiliate Member is any self-administered international organization, other than a national authority or international class association or recognized class association, or
members thereof, interested in or associated with the sport of sailing in any of its forms and whose activities are not in conflict with member national authorities or ICA’s or Recognized CA’s may be granted affiliate membership subject to conditions and terms of such membership as the Council may respectively from time to time decide. An Affiliate Member shall not be entitled to voting rights, except where otherwise specifically provided for in these Articles.

(i) ISAF Member - any individual who is a member of Council, an Officer or Officer of Honour, a member of any committee, working party or commission of Federation may become an individual member of Federation upon acceptance of his application and payment of the annual fee established by Council.

(e) Honorary membership of the Federation may be conferred by the Council upon such persons as it may determine.

OBLIGATIONS OF MEMBERSHIP

6. It shall be the obligation of all members of the Federation:

(a) to promote the objects, interest and influence of the Federation;

(b) to carry out and have respect for the rules, regulations and decisions of the Federation;

(c) to refrain, and to use reasonable endeavours to persuade others within their area of jurisdiction to refrain, from actions that are inconsistent with the objects, rules, regulations or decisions of the Federation.

7. It shall be the obligation of a Full Member, Associate Member and ISAF Member to ensure that there shall be no discrimination on grounds of race, religion or political affiliation against any competitor representing a Full Member; further to prevent improper use or abuse of terms such as World, Continental, International or Regional that properly relate to activities
recognized by the Federation and to co-operate in the collection and payment of the "International and Recognized Class Fees" payable to the Federation.

8. ICA members shall be responsible for implementing the objects and decisions of the Federation affecting their classes and for protecting the design characteristics of their classes.

9. (a) Each ICA member, affiliate member and honorary member of the Federation shall be entitled to receive free of charge such items as the Executive Committee may from time to time resolve. Such members are not entitled to vote at meetings of the Federation.

(b) Membership shall not be transferable and shall cease on death, or, in the case of a corporation, society or similar, upon the appointment of a liquidator or receiver (or the equivalent in the jurisdiction of incorporation of the corporation).

SUBSCRIPTIONS

10. Every member other than an honorary member shall pay an annual subscription to the funds of the Federation of such amount as in each individual case the Executive Committee may from time to time determine. Subscription categories for Full Members shall be determined by the Council at each annual meeting in the year before a meeting of the General Assembly, having considered the recommendations, if any, of the Constitution Committee. All subscriptions shall be due on the first day of January for each ensuing calendar year.

11. The Executive Committee shall have the power to remit either in whole or in part the payment by a member of its subscription in any year.

12. Subject to any remission under Article 11 no Full Member shall, in any year, be entitled to any of the rights or privileges of membership or to be represented at any meeting of the General Assembly until its subscription for that year and all arrears (if any) have been paid.
13. An ICA member or affiliate member of the Federation shall not be entitled to any benefits while its or his subscription is in arrears.

CANCELLATION OF MEMBERSHIP

14. (a) Notwithstanding Articles 15 to 20, when a member National Authority has been in arrears on all or a part of its subscription, fees, dues or other payments due to the Federation or any of its subsidiary or associated companies for a year or more, and having been warned to make payment at least 30 days previously, and the Secretary General having so certified in writing, the Executive Committee may by a majority vote suspend or The Council may by majority vote cancel the membership in the Federation of a Member National Authority with immediate effect.

(b) A Member National Authority deprived of its membership under this Article may apply for membership in the normal course but shall not be re-admitted to membership until outstanding subscriptions, fees, dues and other payments due, if any, have been paid in full and so certified by the Secretary General.

14.1 (a) When an International or Recognized Class has been in arrears on all or part of its subscriptions, fees, dues or other payments due to the Federation or any of its subsidiary or associated companies, on the same conditions and terms as provided in Article 14(a), the Executive Committee may by a majority vote suspend or cancel the International status and membership of an International or Recognized Class.

(b) An International or Recognized Class whose status and membership has been suspended or cancelled pursuant to this Article may apply for such status and membership in the normal course but shall not have its International or Recognized status or membership restored until all outstanding subscriptions, fees, dues and other payments due, if any, have been paid in full and so certified by the Secretary General.

15. The status of an organization claiming to or exercising the authority to regulate and manage the sport of sailing in a country and seeking membership in the
Federation or the status of any existing MNA of the Federation may only be challenged by an existing Full Member in good standing or an organization which has or is claiming the status of a governing body of the sport of sailing in a particular country and has been so certified by the Secretary General.

15.1 Any proceedings to make such challenge as may be authorized pursuant to these Articles and the applicable Regulations shall provide for a fair hearing and hearings of and between all the parties and shall provide the parties with a reasonable opportunity to present such facts as they may wish and to present their claims and argument before any committee, body, Council or Assembly of the Federation as the Articles and Regulations shall provide.

15.2 Without limiting any alternative grounds, one of the grounds on which a member’s status may be challenged is for persistent disregard of or failure to observe the Constitution of the Federation especially as it pertains to the obligations of membership.

15.3 The Council may, by a two-thirds majority vote, at any time cancel the membership of any Full Member, but such Full Member may request that the General Assembly shall, at its next meeting, review such cancellation on the ground that the discretion of the Council was not exercised for good cause.

16. The procedure for challenging the membership status of an applicant for Full Membership or a Full Member shall be as set forth in Regulation 2 of the Regulations.

