

**THE COMPANIES ACTS 2006**

**COMPANY LIMITED BY GUARANTEE**

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**ARTICLES OF ASSOCIATION**

**of**

**THE ROYAL WELSH AGRICULTURAL SOCIETY LIMITED**

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**(Adopted by Special Resolution passed on**

**2015)**

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**THE ROYAL WELSH AGRICULTURAL SOCIETY LIMITED**

The company's name is Royal Welsh Agricultural Society Limited (and in this document it is called the Charity).

**1. Interpretation**

**1.1** In these articles:

<b>'address'</b>	a postal address or, for the purposes of electronic communication, a fax number, an e-mail or postal address or a text message number in each case registered with the Charity;
<b>'the Charity'</b>	the company intended to be regulated by these articles;
<b>'clear days in relation to the period of a notice'</b>	a period excluding: <ul style="list-style-type: none"><li>• the day when the notice is given or deemed to be given; and</li><li>• the day for which it is given or on which it is to take effect;</li></ul>
<b>'the Commission'</b>	the Charity Commissioners for England and Wales;
<b>'Companies Acts'</b>	the Companies Acts (as defined in section 24 of the Companies Act 2006) insofar as they apply to the Charity;
<b>'the articles'</b>	the articles of association of the Charity;
<b>'officers'</b>	includes the Directors;
<b>'the seal'</b>	the common seal of the Charity if it has one;
<b>'secretary'</b>	the Royal Welsh Agricultural Society has opted not to have a Company Secretary;

<b>‘the Directors’</b>	the directors of the Charity. The directors are charity trustees as defined by Section 97 of the Charities Act 1993;
<b>‘the Society’</b>	the Royal Welsh Agricultural Society Limited;
<b>‘the United Kingdom’</b>	Great Britain and Northern Ireland;
<b>‘month’</b>	the calendar month; and
	words importing one gender shall include all genders, and the singular includes the plural and vice versa.

1.2 Unless the context otherwise requires, words or expressions contained in these articles have the same meaning as in the Companies Acts, but excluding any statutory modification not in force when this constitution becomes binding on the Charity.

1.3 Apart from the exception mentioned in the previous paragraph, a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

1.4 The number of members with which the Society proposes to be registered is unlimited.

## 2. **Liability of Members**

2.1 The liability of the members is limited.

2.2 Every member promises, if the Charity is dissolved while he or she is a member or within twelve months after he or she ceases to be a member, to contribute such sum (not exceeding £10) as may be demanded of him or her towards the payment of the debts and liabilities of the Charity incurred before he or she ceases to be a member, and of the costs charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

## 3. **Objects**

3.1 The Charity's objects (the **Objects**) are:

3.1.1 to promote sustainable agriculture, horticulture, forestry, conservation and the environment and in particular in Wales;

- 3.1.2 to encourage and promote agricultural science, research and education in particular in relation to food, farming and the countryside;
- 3.1.3 to promote the improvement of livestock, the welfare of animals and the prevention and eradication of diseases in animals useful to man;
- 3.1.4 to hold demonstrations of modern agricultural methods, technology and processes;
- 3.1.5 to hold shows for the exhibition of livestock, poultry, farm and horticultural produce and forestry, and for the demonstration of agricultural methods, machinery and modern technology and hold events of an ancillary nature;
- 3.1.6 to promote and advance for the benefit and education of the public the conservation protection and improvement of the physical and natural environment; and
- 3.1.7 to promote rural arts, culture and heritage.

#### 4. **Powers**

- 4.1 In addition to any other powers it may have, the Charity has the following powers in order to further the Objects (but not for any other purpose):
  - 4.1.1 to raise funds. In doing so, the Charity must not undertake any substantial permanent trading activity save for the sole purpose of furthering the objects and must comply with any relevant statutory regulations;
  - 4.1.2 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
  - 4.1.3 to sell, lease or otherwise dispose of all or part of the property belonging to the Charity. In exercising the power, the Charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006;
  - 4.1.4 to borrow money and to charge the whole or any part of the property belonging to the Charity as security for repayment of the money borrowed. The Charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land;

