

THE COMPANIES ACTS 1985 AND 1989

Company Limited by Guarantee and not having a Share Capital

MEMORANDUM OF ASSOCIATION OF INTERNET WATCH FOUNDATION

1. Name of Company

The name of the Company is, Internet Watch Foundation, called in this document "the Company".

2. Registered Office

The registered office of the Company will be in England and Wales.

3. Objects of the Company

3.1 The objects of the Company (the "Objects") are:-

- (a) The promotion of the care and protection of the health and welfare of the public in particular children and young people by working to minimise the availability of potentially illegal or otherwise harmful content on the Internet.
- (b) The prevention of crimes relating to offences involving exposure to illegal content on the Internet in particular by:
 - operating a hotline enabling the public to report such instances;
 - operating a notice and takedown service to alert hosting service providers of such criminal content found on their servers; and
 - alerting relevant law enforcement agencies to the content.
- (c) To further such purposes as are recognised as exclusively charitable under the law of England and Wales

4. What the Company may do

4.1 The Company has the following powers which may be used only to promote the Objects :-

- (a) subject to any consent required by law, to buy, take on lease, sell, lease, share or otherwise dispose of, hire, charge or mortgage or acquire any land or property of any sort;

- (b) to construct, alter, provide, manage, maintain, furnish and fit with all the necessary furniture and other equipment the buildings and any other premises or structure or land;
- (c) to employ and pay any employees, officers, servants and professional or other advisers;
- (d) to raise funds and borrow money, invite and receive contributions or grants, enter into contracts, seek subscriptions or raise money in any way;
- (e) to give or receive any guarantee or indemnity;
- (f) to promote or undertake study or research and disseminate the results of such;
- (g) to produce, print and publish anything in any media;
- (h) to provide or procure the provision of services, training, consultancy, advice, support, counselling or guidance;
- (i) to promote and advertise the Company's activities;
- (j) to invest any money that the Company does not immediately need in any investments, securities or properties; and to set aside funds for special purposes or as reserves;
- (k) to undertake any charitable trust;
- (l) to make provision for the payment of pensions and other benefits to or on behalf of employees and their dependants;
- (m) to raise funds and carry on trade but not by means of Taxable Trading;
- (n) to establish, promote and otherwise assist any limited company or companies or other body for the purpose of acquiring any property or of furthering in any way the Objects or to undertake trading and to establish such limited company or companies or other body either as wholly owned subsidiaries of the Company or jointly with other persons, companies, government departments or local authorities and to finance such limited company or companies or other body by way of loan or share subscription on commercial terms provided that the Company shall seek professional legal advice before financing such companies;

- (o) to establish, support or join with any charitable companies, institutions, societies or associations whose objects are the same as or similar to its own;
- (p) to transfer to or to purchase or otherwise acquire from any of the charities, institutions, societies or associations with which the Company is authorised to join any property, assets or liabilities, and to perform any of their engagements;
- (q) to open and operate banking accounts and other banking facilities;
- (r) to enter into any arrangements with any governments, authorities or any person, company or association;
- (s) to insure any risks arising from the Company's activities;
- (t) to provide Indemnity Insurance to cover liability of the Trustees:
 - (i) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust, or breach of duty of which they may be guilty in relation to the Company;
 - (ii) to make contributions to the assets of the Company in accordance with the provisions of section 214 of the Insolvency Act 1986.

Any such insurance in the case of (t) (i) shall not extend to:

- (i) any liability resulting from conduct which the Trustees knew, or must be assumed to have known was not in the best interests of the Company, or which the Trustees did not care whether it was in the best interests of the Company or not;
- (ii) any liability to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the Trustees;
- (iii) any liability to pay a fine.

Any insurance in the case of (t) (ii) shall not extend to any liability to make such a contribution where the basis of the Trustee's liability is his knowledge prior to the insolvent liquidation of the Company (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Company would avoid going into the insolvent liquidation;

- (u) to make such ex gratia payments as are considered reasonable and fair with the consent of the Charity Commission;

- (v) to pay all the expenses and costs of establishing the Company;
- (w) to delegate upon such terms and at such reasonable remuneration as the Company may think fit to professional investment managers ("the Managers") the exercise of all or any of its powers of investment (an "investment" is an asset which is capable of producing income and may also increase in capital value);

Provided always that :-

- (i) the Managers are properly authorised to carry on investment business;
 - (ii) the delegated powers shall be exercisable only within clear policy guidelines drawn up in advance by the Company;
 - (iii) the Managers are under a duty to report promptly to the Company any exercise of the delegated powers and in particular to report every transaction carried out by the Managers and report regularly on the performance of investments managed by them;
 - (iv) the Company is entitled at any time to review, alter or terminate the delegation or the terms thereof;
 - (v) the Company is bound to review the arrangements for delegation at intervals but so that any failure by the Company to undertake such reviews shall not invalidate the delegation;
- (x) to permit any investments belonging to the Company to be held in the name of any clearing bank, trust corporation or stockbroking company which is a member of the Stock Exchange (or any subsidiary of any such stockbroking company) as nominee for the Company and to pay any such nominee reasonable and proper remuneration for acting as such;
 - (y) to apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, copyrights, trade secrets, or other intellectual property rights, licences, secret processes, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire;

- (z) to apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its Objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests;
- (aa) to enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions;
- (bb) to do anything else within the law which helps promote the Objects.