17. The Council may suspend or cancel the status and membership of an International or Recognized Class which in the Council’s judgement has failed to meet its obligation to protect the design characteristics of the class or currently does not meet the requirements for the class prescribed in the Rules and Recommendations for Adoption and Control of International or Recognized Classes.

17.1 The Council may suspend and cancel the membership of an affiliate member who has, in the opinion of the Council, failed to comply with its or his membership obligations in a material respect.
18. The procedure for challenging the membership status of an affiliate or individual member shall be as set forth in Regulation 2 of the Regulations.

19. The Executive Committee may:

(a) suspend or cancel the status and membership of an International or Recognized Class which is in arrears of payments due to the Federation or which in the Council’s judgement has failed to meet its obligation to protect the design characteristics of the class or currently does not meet the requirements prescribed in the Rules and Recommendations for Adoption and Control of International or Recognized Classes;

(b) suspend or cancel the membership of an associate member or affiliate member which or who has failed to pay its or his subscription for a period of at least 12 months after the due date or in the opinion of the Council has failed to comply with its or his membership obligations in a material respect.

RETIREMENT OF MEMBERS

20. Any member desiring to retire from the Federation shall give notice in writing of its or his intention of retiring on or before 31 December to the Secretary General; otherwise the member shall be liable to pay the subscription for the next calendar year.

GENERAL MEETINGS

21.1 The Federation shall hold a General Meeting in every calendar year as its Annual General Meeting at such time and place as may be determined by the Executive Committee and shall specify the meeting as such in the notices calling it.

21.2 In addition to the General Meetings of Full Members referred to in Article 21.1 above the Council may call and hold meetings of the Council or the Council and its committees as provided in Articles 58 and 59. Such meetings held to conduct
the business of the Federation delegated to it by Article 43 and Article 59 in the case of a committee of the Council, are not General Meetings of the members and shall be conducted in accordance with the Regulations passed regarding the conduct of such meetings.

22. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

23. The Executive Committee may whenever they think fit or upon the instruction of the Council convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 113 Companies Act 1931.

24. Twenty-one clear days' notice in writing at the least of every Annual General Meeting and of every meeting convened to pass a Special Resolution, and fourteen clear days' notice in writing at the least of every other General Meeting, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of that business, shall be given in a manner hereinafter mentioned to such persons (including the Auditors) as are under these Articles or under the Acts entitled to receive such notices from the Federation; but with the consent of all the Full Members having the right to attend and vote thereat, or of such proportion of them as is prescribed by the Acts in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as those Full Members may think fit. Each Full Member may be represented by a delegate who is a national or resident of the country concerned and shall ensure that notice of the appointment of such delegate is given in writing to the Secretary General. The Annual General Meeting held in every fourth year shall constitute and be known as a General Assembly.

25. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or proceeding had, at any meeting, General Meeting or General Assembly.
PROCEEDINGS AT GENERAL MEETINGS

26. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the Council and of the Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

27. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided thirty Full Members present by their delegates or some other proxy shall be a quorum.

28. The provisions set out in Schedule B to these Articles (which shall form part of these Articles) shall regulate the conduct of proceedings at any General Meeting.

LANGUAGE

29. The official language of the Federation is English. The word 'shall' is mandatory and the word "may" is permissive. As and when appropriate, other working languages may be introduced and simultaneous translations may be provided at meetings. All official ISAF English texts should be edited to comply with what is known as “Plain English” in the United Kingdom.

THE GENERAL ASSEMBLY

30. The Federation shall have a General Assembly which, in addition to the matters expressly provided in these Articles, shall have the authority to propose general policy for the consideration of the Council.

31. The membership of the General Assembly shall consist of:-

| (a) the President; |
| (b) the seven Vice-Presidents; |
(c) the Treasurer who, unless already a member in some other capacity, shall be an ex-officio non-voting member;

(d) one delegate appointed by each Full Member who shall be a national of or resident of the country concerned.

Notice of such appointment shall be given by the Member to the Secretary General at least two weeks before the first meeting of the General Assembly at which such delegate is authorized to attend. Any delegate so appointed shall remain in office while the Member remains a Member, until his retirement or until some other delegate is duly appointed by the Member in his place. If the delegate so appointed is prevented from attending for a reason outside his control, the President may accept an alternate appointment at any time before the opening of the General Assembly.

32. Subject to Article 21, Meetings of the General Assembly shall be held as follows:

(a) The first Ordinary Meeting of the General Assembly shall be held no later than 31 December 1998.

(b) An Ordinary Meeting of the General Assembly shall be held in the year 2000 and thereafter every four years.

(c) Extraordinary Meetings of the General Assembly shall be convened by the Secretary General on the request of the Council, the Executive Committee or of not less than fifteen Full Members.

A meeting of the General Assembly may be held in any country and at any place that a meeting of the Council is being held during or within seven days of such meeting of the Council.

33. The agenda for the Ordinary Meeting of the General Assembly shall include both the ordinary business required under the Acts to be tabled at Annual General Meetings and the following items:
(a) Approval of the minutes of the last Ordinary Meeting of the General Assembly and of any subsequent Extraordinary Meeting.

(b) To receive:

(i) The President’s report;

(ii) A financial report.

(c) To review:

(i) Subscriptions;

(ii) Applications for Full or Affiliate membership since the last Ordinary Meeting of the General Assembly;

(iii) The proposed programme of the Federation’s Championships;

(iv) Any Regulations made or amended in any substantive way by the Council since the last Ordinary Meeting.