- 4.1.5 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- 4.1.6 to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- 4.1.7 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity formed for any of the Objects;
- 4.1.8 to set aside income as a reserve against future expenditure.
- 4.1.9 to employ and remunerate such staff as are necessary for carrying out the work of the Charity. The Charity may employ or remunerate a Director only to the extent it is permitted to do so by article 5 and provided it complies with the conditions in that article;
- 4.1.10 to:
  - (a) deposit or invest funds;
  - (b) employ a professional fund manager; and
  - (c) arrange for the investments or other property of the Charity to be held in the name of a nominee;in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;
- 4.1.11 to provide indemnity insurance for the Directors or any other officer of the Charity in relation to any such liability as is mentioned in article 4.2, but subject to the restrictions specified in article 4.2;
- 4.1.12 to pay out of the funds of the Charity the costs of forming, and registering the Charity both as a company and as a charity; and
- 4.1.13 to do all such other lawful things as are necessary for the achievement of the Objects.

4.2 The liabilities referred to in article 4.1.11 are:

- 4.2.1 any liability that by virtue of any rule of law would otherwise attach to a director of a company in respect of any negligence, default, breach of duty

or breach of trust of which he or she may be guilty in relation to the Charity;  
and

4.2.2 the liability to make a contribution to the Charity's assets as specified in section 214 of the Insolvency Act 1986 (wrongful trading).

#### 4.3

4.3.1 The following liabilities are excluded from article 4.2.1:

- (a) fines;
- (b) costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud dishonesty or wilful or reckless misconduct of the Director or other officer; and
- (c) liabilities to the Charity that result from conduct that the Director or other officer knew or must be assumed to have known was not in the best interests of the Charity or about which the person concerned did not care whether it was in the best interests of the Charity or not.

4.3.2 There is excluded from article 4.2.2 any liability to make such a contribution where the basis of the Director's liability is his or her knowledge prior to the insolvent liquidation of the Charity (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Charity would avoid going into insolvent liquidation.

### 5. **Application of Income and Property**

#### Universal clauses

5.1 The income and property of the Charity shall be applied solely towards the promotion of the Objects.

#### 5.2

5.2.1 A Director is entitled to be reimbursed from the property of the Charity or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Charity.

5.2.2 Subject to the restrictions in article 4.2 and 4.3, a Director may benefit from trustee indemnity insurance cover purchased at the Charity's expense.

5.2.3 A Director may receive an indemnity from the Charity in the circumstances specified in article 31.

5.3 None of the income or property of the Charity may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the Charity. This does not prevent a member who is not also a Director receiving:

5.3.1 a benefit from the Charity in the capacity of a beneficiary of the Charity; and

5.3.2 reasonable and proper remuneration for any goods or services supplied to the Charity.

#### Directors' Benefits

5.4 No Director may:

5.4.1 buy any goods or services from the Charity;

5.4.2 sell goods, services, or any interest in land to the Charity;

5.4.3 be employed by, or receive any remuneration from the  
Charity; or

5.4.4 receive any other financial benefit from the Charity;

unless:

(a) the payment is permitted by article 5.5, does not exceed an amount that is reasonable in all the circumstances, and does not result in a majority of the Directors having received a financial benefit from the Charity; or

(b) the Directors obtain the prior written approval of the Commission and fully comply with any procedures it prescribes.

5.5

5.5.1

(a) A Director may receive a benefit from the Charity in the capacity of a beneficiary of the Charity.

- (b) A Director may enter into a contract for the supply of goods or services to the Charity, where it is permitted in accordance with, and subject to the conditions in, section 73A of the Charities Act 1993.
- (c) A Director may receive interest on money lent to the Charity at a reasonable and proper rate which must be 2% (or more) per annum below the base rate of a clearing bank to be selected by the Directors.
- (d) A company of which a Director is a member may receive fees, remuneration or other benefit in money or money's worth provided that the shares of the company are listed on a recognised stock exchange and the Director holds no more than 1% of the issued capital of that company.
- (e) A Director may receive rent for premises let by the Director to the Charity if the amount of the rent and the other terms of the lease are reasonable and proper and provided that such a Director shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- (f) The Directors may arrange for the purchase, out of the funds of the Charity, of insurance designed to indemnify the Directors in accordance with the terms of, and subject to the conditions in, section 73F of the Charities Act 1993.

