

RULES
of
tScheme Limited
adopted on 18 November 2020

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tScheme LIMITED

RULES

(as adopted on 18 November 2020)

A. PRELIMINARY

1. In these Rules the following words and expressions shall have the following meanings:

"Accrediting Body"	a body responsible, under contract to tScheme Limited, for evaluating and accrediting potential Recognised Assessment Bodies and for the subsequent oversight of the performance of those recognised
"Approval"	the granting by the Company to an electronic trust services provider of the right to display the tScheme mark and to claim tScheme approval in relation to an electronic trust service
"Approval Profile"	the set of criteria which an electronic trust service and its provider must satisfy in order for the service to become eligible for Approval
"Articles"	the Articles of Association of the Company
"Board"	the Board of Directors of the Company elected or appointed in accordance with these Rules and the Articles
"Board Member"	a member of the Board
"Chairman"	the Chairman of the Board
"Code of Conduct"	the code of conduct of the Company as from time to time determined by the Board
"Company"	the company incorporated under the name tScheme Limited
"Deputy Chairman"	the Deputy Chairman of the Board

"Electronic Trust Services"	the meaning defined in the Memorandum of Association of the Company
"Executive Committee"	a committee formed pursuant to Article 76
"Member"	a member of the Company
"Membership Category"	a Membership Category as referred to in these Rules
"Membership Year"	the period from 1st January to 31st December in each year
"Recognised Assessment Body"	a body, otherwise known as a tScheme-recognised assessor, bound by contract to tScheme Limited, capable of assessing Electronic Trust Services against one or more specified Approval Profiles and of producing formal reports on its findings
"Rules"	these Rules as amended from time to time
"Secretariat"	the secretariat of the Company
"Secretary"	the secretary or any joint, assistant or deputy secretary of the Company
"Statutes"	statutes or statutory provisions affecting England and Wales as amended, extended, consolidated, re-enacted or replaced from time to time and any orders, regulations, instruments or other subordinate legislation made there under
"Writing"	printing, lithography, photography, digital representation and other modes of representing or reproducing words in an intelligible form, unless the contrary intention appears

2. Other terms defined in the Articles bear the same meaning in these Rules.
3. Where the context so admits any reference to one gender includes all genders.
4. These Rules may be amended by Special Resolution of the Company in general meeting or, where permitted by Article 98, by the Board.

5. In the event of any conflict between the Articles and these Rules the provisions contained in the Articles shall prevail.

B. MEMBERSHIP

1. Eligibility

1.1 The Members of the Company shall be the subscribers to the Memorandum of Association and such persons, companies, partnerships, sole traders, government organisations, quasi autonomous non-governmental organisations, charities, clubs or unincorporated associations who are, or are in contemplation of becoming, one or more of:

(a) electronic trust services providers;

(b) electronic trust services users and beneficiaries;

or

(c) suppliers to (a) or (b) (and suppliers shall mean any person, company, association, institution or partnership which provides any consultancy service or any software or cryptographic or any other device or service concerned with the provision, application, utilisation, operation, maintenance, support, integration or management of electronic trust services)

as are admitted to membership in accordance with these Rules.

1.2 The Board shall be empowered to admit into Honorary Membership any other person or organisation as the Board may from time to time decide, with such rights, titles and privileges as the Board may in each case think fit.

2. Admission

2.1 Any person, company, partnership, sole trader, government organisation, quasi autonomous non-governmental organisation, charity, club or unincorporated association wishing to become a Member must deliver to the Secretary of the Company an application for admission in such form as the Board may from time to time require.

2.2 Upon such application being approved by or on behalf of the Board the Company shall enter the name of such applicant in the books of the Company. The applicant shall immediately pay to the Company a sum in respect of the requisite joining fee and that Membership Year's subscription, pro rata from the beginning of the quarter in which the Board approved admission to the end

of the Membership Year, and in each case appropriate to the category of membership to which the applicant has been admitted. Upon receipt of such sum such applicant shall become a Member.