(d) To debate and resolve any submission from the Council or from an Officer or from a delegate and normally to refer such matters to the appropriate committees. Political matters shall not be debated unless of direct relevance to yachting, nor without prior reference to the Constitution Committee. The decision of the Chairman of the General Assembly as to whether a matter is political shall be final.

(e) Election of the following:

(i) the President;

(ii) the seven Vice-Presidents;

(iii) the Officers of Honour.
(f) To announce the appointed members of the Council.

(g) To fix the date of the next Ordinary Meeting of the General Assembly.

(h) Any other business.

34. The Chairman of Meetings of the General Assembly shall be the President of the Federation. The newly-elected President shall take the chair of the meeting immediately following the conclusion of the item on the agenda covering elections. If neither shall be present, the members of the General Assembly present shall choose one of the Vice-Presidents or failing them, one of their number, to be the Chairman of the remainder of such meeting.

35. The General Assembly may authorize the attendance at its Meetings of Committee Chairmen, Observers and Technical Advisers who shall not be entitled to vote. They may take part in the proceedings at the request of the Chairman.

36. Thirty members of the General Assembly shall form a quorum for the conduct of business.

37. Decisions of the General Assembly shall (save where otherwise required by the Acts or these Articles) be taken by a simple majority of votes of those present except that no resolution for the amendment of the Memorandum of Association or these Articles shall be carried unless 75% of the votes cast shall be in favour of such resolution (but this provision shall not affect the right of the Council to vary the table contained in Schedule A in accordance with Article 42(b)). Voting on any resolution shall be by show of hands unless the Chairman or not less than five of the delegates present request a secret ballot. Each delegate present in person shall be entitled to one vote only and no appointment of proxies is permitted. The President and Vice-Presidents present in person shall be entitled to vote. Any such secret ballot shall take place and the result of the vote be announced before the close of the meeting. In the event of an equality of votes, the Chairman shall have a casting vote.
except in the case of equality of votes related to elections which shall be decided in accordance with the Federation's Regulations.

38. The election of a delegate to the office of President or Vice-President shall give rise to a casual vacancy in the General Assembly, which may be filled by a nominee of the Full Member whose delegate has been elected to the office.

THE COUNCIL

39.1 The Council of the Federation shall consist of:-

(a) the President;

(b) the seven Vice-Presidents;

(c) not more than 30 members appointed by Full Members;

(d) The Chairman of the ISAF Oceanic and Offshore Committee;

(e) a member appointed by the International Classes Committee;

(f) a woman member appointed by:

   (i) Women Vice-Presidents

   (ii) Women members of Council and

   (iii) The women of Committees or Sub-committees, the members of which are nominated by Member National Authorities;

(g) the Treasurer who, unless already a member in some other capacity, shall be an ex-officio non-voting member and shall be appointed by the Executive Committee.
40.1 Members of the Council will be appointed as follows:

(a) as a result of their election as President or Vice President;

(b) in accordance with Article 42 (a) in which case the appointment shall be notified
   To the Secretary General and shall be valid only when received at least two weeks before the meeting of the Council; or

(c) under Article 39.1 (d), (e), (f) or (g).

40.2 Members of the Council appointed to serve at, or at the time of, an Ordinary General Assembly Meeting shall hold office until the next following Ordinary General Assembly Meeting or they cease office.

41. Members of the Council shall be persons who are active in yachting. Members of the Council shall be responsible for placing before the Council the views of the Full Members by whom they were nominated or elected but in the exercise of their votes they shall have regard to the interest of the sport of yachting throughout the world as a whole.

42. (a) Members of the Council appointed by Full Members shall be appointed by the Groups of Full Members shown in the Table in Schedule A to these Articles. Each Group shall be entitled to appoint the number of members to the Council shown opposite its Group. The Full Members of each group may nominate a candidate for each of the Council members to which its group is entitled. The candidate with the greatest number of nominations for each Council membership shall be appointed to the Council by the Group. The method of selecting those to be appointed for each Council membership from among those nominated shall be decided by the Group, provided that if there should be no agreement on the method of selection within four weeks of the first meeting of the Council, the method of selection shall be the same as for the President pursuant to Regulation 7.2 of the Regulations. The process of nomination and selection shall be made in accordance with any applicable provisions of Regulation 7 of the Regulations.

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(b) The provisions of the table contained in Schedule A may be varied from
time to time by the Council in its discretion by a two-thirds majority of
the votes cast at a meeting of the Council (but any such variation may
be reviewed by the General Assembly) or by resolution of the General
Assembly, provided that if any National Authority ceases to be a Full
Member on account of its replacement as a National Authority
controlling the sport by some other authority or authorities in the Group
concerned, the Council may at its discretion make such provision as it
thinks fit for the purpose of preserving the regional basis of nomination
but any such provision may be reviewed by the General Assembly.

(c) Appointed members shall hold office until the appointment of their
successors at the next Ordinary Meeting of the General Assembly unless
the Council has made changes in Schedule A requiring new nomination
and selection of Council members pursuant to Article 42(b) in which
case the term of a Council member whose seat is subject to re-
nomination shall cease at the time of the selection of his successor, if
any. Appointed members shall be eligible for re-appointment.

(d) Appointments of candidates by Groups of Full Members shall be
notified to the Secretary General and shall be valid only when received
at least two weeks before the Ordinary Meeting of the General
Assembly.

(e) In the event of two or more candidates for a Council Membership in any
one Group receiving an equal number of nominations, and in the
absence of any provision for breaking a tie, the President shall select
one of such candidates to be a member for the ensuing term.