5.5.2 The employment or remuneration of a Director includes the engagement or remuneration of any firm or company in which the Director is:

- (a) a partner;
- (b) an employee;
- (c) a consultant;
- (d) a director; or
- (e) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Director holds less than 1% of the issued capital.

5.6 In articles 5.2 - 5.5:

5.6.1 **Charity** shall include any company in which the Charity;

- (a) holds more than 50% of the shares; or
- (b) controls more than 50% of the voting rights attached to the shares; or
- (c) has the right to appoint one or more directors to the board of the company.

5.6.2 **Director** shall include any child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of the Director or any person living with the Director as his or her partner.

## 6. **Members**

6.1 Membership of the Charity is open to individuals who:

- 6.1.1 apply to the Charity in the form required by the Directors; and
- 6.1.2 are approved by the Directors.

6.2

6.2.1 The Directors may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Charity to refuse the application.

6.2.2 The Directors must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.

6.2.3 The Directors must consider any written representations the applicant may make about the decision. The Directors' decision following any written representations must be notified to the applicant in writing but shall be final.

6.3 Membership is not transferable to anyone else.

6.4 The Directors must keep a register of names and addresses of the members.

6.5 Every member shall on joining the Charity pay an annual subscription fee according to a scale to be determined from time to time (**Annual Subscriptions**).

6.6 Annual Subscriptions shall be payable in advance on the 1<sup>st</sup> February in each year unless determined otherwise by the Directors.

6.7 Every member shall observe all bye-laws, regulations and orders and pay all fines and forfeits which the Directors shall in pursuance of its powers impose.

## 7. **Classes of Membership**

7.1 The Directors may establish classes of membership with different rights and obligations and shall record the rights and obligations in the register of members.

7.2 The Directors may not directly or indirectly alter the rights or obligations attached to a class of membership.

7.3 The rights attached to a class of membership may only be varied if:

7.3.1 three-quarters of the members of that class consent in writing to the variation; or

7.3.2 a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation.

7.3.3 The provisions in these articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members.

## 8. **Termination of Membership**

Membership is terminated if:

8.1 the member dies, or if it is an organisation, ceases to exist;

8.2 the member resigns by written notice to the Charity unless, after the resignation, there would be less than two members;

8.3 any sum due from the member to the Charity is not paid in full within six months of its falling due;

8.4 the member is removed from membership by a resolution of the Directors that it is in the best interests of the Charity that his or her membership is terminated. A resolution to remove a member from membership may only be passed if;

- 8.4.1 the member has been given at least twenty-one days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it is to be proposed; or
- 8.4.2 the member or, at the option of the member, the member's representative (who need not be a member of the Charity) has been allowed to make representations to the meeting.

## 9. **General Meetings**

- 9.1 Annual meetings must be held in each year and not more than fifteen months may elapse between successive annual general meetings.
- 9.2 The Directors may call a general meeting at any time.

## 10. **Notice of General Meetings**

- 10.1 The minimum periods of notice required to hold a general meeting of the Charity are:
  - 10.1.1 twenty-one clear days for a general meeting called for the passing of a special resolution; or
  - 10.1.2 fourteen clear days for all other general meetings.
- 10.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting who together hold not less than 90 percent of the total voting rights.
- 10.3 The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006 and article 12.
- 10.4 The notice must be given to all the members and to the Directors and auditors.
- 10.5 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Charity.