- 2.3 The Board shall have the right to refuse admission to membership. Applicants will be notified in writing of the reasons for refusal within 28 days of refusal. Applicants may re-apply after the expiry of six months from the date of refusal. The Board may call for further information from an applicant before making its decision.
- 2.4 Applicants refused admission to membership will have the right of appeal conferred by Rule C.1 to C.4.
3. Membership Categories
 - 3.1 Membership of the Company shall comprise categories of activity represented by Membership Categories, numbering not more than twelve in all, as determined from time to time by the Board. The Board shall have the duty to determine Membership Category creation and removal and other redefinition of the Membership Categories in order to maintain the collective neutrality and independence of the membership of the Board. Until the Board has determined the Membership Categories, all Members shall comprise a single category of membership.
 - 3.2 Once the Board has determined Membership Categories, each Member may propose allocation of itself to whichever one of the Membership Categories best represents its main electronic trust services activity. The Board will either confirm the allocation or, if in its opinion the allocation is unacceptable or inappropriate, determine an alternative allocation, subject to Appeal, or, where no allocation has been proposed by the Member, determine, subject to Appeal, the appropriate allocation for that Member. Upon such confirmation or determination the Member becomes allocated to the Membership Category confirmed or determined by the Board until the Board confirms or determines an alternative allocation.
4. Subscriptions and Fees
 - 4.1 Joining fees shall be determined by the Board.
 - 4.2 Subscription fees shall be determined by the Board and in the case of subscription fees for the second and subsequent Membership Year shall be notified to Members in writing at least six months prior to the end of the previous Membership Year.

- 4.3 Subscription fees for each full Membership Year shall be due and payable in advance in accordance with the payment terms specified in the membership subscription invoice presented by tScheme but in no case later than the last day in January of that year.
- 4.4 If a Member or prospective Member fails to pay its subscription within 28 days of it falling due the Secretary shall notify it in writing of such failure. Failure to provide such written notice shall not constitute a waiving of the requirement to pay.
- 4.5 The Board may determine different levels of joining fees and annual subscription fees for different Membership Categories and for different Members within the same Membership Categories. The Board shall publish the basis on which the fees shall be calculated in any particular instance.
- 4.6 The Company may also levy such additional fees on Members, or categories of Members, as determined by the Members in general meeting.
- 4.7 Any person or organisation who shall cease to be a Member of the Company shall not be relieved thereby from any liability to the Company in respect of any payment or subscription which shall have become payable before the date of ceasing to be such a Member, unless the Board shall otherwise determine and subject always to Clause 7 of the Memorandum of Association of the Company.
5. Resignation, Expulsion and Suspension
 - 5.1 A Member shall cease to be a Member of the Company if:
 - (a) it shall have given notice in writing to the Board of its resignation of membership and of the effective date from which its membership shall cease but shall remain liable for payment in full for any annual subscription falling due in the six months from the date of the notice;
 - (b) any subscription payable by it as such Member shall have remained not paid for three months after the same shall have become payable and the Board shall have resolved to terminate its membership;
 - (c) in the opinion of the Board, after such investigation as the Board may deem necessary, the Member shall appear by its acts or omissions to have prejudicially affected the well-being or reputation of the Company or the Industry provided that the Member shall have been notified in writing not less than 30 days before the Board's meeting of the Board's intention to consider the termination of the Member's membership and that the Member is afforded the opportunity to state its case by

attendance at the Board's meeting with legal or other advisers not exceeding three in number;

- (d) it shall have a bankruptcy order made against it or, in the case of a limited company, shall go into liquidation, whether voluntary or compulsory (excepting always a liquidation for the purpose of amalgamation or reconstruction) or shall have a receiver, administrative receiver, manager or administrator appointed in respect of it or any of its assets, or shall either individually, or as a partner in a firm, make or agree to make any assignment for the benefit of its creditors, or in any case shall make or propose to make any composition with its creditors, or shall enter into any assignment by way of trust for its creditors, or execute any similar deed or agreement, or shall take or attempt to take the benefit of any statutory provision for arrangement with its creditors;
- (e) the Member becomes incapable by reason of mental disorder of managing its affairs;

or
- (f) the Member dies.

5.2 The Board may at any time, if it thinks fit, re-admit a Member and the Board retains the right, subject to Appeal, to refuse re-admission to any past Member or to allow the withdrawal of notice to terminate membership by a current Member.