POWERS OF THE COUNCIL

43. The Council shall be responsible for:
(a) managing the sport of Yachting, including (notwithstanding the powers of the General Assembly) the receiving, consideration and determination of policy proposals referred to it by the General Assembly; and

(b) promoting and (subject to Article 68) carrying out the aims and objects of the Federation,

and shall have all necessary powers of the Federation to discharge such responsibilities, save for those powers that by the Act or by these Articles are required to be exercised by, or under the direction of, the Executive Committee (including those matters set out in Article 68) or at a General Meeting, and subject to:

(c) any Regulations in force that have been reviewed by the General Assembly,

(d) the provisions of the Acts,

(e) any Regulations prescribed by the Council, but not yet reviewed by a General Assembly, provided that failure of the General Assembly to review any such Regulation shall not invalidate retroactively acts by the Council done pursuant to such Regulation.

44. The Council shall have the power to make Regulations to carry out its functions and/or to amend any existing Regulations provided that such Regulations shall not be in conflict with the aims and objects of the Federation or these Articles and shall be reported to and reviewed by the next Ordinary Meeting of the General Assembly. The Council may, where the subject of the Regulation affects racing and the Racing Rules of Sailing, pass the Regulation and may, in its discretion, direct that the Regulation shall be incorporated into the Racing Rules by reference. Where such Regulation has been incorporated into the Racing Rules by reference the particular rules found elsewhere in the Articles and Regulations regarding the initiation, deletion, amendment, changing or interpretation of the Racing Rules shall not apply.
45. The members for the time being of the Council may act notwithstanding any vacancy in their body.

46. Decisions of the Council shall be taken by a simple majority of votes cast with the following exceptions:

(a) Decisions requiring a two-thirds vote cast in favour of a resolution are:

   (i) a resolution for the election of expulsion of a Full Member;

   (ii) an amendment to the Racing Rules of Sailing; however, this provision shall not apply to Regulations incorporated by reference into the Racing Rules of Sailing.

(b) Decisions overturning a previous vote under ISAF Regulation 16.1.1(b) require a two-thirds vote in favour of the resolution by all Council members entitled to vote.

(c) Decisions made pursuant to ISAF Regulation 16.1.1(a) and (c) may not be overturned.

(d) Decisions on equipment under Regulation 16.1.1(d) require 75% of the votes cast.

(e) Decisions overturning a previous vote under Regulation 16.1.1(d) require a 75% vote in favour of the resolution by all Council members entitled to vote.

47. Voting shall be by show of hands or by secret ballot as determined by the Chairman. The Chairman or three members present may request the holding of a secret ballot. In the event that a secret ballot is conducted by electronic voting, individual votes shall not be recorded and the Chairman of the Constitution Committee shall verify that such individual votes have not been recorded. Any such ballot shall be held before the meeting is closed. The President and each Vice-President and each member present in person shall be
entitled to one vote. The President shall have a second vote or casting vote in the event of an equality of votes.

48. The quorum for meetings of the Council is twelve unless the Council see fit to increase its quorum which it may do in its discretion.

49. Any casual vacancy in the office of the President or of a Vice-President may be filled by the Executive Committee. Any casual vacancy in the membership of the Council may be filled by the Council. In the event of the death or incapacity for any reason of the President, the Executive Committee may designate one of the Vice-Presidents to serve as Acting President until the next meeting of the Council. Any person so appointed shall hold office until the commencement of the next following Ordinary Meeting of the General Assembly, but shall be eligible for re-election or re-nomination.

50. The election of a member of the Council to the office of President or Vice-President shall create a casual vacancy in the Council. If the member of Council elected to office of President or Vice-President causing a casual vacancy is a woman, the person appointed to fill the casual vacancy pursuant to Article 51 shall also be a woman.

51. Each nominated member of the Council may at any time appoint some other yachtsman from his Group or nominating body to be an Alternate member of the Council, and may at any time remove any Alternate member so appointed by him.

52. The President may appoint an Alternate in the event of a member being unable to attend and not having notified the Secretary General of an Alternate.

53. An Alternate shall be entitled to receive notices of all meetings of the Council and to attend at any such meeting at which the member appointing him is not personally present and is generally to perform all the functions of his appointor as a member during his absence.

54. An Alternate shall ipso facto cease to be an Alternate if his appointor ceases for any reason to be a member.
55. All appointments and removals of Alternates shall be effected by notice given to the Secretary General by the member making or revoking any such appointment.

56. In the case of a member of a committee or a sub-committee being unable to attend a meeting, the appointment of Alternates may only be made with the approval of the Executive Committee or the President. In the case of a vacancy in a committee or sub-committee caused by resignation, lengthy inability to attend however caused, or incapacity, the Chairman of such committee or sub-committee shall advise the Secretary General of the vacancy which may be filled in accordance with the provisions of Regulation 6 of the Regulations.

PROHIBITION OF DISTRIBUTIONS OR DIVIDENDS

57. (a) The income and property of the Federation shall be applied solely towards the promotion of the sport of sailing throughout the world and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members.