## 11. **Proceedings at General Meetings**

- 11.1 No business shall be transacted at any general meeting unless a quorum is present.
- 11.2 A quorum is 10 members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.
- 11.3 The authorised representative of a member organisation shall be counted in the quorum
- 11.4 If:
- 11.4.1 a quorum is not present within half an hour from the time appointed for the meeting; or
  - 11.4.2 during a meeting a quorum ceases to be present
- the meeting shall be adjourned to such time and place as the Directors shall determine.
- 11.5 The Directors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting, stating the date, time and place of the meeting.
- 11.6 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting, the members present in person or by proxy at that time shall constitute the quorum for that meeting.
- 11.7 General meetings shall be chaired by the person who has been appointed to chair meetings of the Directors.
- 11.8 If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting, the members present shall choose a Chairman.
- 11.9 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 meetings 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 members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

- 11.10 The members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- 11.11 The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened, unless those details are specified in the resolution.
- 11.12 No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- 11.13 If a meeting is adjourned by a resolution of the members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.
- 11.14 Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:
  - 11.14.1 by the person chairing the meeting;
  - 11.14.2 by at least two members present in person or by proxy and having the right to vote at the meeting; or
  - 11.14.3 by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
- 11.15 The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- 11.16 The result of the vote must be recorded in the minutes of the Charity, but the number or proportion of votes cast need not be recorded.
- 11.17 A demand for a poll may be withdrawn before the poll is taken, but only with the consent of the person who is chairing the meeting.
- 11.18 If the demand for a poll is withdrawn, the demand shall not invalidate the result of a show of hands declared before the demand was made.

- 11.19 A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
- 11.20 No poll shall be demanded on the election of a chairman of a meeting, or on any question of adjournment.
- 11.21 The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 11.22 A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
- 11.23 The poll must be taken within thirty days after it has been demanded.
- 11.24 If the poll is not taken immediately, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 11.25 If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.
- 11.26 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.

**12. Proxies: appointment and voting**

- 12.1 Any member is entitled to appoint another person as a proxy to exercise all or any of the member's rights to attend and to speak and vote at a general meeting of the Charity.
- 12.2 The appointment of a proxy shall be executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances will allow or in any other form which is usual or which the Directors may approve) -

"The Royal Welsh Agricultural Society Limited

I/We ....., of ....., being a member/members of the above-named charity, hereby appoint ..... of ....., or failing him/her, ..... of ....., as my/our proxy to vote in my/our names[s] and on my/our behalf at the general meeting of the charity to be held on .....20., and at any adjournment thereof.

Signed on ..... 20..".

- 12.3 Where it is desired to afford members an opportunity of instructing the proxy, instructing the proxy how to act, the appointment of a proxy shall be in the following form (or in a form near thereto as circumstances will allow or in any other form which is usual or which the Directors may approve) -

"The Royal Welsh Agricultural Society Limited

I/We ....., of ..... a Member of The Royal Welsh Agricultural Society Limited hereby appoint....., of ....., and failing him/her, ..... of ....., as my/our proxy to vote in my/our names[s] and on my/our behalf at the meeting (Annual or Extraordinary or Adjourned) general meeting of the charity to be held on .....20., and at any adjournment thereof.

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 \*for \*against

Resolution No. 2 \*for \*against

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he/she thinks fit or abstain from voting.

Signed this ..... day of 20..".

- 12.4 The appointment of a proxy and any authority under which it is executed (or a copy of such authority certified by a notary or in some other way approved by the Directors) may be lodged with the charity as follows:

12.4.1 in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Charity in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

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

- (a) in the notice convening the meeting, or
- (b) in any instrument of proxy sent out by the Charity in relation to the meeting, or
- (c) in any invitation contained in an electronic communication to appoint a proxy issued by the Charity in relation to the meeting

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

12.4.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

12.4.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the person chairing the meeting or to the secretary or to any Director.

12.5 An appointment of proxy which is not deposited, delivered or received in a manner described in article 12.4 shall be invalid.

12.6 A vote given or poll demanded by proxy or by the duly authorised representative of a member which is an organisation shall be valid even if the authority of the person voting or demanding a poll has been determined, unless notice of the determination was received by the Charity at:

12.6.1 its registered office, or

12.6.2 at such other place at which the instrument of proxy was duly deposited, or

12.6.3 where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received.

Before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded, or in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, the time appointed for taking the poll.

### 13. **Written Resolutions**

13.1 A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that a copy of the proposed resolution has been sent to every eligible member and a simple majority (or in the case of a special resolution a majority of not less than 75%) of members has signified its agreement to the resolution in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date. A resolution in writing may comprise several copies to which one or more members have signified their agreement.