5.3 Membership shall not be transferable.

5.4 Without prejudice to the provisions of Rule B.5.1, the Board may suspend membership of a Member for such period and on such terms as it may deem appropriate in the circumstances and may vary such period and terms from time to time. Suspension shall be subject to the provisions of Article 12.

C. APPEALS

1. The Board shall operate a procedure ("Appeals") for appealing against decisions of the Board in relation to admission to and termination of membership, the imposition of sanctions against Members and the granting or otherwise of Approvals. In the case of a dispute relating to any such decision, only the Member or Members, or the applicant for Membership or an Approval being the subject of the Board's decision, may instigate an Appeal. An Appeal shall be by written notice to the Secretary in such form as the Board may from time to time prescribe.

2. Upon receipt of a notice requesting an Appeal, the Secretary shall invite written submissions from the complainant and the Board. From those submissions and elsewhere he shall in a timely fashion form a consolidated document describing the facts, in so far as these are reasonably obtainable, of the dispute.
3. The Secretary shall then refer the dispute to an Appeals Committee established by the Board, providing it with a copy of his consolidated document.
4. Subject to any guidance given by the Board, the Appeals Committee shall determine its own procedure and its decision shall be final. The Secretary shall report the decision to the complainant and to the Board, both of whom shall be bound by such decision and the Board shall be bound to implement it.
5. The Appeals procedure relating to those operating Approved services, Recognised Assessment Bodies and Accrediting Bodies shall be as described in their respective agreements with the Company.

D. THE BOARD

1. Membership

- 1.1 The maximum number of persons, whether elected (Elected Directors) or appointed to membership of the Board in accordance with the Articles and these Rules but excluding Alternate Directors, shall be fifteen which shall include the Chairman, the Deputy Chairman and the Chief Executive Officer. The Board shall decide from time to time the actual number of Board positions to be filled within the maximum.
 - 1.2 In accordance with Article 78, the Board shall appoint to the Board the Chief Executive Officer. The Board may also appoint to the Board additional persons (Appointed Directors) to a total number of no more than five at any one time, none of whom need be a Member of the Company or a representative of a Member.
 - 1.3 The Chief Executive Officer so appointed shall not be required to retire in accordance Rule D.2.2. Appointed Directors shall retire at the conclusion of the first Annual General Meeting following their appointments.
 - 1.4 No person may serve as Chairman and Chief Executive Officer of the Company at the same time.
- ##### 2. Election of Board

- 2.1 Without prejudice to Articles 55 and 56, Elected Directors shall be elected to the Board in accordance with these Rules.
- 2.2 At the Annual General Meeting, the following Elected Directors shall retire from office and shall be eligible for re-election:
 - (a) all those who have been appointed under Rule D.2.14, and all those resigning pursuant to Rule D.2.3; and
 - (b) Board Members who have reached the second anniversary of their election at the Annual General Meeting.
- 2.3 If a Member moves between Membership Categories within the year immediately preceding the Annual General Meeting, any Elected Director, being that Member or representing that Member, shall be obliged to resign his position and may thereafter offer himself for re-election in the Member's new Membership Category in accordance with these Rules if there are seats available in such Membership Category.
- 2.4 The Board shall determine the number of seats to be allocated to each Membership Category. The Board shall undertake this allocation in a manner that serves to protect the equitable governance of the Company.
- 2.5 Each Member may vote only for those candidates who represent Members in the same Membership Category as himself.
- 2.6 Any Member having not paid any subscription or other membership fee to the Company after it has fallen due shall not be eligible to vote or to stand (itself or its Representative) for election unless the Company receives such payment by the relevant date prescribed in the Timetable as set out in Rule D.2.11(b) or the Board agrees to an alternative payment arrangement.
- 2.7 The result of the ballot shall be declared by the Secretary at the Annual General Meeting and the new Elected Directors shall take up their appointments upon the conclusion of the Annual General Meeting.
- 2.8 An Elected Director retiring pursuant to Rule D.2.2 shall retain his office until the dissolution or adjournment of the Annual General Meeting at which the results of the election become effective.
- 2.9 The Board shall each year determine the time and place of the forthcoming Annual General Meeting, setting the time at least two months in advance. The Secretary shall forthwith advise Members of this date and provide:

- (a) the list of Membership Categories, if any, and the list of Members eligible to stand and to vote by Membership Category, if any;
 - (b) the list of resigning Directors and the number of seats by Membership Category, if any, that are to be the subject of the election; and
 - (c) the timetable of events (the Timetable) that will govern the election process leading up to the declaration of the results of the ballot at the Annual General Meeting.
- 2.10 Any Member wishing to propose a different timetable of events may do so to the Secretary in writing within seven days of the date of the Annual General Meeting having been advised, and the Secretary together with the Chairman and Chief Executive may, as they agree fit, amend and re-issue the Timetable, providing that this does not cause the timetable to fail the criterion described in Rule D.2.12.
- 2.11 The Timetable shall provide latest dates for at least the following events:
- (a) the receipt of written nominations from eligible Members or their representatives to stand for election;
 - (b) the receipt of outstanding membership fees to maintain eligibility to stand and to vote;
 - (c) the issue of ballot papers showing the candidates confirmed by the Board as eligible;
 - (d) the return of completed ballot papers; and
 - (e) the publication of the names of the candidates duly elected.
- 2.12 The Board shall ensure that the Timetable shall provide sufficient elapsed time between events for Members to give due consideration to the issues and to perform their part in the election in a full and responsible manner.
- 2.13 The Board shall prescribe the format for all election documents.
- 2.14 Where an elected Board position falls vacant between Annual General Meetings, the Board may appoint a Member or a representative of a Member to fill the vacated position. In so doing, the Board shall, as far as is practically possible, abide by the wishes of the Membership as expressed at the most recent election for Board Members by appointing in the order of votes gained. For the avoidance of doubt, such an appointed person shall be considered to be an Elected Director.

3. Proceedings of the Board

- 3.1 The Chairman, or his substitute in the Chairman's absence, may invite any person not being a member of the Board to be present and either to speak or only to respond to specific requests to speak at any meeting of the Board or of a committee of the Board and may instruct the Secretary to provide notices, minutes and other papers to such person as if he were a Director. But no person so present shall be entitled to vote upon any resolution put to any such meeting.
- 3.2 The Chairman shall chair all meetings of the Board at which he shall be present. If at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Deputy Chairman shall chair the meeting. If neither the Chairman nor the Deputy Chairman is present the Board Members present at the meeting shall choose one of their number to act as chairman of the meeting.
- 3.3 A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions for the time being vested in the Board generally by or under the Rules and the Articles.
- 3.4 Every person acting as a Board Member shall be a Director of the Company and shall be registered as such at Companies House.

4. Officers

- 4.1 The Board shall have the power to elect and remove the following officers of the Company:
- (a) A Chairman (who shall be Chairman of the Board and the Company) to assume such duties and powers as the Board in its absolute discretion may assign to him. If a Chairman shall cease to be a Board Member during any term of office he shall automatically cease to be Chairman.
 - (b) A Deputy Chairman to assume such duties and powers as the Board in their absolute discretion may assign to him. If a Deputy Chairman shall cease to be a Board Member during any term of office he shall automatically cease to be Deputy Chairman.

5. Powers of the Board

- 5.1 The Board shall have the power to make such rules as to membership and qualification as it shall from time to time think fit subject nevertheless to the provisions of the Statutes, these Rules and the Articles.

- 5.2 Pursuant to Rules E.1 to E.5, the Board may delegate any of its powers to committees and any committee so formed shall in the execution of the powers so delegated conform to any regulations imposed on it by the Board.
6. Decisions of the Board by Electronic Means
- 6.1 In regard to decisions relating to admission to membership, granting of Approvals and ratification, amendment or demise of Approval Profiles, the Board may use electronic means to determine opinion of the Directors, using the procedure described in Rule D.6.2.
- 6.2 The procedure for electronic determination shall be:
- (a) The Secretary shall transmit to each Director, at his designated electronic address, an electronic notification containing all relevant material concerning the decision to be made or describing the place from which the Director can obtain forthwith by electronic means all relevant material concerning the decision to be made. This relevant material shall include details of the origination of the material and the current state of its approval by Company working groups, Board committees and other relevant bodies, as the Secretary considers appropriate.
 - (b) The Secretary shall include within each electronic notification a request for acknowledgement of receipt, which may be generated automatically by a Director's electronic system, and a date for return of the Director's decision.
 - (c) In the case of the Secretary not receiving a receipt acknowledgement from a Director within two working days, the Secretary shall re-transmit immediately the original notification without altering the return date for the Director's decision. The Secretary is not obliged to take any further action beyond this re-transmission, but may do so at his discretion where he considers this appropriate. Persistent lack of receipt notification by one or more Directors shall not render any final decision invalid.
 - (d) Each Director shall, as he chooses, respond or not with his vote, being in support, against or abstaining, but he shall in any case ensure that any vote contained in his response is his and his alone and never that of someone acting on his behalf in his absence.
 - (e) Immediately after the return date, the Secretary shall tally the votes in the responses actually received and declare the result, sending an