(b) Article 57(a) above shall be subject to the following proviso, namely: nothing in these Articles shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Federation or to any member in return for any services actually rendered to the Federation, nor prevent the payment of interest at a normal rate on money lent or reasonable and proper rent for premises demised or let by any other member to the Federation;

(c) No member of the Council shall be appointed to any salaried office of the Federation or any office of the Federation paid by fees, and no remuneration or other benefit in money or money’s worth shall be given by the Federation to any member of the Council, except the repayment of out-of-pocket expenses and interest at a normal rate on money lent or reasonable and proper rent for premises let or demised to the Federation.
(d) Payments to any company of which a member of the Council may be a member, and in which such member of the Council shall not hold more than one hundredth part of the capital shall be disregarded for the purposes of this Article 57 and such member of the Council shall not be bound to account to the Federation for any share of profits which he may receive in respect of such payment.

PROCEEDINGS OF THE COUNCIL

58. The Council shall meet at least once in every calendar year and at such other time or times as a meeting may be convened. There shall be a meeting of the Council at the conclusion of each Ordinary Meeting of the General Assembly. The Secretary General shall convene a meeting of the Council on the instructions of the President or two Vice-Presidents or if requested so to do by any four members of the Council.

59. The Council may delegate any of its powers to such committees or sub-committees consisting of such person or persons as it thinks fit. The Council may provide by Regulation for the nomination and selection of the Chairman, Vice-Chairman and members of committees or sub-committees (save that the President shall not be appointed as Chairman of any such committee or sub-committees other than the Executive Committee), and any committee or sub-committees so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Council. The meetings and proceedings of any such committee shall be governed by the provisions of the Articles for regulating the meetings and proceedings of the Council so far as applicable and so far as the same shall not be superseded by any regulations made by the Council.

60. Political matters shall not be debated at meetings of the Council unless of direct relevance to yachting. The decision of the President or other person acting as Chairman of the relevant meeting of the Council as to whether a matter is political shall be final.
61. All acts bona fide done by any meeting of the Council or of any committee of the Council, or by any person acting as a member of the Council, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Council.

62. The Executive Committee shall cause proper minutes to be made of all appointments made by the Council and of the proceedings of all meetings of the Federation and of the Council and of committees of the Council. All business transacted at such meetings, and any such minutes of any meeting, if purporting to be approved by the members of such meeting as detailed in Article 63, including the Chairman, shall be enough evidence without any further proof of the facts as written. Where Council or a committee later hold a different view to the minutes because of a change to policy or to a decision, this shall be recorded in the minutes of the meeting at which the change is considered; in this case, the original documents shall not be changed. Where minutes of meetings are proven incorrect (e.g. misspelling or incorrect reference), the formal documents of that meeting shall be changed.

63. A resolution in writing (which may be in counterparts) or a resolution transmitted by electronic means (or other written communication), including E-mail and fax, which has been sent to all the members of Council or any committee or sub-committee who are entitled to receive notice of a meeting, in the case of a resolution in writing signed by a majority or in the case of electronic means which is acknowledged and agreed to by the said electronic means by a majority of the members of the Council or any committee or sub-committee shall be as valid and effective as if it had been passed at a meeting of the Council or of such committee or sub-committee duly convened or constituted. In this Article the term “a majority” shall mean the requisite majority pursuant to the Articles.

64. The President shall take the chair at meetings of the Council, but if he shall not be present the members present shall choose one of the Vice-Presidents or failing them, one of their number, to be the Chairman of such a meeting.
65.  (a) The Council may authorize the attendance at its meetings of Observers and Technical Advisers who shall not be entitled to vote. They may take part in the proceedings at the request of the Chairman.

(b) Any member of the Council may participate in a meeting of the Council by means of telephonic, video conferencing or similar communications whereby all persons participating in the meeting can hear each other. Participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. The location of such meeting shall be deemed to be the place at which the Chairman of the meeting was located at the time of that meeting.

| DISQUALIFICATION OF MEMBERS OF THE COUNCIL AND EXECUTIVE COMMITTEE |

66. The office of a member of the Council and/or the Executive Committee shall be vacated:

(a) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;

(b) if he becomes of unsound mind;

(c) if by notice in writing to the Secretary General Secretariat he resigns his office;

(d) in the case of a member of the Executive Committee if he ceases to hold office by virtue of any provision of the Acts or he becomes otherwise prohibited by law from being a director of a company incorporated under the laws of the Isle of Man.

| EXECUTIVE COMMITTEE |

67. The Executive Committee shall consist of the President and the seven Vice-Presidents. The Treasurer shall be an ex-officio non-voting member of the Executive Committee, Constitution Committee and General Assembly, unless
already a member in some other capacity. The Executive Committee shall constitute the board of the directors of the Federation, save that the Treasurer and Secretary General shall not be directors of the Federation.

68. (a) The Executive Committee shall be responsible for implementing the policy decisions of the Council and for taking all management and operational decisions on behalf of the Federation. The Executive Committee may seek such advice as it considers appropriate and shall work in close collaboration with the Chairmen of committees established by the Council. Following each Executive Committee meeting, a memorandum of the meeting’s decisions shall be distributed to the national authorities, members of the Council and committee chairmen.

(b) The Executive Committee has full responsibility for managing the corporate and financial affairs of the Federation.

(c) In all its actions and deliberations the Executive Committee shall report to the Council.

69. The Executive Committee shall nominate the Chairman, Vice-Chairman and members of committees of the Council and shall submit these nominations to the Council for ratification.

70. The appointment of the Secretary General and the Treasurer shall be decided upon by the Executive Committee.

70.1 Members of the Executive Committee shall not be entitled to take their seats in the Executive Committee or join in any vote or other business of the Executive Committee until they have delivered to the Secretary General such documents as shall be required by him in order to enable the Federation to comply with the requirements under Isle of Man law as to the registration of directors and company administration.