### 14. **Votes of Members**

14.1 Subject to article 7, every member, whether an individual or an organisation, shall have one vote.

14.2 Save as herein expressly provided, no member other than a member duly registered, who shall have paid every subscription and other sum (if any) which shall be due and payable to the Charity in respect of his membership, shall be entitled to vote on any question either personally or by proxy, or as a proxy for another member, at any general meeting.

14.3 Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.

#### 14.4

14.4.1 Any organisation that is a member of the Charity may nominate any person to act as its representative at any meeting of the Charity.

14.4.2 The organisation must give written notice to the Charity of the name of its representative. The nominee shall not be entitled to represent the organisation at any meeting unless the notice has been received by the

Charity. The nominee may continue to represent the organisation until written notice to the contrary is received by the Charity.

14.4.3 Any notice given to the Charity will be conclusive evidence that the nominee is entitled to represent the organisation or that his or her authority is entitled to represent the organisation or that his or her authority has been revoked. The Charity shall not be required to consider whether the nominee has been properly appointed by the organisation.

## 15. **Directors**

15.1 A Director must be a natural person age 16 years or older.

15.2 No-one may be appointed a Director if he or she would be disqualified from acting under the provisions of article 19.

15.3 The number of Directors shall be not less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

15.4 The first Directors shall be those persons notified to Companies House as the first directors of the Charity.

15.5 A Director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the Directors.

## 16. **Powers of Directors**

16.1 The Directors shall oversee the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Acts, these articles or any special resolution.

16.2 No alteration of these articles or any special resolution shall have retrospective effect to invalidate any prior act of the Directors.

16.3 Any meeting of Directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the Directors.

## 17. **Retirement**

17.1 All Directors of the Charity shall retire from office at the end of every fourth annual general meeting, such first annual general meeting to be held on or about 12<sup>th</sup> June 2015.

17.2 A Director retiring in accordance with article 17.1 above shall be re-appointed, provided they are firstly nominated by their respective Advisory Committee and by resolution of the members at the general meeting.

## 18. **The Appointment of Directors**

18.1 The Charity may by ordinary resolution:

18.1.1 appoint a person who is willing to act to be a Director; and

18.1.2 determine the method in which any additional Directors are to retire.

18.2 No person other than a Director retiring in accordance with article 17.1 may be appointed a Director at any general meeting unless:

18.2.1 he or she is recommended for re-election by their respective Advisory Committee; or

18.2.2 not less than fourteen nor more than seventy-five clear days before the date of the meeting, the Charity is given a notice that:

(a) is signed by a member entitled to vote at the meeting

(b) states the member's intention to propose the appointment of a person as a Director;

(c) contains the details that, if the person were to be appointed, the Charity would have to file at Companies House; and

(d) is signed by the person who is to be proposed to show his or her willingness to be appointed.

18.3 All members who are entitled to receive notice of a general meeting must be given not less than seven or more than thirty-five clear days' notice of any resolution to be put to the meeting, to appoint a Director other than a Director who is to retire in accordance with article 17.1.

18.4 The Directors may appoint a person who is willing to act to be a Director.

## 19. **Disqualification and Removal of Directors**

19.1 A Director shall cease to hold office if he or she:

- 19.1.1 ceases to be a Director by virtue of any provision in the Companies Act or is prohibited by law from being a director;
- 19.1.2 is disqualified from acting as a Trustee by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision);
- 19.1.3 ceases to be a member of the Charity
- 19.1.4 becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
- 19.1.5 resigns as a Director by notice to the Charity (but only if at least two Directors will remain in office when the notice of resignation is to take effect) or
- 19.1.6 is absent without the permission of the Directors from all their meetings held within a period of six consecutive months and the Directors resolve that his or her office be vacated.

## 20. **Directors' Remuneration**

The Directors must not be paid any remuneration unless it is authorised by article 5.