electronic copy of his determination to all Directors, and recording the same in durable form with the Board's minutes. The Company shall then proceed on the basis of the decision declared.

- (f) In the case of a tie, the Chairman shall have a casting vote, which he may make by electronic means.
- (g) In the absence of a number of responses (whether in support, against or abstaining) equal or greater in number to that required for a quorum for a Board meeting, the Secretary shall declare the determination null and void.

6.3 Notwithstanding the provisions of Rule D.6.1, any Director may exceptionally declare, prior to the return date, that the notified decision must not be made by electronic means. The Secretary shall forthwith declare that particular determination null and void. The Board shall then consider the subject at a meeting of the Board.

E. COMMITTEES

1. The Board shall create such Board committees and confer such powers as it deems fit, providing always that the Board shall ensure that there exists, or comes to exist when required, an Appeals Committee pursuant to Rules C.1 to C.5.
2. Any person appointed to such a committee need not be a Board Member. The Board will nominate a chairman of each such committee who need not be a Board Member.
3. The meetings and proceedings of any such committee shall be governed by the provisions of the Articles and these Rules for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board as aforesaid, save that the quorum for meetings of any such committee shall be three members thereof unless otherwise determined by the Board.
4. The Appeals Committee shall consider Appeals pursuant to Rules C.1 to C.5 and shall adjudicate thereon. A majority of the members of the Appeals Committee shall be comprised of persons who are not Board Members.
5. The Board shall also be empowered to create standing committees, whose functions shall be to consider areas of activity allocated to them and to monitor and formulate policy recommendations for consideration by the Board and who shall be empowered to establish ad hoc working groups to investigate

specific issues, which working groups shall report to the committee responsible for their establishment and shall disband once their specific task is complete.

F. THE SECRETARIAT

1. The Secretariat shall be responsible for the administration of the Company.
2. The appointment and terms and conditions of employment and dismissal of Secretariat employees shall be determined by the Executive Committee or the Board.
3. The Board shall appoint the Secretary of the Company. The Secretary shall be responsible for company secretarial duties in accordance with these Rules, the Articles and the Statutes.

G. INTELLECTUAL PROPERTY RIGHTS

1. The ownership of and licences under intellectual property rights generated pursuant to work performed under contract to the Company shall be specified in the relevant contract. Members and others ("Contributors") making non-contracted contributions ("Contributions") in support of the objects of the Company shall do so on the terms and conditions set out in Rules G.2 to G.9.
2. All information on the Contributions and all other information submitted to the Company, or its Board, officers, committees, working parties or other bodies which the Company sets up for the Objects of the Company (each being a "Body") shall be regarded and treated as non-confidential unless:
 - (a) the information is in writing;
 - (b) the information is identified within it, when submitted, as confidential;and
 - (c) the information is first submitted to, and accepted as confidential by, the Body (or as relevant its chairman).
3. An obligation of confidentiality pursuant to Rule G.2 shall have no effect in respect of information which is:
 - (a) in the public domain otherwise than in breach of this obligation;
 - (b) lawfully known to the recipient free of restriction before its receipt pursuant to Rule G.2;