NOMINATION AND ELECTION OF OFFICERS
71. No person shall be eligible for nomination as a candidate for the office of President if he had held that office for the immediate preceding continuous period of eight years, nor for the office of Vice-President if he has held that office for the immediate preceding continuous period of eight years. If more than two Vice-Presidents would thereby become ineligible, this provision shall affect those two Vice-Presidents having the longest period of continuous service; if two or more have equal seniority, then in the absence of agreement between them, all of those having equal seniority shall be eligible for nomination, and a vote of the General Assembly shall be taken before the votes for Vice-President to determine which of them shall stand for election to Vice-President.

72. Five or more Full Members may nominate any eligible person as a candidate for such offices provided that such nominations are received by the Secretary General at least eight weeks before the commencement of the meeting.

ELECTION COMMITTEE

73. Not less than eight weeks before an Ordinary Meeting of the General Assembly, the Council shall elect an Election Committee consisting of not more than five members.

74. The Election Committee shall:

(a) determine whether or not a nominated candidate is eligible for election;

(b) publish a list of eligible candidates nominated in accordance with Article 71 together with the names of their nominating Full Members for distribution with the agendas of Council;

(c) be responsible for the conduct of the election and the votes taken for the candidates during the meeting of the General Assembly.

REVIEW BOARD

75. Constitution of the Review Board
(a) There shall be a Review Board appointed by the Council at its first meeting after each Ordinary Meeting of the General Assembly. Should a vacancy occur, among the appointed members or there be a need for more members, the Council may appoint a replacement or more members at the next meeting. The Review Board shall consist of a Chairman, Vice-Chairman and not less than ten and not more than twenty-five members.

(b) The Review Board shall, for the purpose of deciding matters referred to the Board, operate by review panels of three or five members (no more than two of which shall be from the same country) appointed by the Chairman of the Review Board, or in his absence the Vice-Chairman.

76. Membership

In appointing members to the Review Board, the Council should note the following requirements:

(a) Members shall be proficient in the English language,

(b) At least one-third of the members shall have a legal background,

(c) Members shall have a substantial yachting and sports background,

(d) Members shall be persons of the highest integrity from the world yachting community.

77. Authority and Functions

The Review Board will decide on:

77.1 As to questions of Eligibility

(a) A request by a Member National Authority or the ISAF Executive Committee for review and confirmation, revision, modification or
annulment of its own decision affecting a competitor’s ISAF eligibility; and

(b) Any appeal which a competitor or prospective competitor files with the Review Board, concerning his or her eligibility under the Articles, the Regulations, the Racing Rules of Sailing, the Equipment Rules of Sailing; or the Constitution, Regulations or Rules adopted by International Classes and Recognised Classes designated as such in accordance with Regulation 26.2; and

(c) Any appeal which a competitor is entitled to make to the Review Board concerning:

(i) the Competitor’s ISAF Eligibility under the Regulations, the Racing Rules of Sailing and the Equipment Rules of Sailing, or

(ii) Concerning the competitor’s ISAF Class eligibility under the Classes’ Constitution or Regulations (or equivalent thereof), or

(iii) Concerning the competitor’s ISAF or other eligibility under the Constitution, By-laws, Regulations, Rules or governing documents of any kind made, adopted or acknowledged by any governing body or authority in respect of any Special Events or Class Events as defined in the Regulations.

In these Articles, the Regulations and any sailing activities governed by them, eligibility means the status required to enter events as generally set out in Regulation 19, the Eligibility Code or in any documents governing any Class or Event which are of a similar nature and intent.

77.2 Generally, any appeal by any person or organization where these Articles of the Regulations specifically authorize that person or organization to make such an appeal.

78. Procedure
The Review Board shall establish its own rules and procedure. The Board may require those applying or requesting a review or causing costs of the Board or one of its panels to exceed normal costs to pay such fee as it may determine.

A copy of the rules and procedure of the Review Board as adopted from time to time shall be furnished promptly to each National Authority.

79. Decisions of the Review Board:

(a) Shall be by simple majority,

(b) May confirm, revise, modify or annul the decision which is the subject of the appeal, or order the body that made the decision to hear or reheat the case.

Except in a case which is the subject of an appeal in accordance with Article 80, its decision shall be final and binding upon all bodies that are subject to the Federation’s Articles, Regulations, and Rules and upon any competitors or persons to whom they apply.

80. Appeal of a Review Board Decision

Notwithstanding Article 79, there shall be an appeal by any of the parties from any decision of the Review Board:

(a) In any case involving accredited Olympic Competitors, in which the Court of Arbitration for Sport has properly established its jurisdiction under the Olympic Code for Sports,

(b) In any other case in which a competitor consents to the jurisdiction of the Court of Arbitration for Sport in respect of the appeal.

INTERNATIONAL AND RECOGNIZED CLASS ASSOCIATIONS AND AFFILIATE MEMBERS
81. One representative of each ICA member and each affiliate member shall be entitled to attend and speak on behalf of his class or organization at Meetings of the General Assembly, but shall not be entitled to vote.

82. ICA members and affiliate members shall be entitled to such representation on committees as may be specified in the Regulations made by the Council from time to time.

**OFFICERS**

83. The officers of the Federation shall consist of the President, the seven Vice-Presidents (two of whom shall be women), the Treasurer and the Secretary General. They shall be ex-officio members of all committees of the Federation and, save for the Treasurer and the Secretary General, shall be entitled to vote on committees to which they have been appointed by the Council.