## 21. **Proceedings of Directors**

- 21.1 The Directors may regulate their proceedings as they think fit, subject to the provisions of the articles.
- 21.2 Any Director may call a meeting of the Directors.
- 21.3 The Chief Executive or his/her nominee must call a meeting of the Directors if requested to do so by a Director.
- 21.4 Questions arising at a meeting shall be decided by a majority of votes.
- 21.5 No decision may be made by a meeting of the Directors unless a quorum is present at the time the decision is purported to be made.
- 21.6 The quorum shall be two or the number nearest to one third of the total number of Directors, whichever is the greater, or such larger number as may be decided from time to time by the Directors.

- 21.7 A Director shall not be counted in the quorum present when any decision is made about a matter upon which that Director is not entitled to vote.
- 21.8 If the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 21.9 The Directors shall appoint a Director to chair their meetings and may at any time revoke such appointment.
- 21.10 If no one has been appointed to chair meetings of the Directors or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the Directors present may appoint one of their number to chair the meeting.
- 21.11 The person appointed to chair meetings of the Directors shall have no functions or powers except those conferred by those articles or delegated to him or her by the Directors.
- 21.12 A resolution in writing agreed by a simple majority of all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held provided that:
- 21.12.1 a copy of the resolution is sent or submitted to all the Directors eligible to vote; and
- 21.12.2 a simple majority of Directors has signified its agreement to the resolution in an authenticated document or documents which are received at the registered office within the period of 28 days beginning with the circulation date.
- 21.13 The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more Directors has signified their agreement.

## 22. **Delegation**

- 22.1 The Directors may delegate any of their powers or functions to a committee of two or more Directors, but the terms of any delegation must be recorded in the minute book.
- 22.2 The Directors may impose conditions when delegating, including the conditions that:
- 22.2.1 The relevant powers are to be exercised exclusively by the committee to whom they delegate;
- 22.2.2 No expenditure may be incurred on behalf of the Charity except in accordance with a budget previously agreed with the Directors.
- 22.3 The Directors may revoke or alter a delegation.
- 22.4 All acts and proceedings of any committees must be fully and promptly reported to the Directors.

## 23. **Declaration of Directors' Interests**

A Director must declare the nature and extent of any interest, direct or indirect, which he/she has in a proposed transaction or arrangement with the Charity or in any transaction or arrangement entered into by the Charity which has not previously been declared. A Director must absent himself or herself from any discussions of the Directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Charity and any personal interest (including, but not limited, to any personal financial interest).

## 24. **Conflicts of Interests**

- 24.1 If a conflict of interests arises for a Director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the articles, the unconflicted Directors may authorise such a conflict of interests where the following conditions apply:
- 24.1.1 the conflicted Director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

24.1.2 the conflicted Director does not vote on any such matter and is not to be counted when considering whether a quorum of Directors is present at the meeting;

24.1.3 the unconflicted Directors consider it is in the interests of the Charity to authorise the conflict of interest in the circumstances applying.

24.2 In this article, a conflict of interest arising because of a duty of loyalty owed to another organisation or person only refers to such conflict which does not involve a direct or indirect benefit of any nature to a Director or a connected person.

## 25. **Validity of Directors' Decisions**

25.1 Subject to article 25.2 all acts done by a meeting of Directors, or of a committee of Directors, shall be valid notwithstanding the participation in any vote of a Director:

25.1.1 who was disqualified from holding office;

25.1.2 who had previously retired or who had been obliged by the constitution to vacate office;

25.1.3 who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;

if without:

25.1.4 the vote of that Director; and

25.1.5 that Director being counted in the quorum;

the decision has been made by a majority of the Directors at a quorate meeting.

25.2 Article 25.1 does not permit a Director to keep any benefit that may be conferred upon him or her by a resolution of the Directors or of a committee of Directors if, but for paragraph 25.1, the resolution would have been void, or if the Director has not complied with article 23.

## 26. **Seal**

If the Charity has a seal, it must only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so

determined, it shall be signed by a Director and by the Chief Executive or by a second Director.

## 27. **Minutes**

27.1 The Directors must keep minutes of all:

27.1.1 appointments of officers made by the Directors; and

27.1.2 proceedings at meetings of the Charity;

27.1.3 meetings of the Directors and committees of Directors including

(a) the names of the Directors present at the meeting

(b) the decisions made at the meetings and

(c) where appropriate, the reasons for the decisions.