5. Use of income and property

- 5.1 The income and property of the Company shall be applied solely towards the promotion of the Objects and no part of it shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to members of the Company or Trustees, and no Trustee may be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company except as shown below under 'Allowed Payments'.

6. Allowed Payments

- 6.1 The Company may pay:-

- (a) Reasonable and proper payment to any officer or servant of the Company who is not a Trustee for any services to the Company.
- (b) Reasonable and proper remuneration to: (1) a Trustee for services actually rendered to the Company including the usual professional charges for services provided or business done by a Trustee who is a solicitor, accountant or other person engaged in a profession, or by any partner of his or her firm instructed by the Company to act in a professional capacity on its behalf; and (2) the Chair for his services to the Company, PROVIDED THAT:-
 - (i) the number of Trustees so remunerated shall not exceed a

minority of the quorum of the Board of Trustees;

- (ii) such Trustee shall be absent from all meetings at which the terms and conditions of his or her engagement by the Company are discussed;
 - (iii) such Trustee shall not vote on any resolution relating to his or her engagement;
 - (iv) the other Trustees are satisfied that his engagement, or that of his or her firm, is both necessary and expedient in the interests of the Company.
- (c) Interest on the money lent by any member of the Company or any Trustee. The annual rate of interest must not be more than 2% below the base rate of one of the clearing banks or a rate of 3% whichever is the greater.
- (d) Reasonable out-of-pocket expenses to any Trustee and in addition the payment of an attendance allowance for not more than three Trustees for attending formal meetings of the Board and any committee of which such Trustees are a member. Such payments shall be subject to the conditions contained in clause 6.1(b)(ii) to (iv) inclusive.
- (e) Reasonable and proper payment to a company of which a Trustee holds not more than a hundredth of the capital.
- (f) Reasonable and proper rent of premises demised or let by any member of the Company or Trustee.
- (g) Reasonable and proper premiums in respect of any Indemnity Insurance to cover the liability of the Trustees which, by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Company; Provided that any such insurance shall not extend to any claim arising from the liability resulting from conduct which the Trustees knew, or must be assumed to have known, was not in the best interests of the Company, or which the Trustees did not care whether it was in the best interests of the Company or not and provided also that any such insurance shall not extend to any claim arising from liability for the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty of wilful or reckless misconduct of the Trustees.
- (h) In exceptional cases other payments or benefits but only with the prior

Written approval of the Charity Commission.

PROVIDED THAT no member of the Company or Trustee shall be present during the discussion of or voting on any decision to borrow money from or pay rent or make a payment or give a benefit to that member of the Company or Trustee.

7. Alterations to this Memorandum

7.1 Alterations to this Memorandum may only be made by special resolution. No alterations to this Memorandum may be made which would cause the Company to cease to be a charity in law. For a special resolution to be valid, 21 Clear Days' notice of it must be given and 75% of those voting must vote in favour of it and at least one vote in favour is cast by an Industry Member. The Chair will not have a second or casting vote. Such a resolution may be passed on shorter notice if 95% of the total number of members having the right to vote agree, unless it is in respect of an annual general meeting in which case 100% of the members having the right to vote agree to such short notice.

7.2 Alterations may only be made to the Objects to any clause of this memorandum or articles which directs or restricts the way money or the property of the Company may be used or which gives Trustees any benefit with the Charity Commission's prior Written consent.

7.3 The Charity Commission and the Registrar of Companies must be informed of alterations and all future copies of the Memorandum issued must contain the alteration.

8. Limited Liability

8.1 The liability of the members is limited.

9. Guarantee by Members of the Company

9.1 Every member of the Company agrees to contribute to the Company £1 or any smaller amount required if:-

- (a) the Company is wound-up while he or she is a member or within a year afterwards; and
- (b) the Company has debts and liabilities which it cannot meet out of its assets.

10. Winding-up of the Company

- 10.1 If the Company is wound-up or dissolved, and there remains any property after all debts and liabilities have been met, the property must be given or transferred to some other charitable institution or institutions. This other institution must have objects which are similar or ancillary to those of the Company and must prohibit the distribution of its income and property among its members to an extent at least as great as that required by this Memorandum of Association.

- 10.2 The institution or institutions will be chosen by the Trustees of the Company at or before the time when the Company is wound-up or dissolved.