84. The officers (save for the Treasurer and the Secretary General) shall be elected by the General Assembly at its Ordinary Meetings and shall hold office until the election of their successors at the next Ordinary Meeting of the General Assembly and shall be eligible for re-election save as provided by Article 71.

85. Subject to Article 83 any person active in yachting shall be eligible for election to the office of President or Vice-President whether or not he is a delegate to the General Assembly or a member of the Council.

**OFFICERS OF HONOUR**

86. On a proposal made by the President the General Assembly may, as a mark of respect or of appreciation for past services to the Federation, elect any distinguished yachtsman to an Office of Honour. Offices of Honour may include that of President of Honour, or Vice-President of Honour, or such other title of Honour as the General Assembly may at the time of the election prescribe.
87. Unless otherwise prescribed by the General Assembly at the time of the election a yachtsman elected to an Office of Honour shall hold such Office for the remainder of his life.

88. An Officer of Honour shall be entitled to attend and to participate in the deliberations of all meetings of the General Assembly, the Council and its committees, but he shall not be entitled to vote unless specifically appointed to a committee. (For the avoidance of doubt, an Officer of Honour shall not (unless otherwise specifically appointed to such position) be a director or other officer of the Federation.)

89. On the election of the President or of a Vice-President or of a delegate to the General Assembly or of a member of the Council to an Office of Honour he shall be deemed to have retired from the office or position in the Federation previously held by him.

SECRETARY GENERAL

90. Subject to the provisions of the Acts the Secretary General shall be appointed by the Executive Committee for such time at such remuneration and upon such conditions as it may think fit, and any Secretary General so appointed may be removed by it. The provisions of section 19 Companies Act 1982 shall apply and be observed. The Executive Committee may from time to time by resolution appoint an assistant or deputy Secretary General, and any person so appointed may act in place of the Secretary General if there be no Secretary General or no Secretary General capable of acting.

91. Subject to the supervision of the Executive Committee the Secretary General shall be responsible for the maintenance of a secretariat adequate to deal with the affairs of the Federation. The Secretary General shall cause proper minutes to be kept of all proceedings of the General Assembly, the Council and other committees.

DIVISIONS AND SECTIONS
92. (a) The Council may establish Divisions or Sections of the Federation comprising members having an interest in a particular form of sailing or in an activity associated with any form of sailing. Any such Division or Section shall be constituted and its affairs shall be conducted in accordance with Regulations made by the Council under Article 43. Such Regulations shall define the functions of the Division or Section and may make provisions concerning such matters as:

(i) the election of a Divisional or Sectional Council;
(ii) the election of a Chairman and other officers of the Division or Section;
(iii) the finances of the Division or Section.

(b) The Council shall not delegate to a Division or Section any function the exercise of which would derogate from the rights of the Full Members of the Federation.

(c) The Council may if it thinks fit require members of a Division or Section to pay an additional subscription to meet the costs of the Division or Section.

(d) The Council may dissolve any Division or Section at any time, subject to full prior consultation with its members.

ACCOUNTS

93. The Executive Committee shall cause accounting records to be kept in accordance with the requirements of the Acts.

94. The accounting records shall be kept at the Office, or, subject to the provisions of the Acts, at such other place or places as the Executive Committee shall think fit, and shall always be open to the inspection of the Officers of the Federation.
CONSTITUTION

95. The Executive Committee shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Federation or any of them shall be open to the inspection of members not being officers of the Federation, and no member (not being an officer) shall have any right of inspecting any accounting records or other book or document of the Federation except as conferred by statute or authorised by the Executive Committee or by the Federation in General Meeting.

96. At the Annual General Meeting in every year the Executive Committee shall in accordance with the provisions of the Acts lay before the Federation an income and expenditure account for the period since the last preceding accounting reference date or (in the case of the first account) since the incorporation of the Federation together with a proper balance sheet made up as at the same date. Every such balance sheet shall be accompanied by proper reports of the Executive Committee and the Auditors, and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall, not less than twenty-one clear days before the date of the meeting at which they are to be laid, be delivered or sent by post to the Auditors and to all other persons entitled to receive notice of General Meetings in accordance with section 11 Companies Act 1982 in the manner in which notices are hereinafter directed to be served. The Auditors’ report shall be open to inspection and be read before the meeting as required by section 15 Companies Act 1982.

AUDIT

97. In accordance with the provisions of the Acts once at least in every year the accounts of the Federation shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

98. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Acts, the members of the Executive Committee being treated for all purposes as the Directors mentioned in those provisions.
THE SEAL

99. (a) The seal of the Federation shall not be affixed to any instrument except by the authority and in the presence of at least two members of the Executive Committee and of the Secretary General, and the said members and Secretary General shall sign every instrument to which the seal shall be so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Federation such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

(b) The Federation may exercise the powers conferred by the Act

(i) with regard to having an Official Seal for use abroad and such powers shall be vested in the Executive Committee; and

(ii) to dispense with the need for a Seal pursuant to Section 29A Companies Act 1931.

NOTICES

100. A notice may be served given by the Federation upon any member or members of the Council, either personally or by sending it by post, telex, facsimile or e-mail to him at his registered address or to the address or electronic address, if any, supplied by him to the Federation for the giving of notices to him. Notices sent by telex, facsimile or e-mail shall be deemed to have been effected immediately.