## 28. **Accounts**

28.1 The Directors must prepare for each financial year accounts as required by the Companies Acts. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.

28.2 The Directors must keep accounting records as required by the Companies Acts.

## 29. **Annual Report and Return and Register of Charities**

29.1 The Directors must comply with the requirements of the Charities Act 1993 with regard to:

29.1.1 the transmission of the statements of account to the Charity;

29.1.2 the preparation of an annual report and its transmission to the Commission;  
and

29.1.3 the preparation of an annual return and its transmission to the Commission.

29.2 The Directors must notify the Commission promptly of any changes to the Charity's entry on the Central Register of Charities.

**30. Means of Communication**

- 30.1 Subject to the articles, anything sent or supplied by or to the Charity under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Charity.
- 30.2 Subject to the articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 30.3 Any notice to be given to or by any person pursuant to the articles:
- 30.3.1 must be in writing; or
  - 30.3.2 must be given using electronic communications.
- 30.4 The Charity may give any notice to a member either:
- 30.4.1 personally; or
  - 30.4.2 by sending it by post in a prepaid envelope addressed to the member at his or her address; or
  - 30.4.3 by leaving it at the address of the member; or
  - 30.4.4 by giving it using electronic communications to the member's address.
- 30.5 A member who does not register an address with the Charity or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Charity.
- 30.6 A member present in person at any meeting of the Charity shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 30.7 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- 30.8 Proof that an electronic form of notice was given shall be conclusive where the Charity can demonstrate that it was properly addressed and sent in accordance with section 1147 of the Companies Act 2006.

30.9 In accordance with section 1147 of the Companies Act 2006 a notice shall be deemed to be given:

30.9.1 48 hours after the envelope containing it was posted; or

30.9.2 in the case of an electronic communication, 48 hours after it was sent.

## 31. **Indemnity**

The Charity may indemnify any Director against any liability incurred by him or her in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.

## 32. **Rules**

32.1 The Directors may from time to time make such reasonable and proper rules or bye-laws as they may deem necessary or expedient for the proper conduct and management of the Charity.

32.2 The bye-laws may regulate the following matters, but are not restricted to them:

32.2.1 the admission of members of the Charity (including the admission of organisations to membership) and the rights and privileges of such members, and the entrance fees, subscriptions and other fees or payments to be made by members;

32.2.2 the conduct of members of the Charity in relation to one another, and to the Charity's employees and volunteers;

32.2.3 the setting aside of the whole or any part or parts of the Charity's premises at any particular time or times or for any particular purpose or purposes;

32.2.4 the procedure at general meetings of the Directors in so far as such procedure is not regulated by the Companies Acts or by these articles;

32.2.5 generally, all such matters as are commonly the subject matter of company rules.

32.3 The Charity in general meeting has the power to alter, add to or repeal the rules or bye-laws.

32.4 The Directors must adopt such means as they think sufficient to bring the rules and bye-laws to the notice of members of the Charity.

32.5 The rules or bye-laws shall be binding on all members of the Charity. No rule or bye-law shall be inconsistent with, or shall affect or repeal anything contained in the articles.

### 33. **Dissolution**

33.1 The members of the Charity may at any time before and in expectation of its dissolution resolve that any net assets of the Charity after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Charity be applied or transferred in any of the following ways:

33.1.1 directly for the Objects; or

33.1.2 by transfer to any charity or charities for purposes similar to the Objects; or

33.1.3 to any charity for use for particular purposes that fall within the Objects;

33.2 Subject to any such resolution of the members of the Charity, the Directors of the Charity may at any time before and in expectation of its dissolution resolve that any net assets of the Charity after all its debts and liabilities have been paid, or provision made for them, shall on dissolution of the Charity be applied or transferred:

33.2.1 directly for the Objects; or

33.2.2 by transfer to any charity or charities for purposes similar to the Objects; or

33.2.3 to any charity or charities for use for particular purposes that fall within the Objects.

33.3 In no circumstances shall the net assets of the Charity be paid to or distributed among the members of the Charity (except to a member that is itself a charity) and if no such resolution is passed by the members or the Directors the net assets of the Charity shall be applied for charitable purposes as directed by the court or the Commission.