- (c) discovered by the recipient independently of its receipt pursuant to Rule G.2;
 - (d) revealed to the recipient without any restriction by a party, other than the Contributor, who had the full right to do so;
- or
- (e) disclosed more than two years after its receipt pursuant to Rule G.2.
4. Upon the discovery of any breach of the confidentiality obligation imposed pursuant to Rule G.2 the discoverer shall notify the Contributor as soon as reasonably possible.
5. Any Contribution, or part thereof, which is not identified as confidential under Rule G.2, may be incorporated by the Company in publications of the Company in accordance with the Objects of the Company and shall be regarded and treated as non-confidential by the Company, its Members and the Contributor from its publication date.
6. Each Contributor shall be deemed to have licensed the Company free of any charge, except as exceptionally agreed by the Board in advance, to include any part of the Contributor's Contribution in publications published by the Company in accordance with the Objects of the Company. Insofar as the Contributor has intellectual property rights covering its Contribution which it could use to prevent compliance with the part of the Contribution included in such a publication, the Contributor shall grant licences under such intellectual property rights on fair and reasonable non-discriminatory terms to enable such compliance and shall inform the Company of the relevant intellectual property rights and the part(s) of the publication(s) affected.
7. If a Member becomes aware that it might have intellectual property rights which it could use to prevent compliance with a publication published or likely to be published by the Company in accordance with the Objects of the Company, it shall, as soon as reasonably possible, in writing, warn the Company (and the relevant Body which published or is liable to publish the publication) of the situation. Such warning shall state whether the Member will:
- (a) grant licences as set out in Rule G.6 as if it had made a Contribution which had caused the situation;
- or

- (b) refuse to grant such licences;

and, in either case, will state the relevant intellectual property rights and the part(s) of the publication(s) affected.

8. If the Company receives a claim pursuant to Rule G.7 or otherwise receives a claim that licences under relevant intellectual property rights are required to achieve compliance for part(s) of its publication(s) it shall add the information it receives to its public database and shall add to future issues of the relevant publication(s):

- (a) a notice giving such information;

and

- (b) a disclaimer of any liability in respect of the presence or absence of the notice or its content.

9. If the Company (or the relevant Body or both) receives such a statement of claim stating a refusal to grant such licences, the Board shall decide how to proceed including whether or not to issue, or to allow further issues of, the relevant publication (modified or not) with such notice and disclaimer.

H. GOVERNMENT REPRESENTATION

1. Pursuant to Rule D.3.1, the Board shall invite Her Majesty's Government to nominate two persons both of whom shall enjoy the right to attend all Board meetings and the right to receive all notices and papers as if they were Directors, but not including any right to vote, until they cease to be nominated by Her Majesty's Government.
2. The Board shall have the right to act upon statements, made by either person appointed under Rule H.1, as the authentic opinion of Her Majesty's Government unless explicitly warned to the contrary by that representative.
3. Any governmental organisation, including but not limited to Departments, Agencies, Local Authorities and Health Trusts, whether from the UK or elsewhere, is eligible to become a Member of the Company and to enjoy all the rights and duties of Membership.
4. The representatives appointed under Rule H.1 shall not also represent the specific interests of any governmental Member.

I. APPROVAL PROFILES

1. The Board shall appoint whatever technical committees and working groups as it thinks fit to create recommendations for Approval Profiles. The Board shall consider proposals for the creation of new Approval Profiles or the alteration or demise of existing ones from any source, the Board having final authority over which become the subject of further preparatory work through assignment to technical committee(s) and working group(s).
2. The Board shall adopt those recommendations for ratification, amendment and demise of Approval Profiles as it thinks fit.
3. The Board shall ensure that the currently ratified set of Approval Profiles is publicly available, including having the right to levy a non-discriminatory charge proportionate to the reproduction cost of any particular mode of representation for any particular Approval Profile.