101. Any notice, if served by post, shall be deemed to have been served on the seventh day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office as a prepaid first class airmail letter.

WINDING UP
CONSTITUTION

102. If upon winding up of the Federation there remains, after the satisfaction of the Federation’s debts and liabilities, any property whatsoever the same shall not be paid to or distributed among the members of the Federation but be transferred by way of gift to some other institution or institutions which in the opinion of the Executive Committee (subject to the approval of the Full Members obtained at a meeting of the Full Members called for such purpose prior to a winding up of the Federation) has objectives similar to those of the Federation and which institution or institutions shall prohibit the distribution of its or their income or property among its or their members to an extent at least as great as those restrictions place upon the Federation by virtue of the provisions of Article 57. In so far as effect cannot be given to the provisions of this Article 102 by want only of a suitable institution to receive the said property, such property shall be distributed to any institution selected by the Executive Committee which would be regarded under the law of the Isle of Man as being charitable in nature.

INDEMNITY

103. Every member of the Executive Committee or other officer of the Federation shall be entitled to be indemnified out of the assets of the Federation 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, and no member of the Executive Committee or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Federation in the execution of the duties of his office or in relation thereto, but this Article shall only have effect in so far as its provisions are not avoided by Section 151(a) Companies Acts 1931. The Executive Committee shall have power to purchase and maintain for any member of the Executive Committee, officer or auditor of the Federation insurance against any such liability as is referred to in Section 151(a) Companies Acts 1931.
### SCHEDULE A (Article 42)  
#### Groups of National Authorities

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<th>Group</th>
<th>Nominating Authorities (ISAF Full Members)</th>
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| B Central Europe | Austrian Sailing Federation  
Croatian Sailing Federation  
Czech Sailing Association  
Deutscher Segler-Verband  
Hungarian Yachting Association  
Sailing Association of the Principality of Liechtenstein  
Slovak Sailing Union  
Slovenian Sailing Federation  
Swiss Sailing | 2 |
| C East Europe | Belarus Sailing Union  
Bulgarian Sailing Federation  
Lithuanian Yachting Union  
Macedonian Sailing Association of the Former Yugoslav Republic of Macedonia  
Moldovan Yachting Federation  
Montenegro Sailing Federation  
Polski Zwiazek Zeglarski  
Romanian Sailing Federation  
Serbian Sailing Federation  
Sailing Federation of Ukraine  
Yachting Union of Latvia | 2 |
| D South Europe | Cyprus Yachting Association  
Federation Francaise de Voile  
Italian Sailing Federation | 3 |
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SCHEDULE B (ARTICLE 28)

PROVISIONS RELATING TO GENERAL MEETINGS

1. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of Full Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other place as the Council may determine.

2. The President of the Federation shall preside as Chairman at every General Meeting, but if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the Full Members present shall choose some member of the Council, or if no such member be present, or if all the members of the Council present decline to take the chair, they shall choose some representative of a Full Member who shall be present to preside.

3. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the Full Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

4. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands or by electronic voting system as determined by the Chairman, unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the Chairman or by at least five Full Members present in person or by proxy, or by a Full Member or Members present in person or by proxy and representing one-tenth of the total voting rights of all the Full Members having the right to vote at the meeting, and unless a poll be
so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the Federation shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn at any time up until the ballots are handed over to the scrutineers for counting.

5. Subject to the provisions of paragraph 6, if a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner, as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

6. No poll shall be demanded on the election of a Chairman of a meeting, or on any question of adjournment.

7. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

8. The demand for 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.

9. Subject to the provisions of the Acts, a resolution in writing signed by the duly authorized representatives of all the Full Members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of the Federation duly convened and held.

10. Every Full Member shall have one vote.

11. Save as herein expressly provided, no member other than a Full Member duly registered, which shall have paid every subscription and other sum (if any) which shall be due and payable to the Federation in respect of its membership, shall be entitled to vote on any question either personally or by proxy at any General Meeting.
12. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision thereon shall be final and conclusive.

13.1 Votes may be given on a poll either personally or by proxy. A proxy need not be a member of the Federation.

13.2 A corporation may vote by its duly authorized representative appointed in accordance with the provisions of section 115 of the Companies Act 1931.

14. The instrument appointing a proxy shall be in writing under the hand of the appointor or its attorney duly authorized in writing, or if such appointor is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorized in that behalf.

15. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll, and in default the person so named shall not be entitled to vote in respect thereof. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

16. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of the death, insanity or revocation as aforesaid shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
17. Any instrument appointing a proxy shall be in the following form or as near thereto as circumstances will admit:

'We, ,
of ,
a Full Member of the Federation, ,
hereby appoint ,
of ,
and failing him, ,
of ,
as our proxy to vote for us on our behalf at the [Annual/Extraordinary] General Meeting of the Federation to be held on ,
and at any adjournment thereof.
Signed on ,

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
Names and addresses of subscribers

1. Fort Street Nominees Limited
3rd Floor, Celtic House
Victoria Street
Douglas
Isle of Man IM1 2SJ

For an on behalf of Fort Street Nominees Limited

2. Jordan Nominees (I.O.M.) Limited
3rd Floor, Celtic House
Victoria Street
Douglas
Isle of Man IM1 2SJ

For and on behalf of Jordan Nominees (I.O.M.) Limited

Dated: 28 June 1996

Witness to the above signatures: Lorna Doyle
3rd Floor, Celtic House, Victoria Street
Douglas, Isle of Man, IM1 2SJ