J. SERVICE APPROVALS

1. The Board shall have the final right, subject only to Appeal, to grant, suspend or withdraw Approval of any electronic trust service against one or more of the Approval Profiles. The Board shall exercise this authority through an Approvals Committee whose members the Board will appoint on the basis of their independence from direct commercial interest in electronic trust service provision.
2. A supplier of electronic trust services, being in contemplation of applying for Approval of one of its services, shall first commission a Recognised Assessment Body to assess such service against the appropriate Approval Profile(s). The Recognised Assessment Body, having undertaken its assessment, shall present the supplier with an assessment report containing the material required by the Company from time to time. The supplier shall then present the Company with its application for Approval, accompanied by the said report, in the form prescribed by the Company from time to time. The Approvals Committee shall consider the application and reach and report to the Board on its decision as to granting Approval or not.
3. Should the Approvals Committee grant an Approval under Rule J.2, it shall report this decision to the Board. The Board shall then invite the supplier thereof to enter into an agreement relating to the use of the tScheme mark, claims to tScheme approval and the related payments and duties. Upon concluding the agreement, the supplier shall then enjoy the rights of tScheme approval as granted by the agreement.

4. Should the Approvals Committee not grant an Approval under Rule J.2, it shall report this decision to the Board. The Board shall inform the supplier within 28 days giving a summary of the reasons for rejection.
5. The Company shall publish the model agreement terms, as determined by the Board from time to time, on which it bases the particular agreements arising under Rule J.3.

K. RECOGNISED ASSESSMENT BODIES

1. The Company shall recognise, and rescind the recognition of, persons and groups of persons (being Recognised Assessment Bodies) to undertake assessments of electronic trust services against Approval Profiles.
2. The Board shall have the sole right, subject only to Appeal, to grant, suspend or withdraw the recognition of a Recognised Assessment Body.
3. Pursuant to Rule K.2, the Board may appoint one or more third parties as Accrediting Bodies, but only to the extent that the Company retains final authority over the granting or otherwise of recognition.
4. The Board shall, as it deems appropriate, require all those to whom it grants recognition as a Recognised Assessment Body to enter into contractual arrangements with the Company relating but not limited to training, standards of performance, liabilities and the use of Company-owned intellectual property.
5. The Company shall publish a list of Recognised Assessment Bodies and the Approval Profiles against which they are recognised to make assessments.

L. COMMERCIAL ACTIVITIES

1. The Company shall not undertake any activity (other than those activities which the Company is specifically empowered to undertake in accordance with its Memorandum of Association) which is commercially competitive with the then commercial activities of its Members, other than for the time being as described in this Rule L.
2. Where the Company requires the availability of a service which could be offered commercially in order to undertake its other activities and this service could reasonably be expected to be provided by one or more Members, the Board shall first invite one or more Members, as the Board shall consider fit, to provide that service. Failing the expeditious provision of the required service by one or more Member, the Company shall then be free to undertake the service itself and to offer it commercially or gratuitously to others.

3. When a Member begins to offer a service that might reasonably compete with a service then offered by the Company, the Member shall inform the Company of the potential for competitive conflict. The Board shall then determine, subject to Appeal, whether in its opinion the Member's service and the Company's are actually competitive and whether the Member's service would satisfy the Company's requirement at a reasonable commercial rate. In the case where the Board determines that a competitive situation prevails and that the Member's service will satisfy the Company's requirements, the Company shall cease to offer its service at the earliest time and in such other manner as reasonably protects the legitimate interests of those availing themselves of the service to be ceased.

M. DISCIPLINE AND SANCTIONS

1. In every instance, the Company shall investigate:
 - (a) any alleged breach of the terms of its contract with the Company by an electronic trust service provider operating an Approved service, a Recognised Assessment Body or an Accrediting Body;
 - (b) any alleged breach of these Rules by a Member; or
 - (c) any complaint from any third party regarding the deficient or defective operation of any contracted party in relation to its provision of an approved electronic trust service or role within tScheme

in order to confirm or otherwise the true nature of such allegation or claim. Where the allegation or complaint is confirmed as material, the Company shall work with the other involved parties in order to determine the cause and to implement the necessary remedies.

2. In the case of an electronic trust service provider operating an Approved service, the Board shall apply such remedy, sanction or disciplinary measure as it deems necessary within the terms of its contract with the service provider.
3. Where the Company fails after reasonable endeavours to agree the necessary remedies in relation to breach of these Rules by a Member, the Company shall have the power, subject only to Appeal, to suspend for any duration or to terminate membership.
4. The Company shall have the right to publish details of its investigation, remedies and rulings as it deems fit, but only to the extent that such publication is not prejudicial to contracted parties and Members who are

innocent or who have co-operated willingly in creating and implementing remedies.