

**Articles of Association**

**of**

**Minds Matter (Trading Activities) Limited**

COMPANY LIMITED BY SHARES

COMPANIES ACT 2006

Adopted by Special Resolution passed on 2<sup>nd</sup> December 2020

## PART A: INTERPRETATION, OBJECTS, POWERS AND LIABILITY

### 1. NAME

The Company's name is Minds Matter (Trading Activities) Limited.

### 2. OFFICE

The Company's registered office is to be in England.

### 3. LIMIT OF LIABILITY

The liability of the Members is limited.

### 4. OBJECTS

The Objects of the Company are to carry on any trade, business or undertaking with a view to raising funds for the Parent Charity.

### 5. POWERS

5.1 Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

5.2 The members may, by special resolution, direct the Directors to take, or refrain from taking, specified action, provided no such resolution shall invalidate anything which the directors have done before the passing of the resolution.

### 6. PROFITS

Subject to tax, all the profits of the Company shall be paid to the Parent Charity and shall be applied towards the promotion and carrying out of the objects of the Parent Charity.

### 7. DEFINITIONS

7.1 In these Articles:

<b>“the Act”</b>	means the Companies Act 2006;
<b>“these Articles”</b>	means these Articles of Association of the Company, and <b>“Article”</b> is a reference to one of them;
<b>“the Trading Board”</b>	means the Trading Board of Directors of the Company and (where appropriate) includes a Committee and the Directors and members of a Committee acting by written resolution;
<b>“Trading Board Meeting”</b>	means a meeting of the Trading Board or (where appropriate) of a Committee;
<b>“Chair”</b>	means (subject to the context) either the person elected as chair of the Company under Article 37 or,

where the Chair of the Company is not present or has not taken the chair at a meeting, means the person who is chairing a Trading Board Meeting or General Meeting at the time;

<b>“clear days”</b>	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>“Committee”</b>	means a Committee of the Trading Board;
<b>“the Company”</b>	means the company regulated by these Articles;
<b>“Companies House”</b>	means the office of the Registrar of Companies;
<b>“Director”</b>	means any director of the Company;
<b>“Electronic Communication”</b>	has the meaning given in the Electronic Communications Act 2000;
<b>“General Meeting”</b>	means a general meeting of the Members of the Company;
<b>“the holder”</b>	in relation to shares means the Member whose name is entered in the register of members;
<b>“including”</b>	means “including without limitation” and “include” and “includes” are to be construed accordingly;
<b>“Interested Director”</b>	has the meaning given in Article 29.1.1;
<b>“Member”</b>	means a shareholder for the time being of the Company;
<b>“Objects”</b>	has the meaning given in Article 4;
<b>“Observers”</b>	means those persons (other than Directors) present under Article 34 at a Trading Board Meeting;
<b>“the Parent Charity”</b>	means Mind (The National Association for Mental Health) a charitable company limited by guarantee (company number 00424348 and charity number 219830);
<b>“Registered Office”</b>	means the registered office of the Company;
<b>“Relevant Director”</b>	has the meaning given in Article 39.4.1;
<b>“Relevant Loss”</b>	has the meaning given in Article 39.4.2;
<b>“Secretary”</b>	means the secretary of the Company or any other person appointed to perform the duties of the

secretary of the Company including a joint, assistant or deputy secretary;

**“Share”** means a share of any type in the capital of the Company (and includes both a fully paid and a partly paid share);

**“Standing Orders”** means standing orders made by the Trading Board under Article 44; and

**“United Kingdom”** means Great Britain and Northern Ireland.

**7.2 In these Articles:**

7.2.1 terms defined in the Act are to have the same meaning;

7.2.2 references to the singular include the plural and vice versa, to the whole include part and vice versa, and to the masculine include the feminine and neuter and vice versa;

7.2.3 references to “organisations” or “persons” include corporate bodies, public bodies, unincorporated associations and partnerships;

7.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and all regulations, determinations and directions made or given under it; and

7.2.5 the index and headings are not to affect their interpretation.

**8. MODEL ARTICLES**

The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 do not apply to the Company.

## **PART B. SHARE CAPITAL**

### **9. ISSUE OF SHARES**

- 9.1 Except as required by law, no person is to be recognised by the Company as holding a Share on trust. The Company is not bound to recognise any interest in a Share other than the holder's absolute right to it.
- 9.2 Unless the Members decide otherwise by special resolution, shares in the Company may only be issued to the Parent Charity.
- 9.3 An offer of shares not being made in accordance with Article 9.2 must be made by giving notice to each of the Members specifying the number of Shares offered. It must give at least 21 days for the offer to be accepted.
- 9.4 Any Shares which are not accepted within the 21 day period under Article 9.3 will be deemed to have been declined and must be offered, in the same proportions, to the Members who have accepted the Shares offered to them. The further offer must be made on the same terms and subject to the same notice period as the original offer.
- 9.5 Any Shares not accepted (except by way of fractions) under Articles 9.3 or 9.4 and any Shares released from this Article by a special resolution are to be under the control of the Trading Board. The Trading Board may dispose of them as they decide but no Shares refused by the existing Members may be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the Members.
- 9.6 Sections 561 and 562 of the Act do not apply to the Company.

### **10. SHARE CERTIFICATES**

- 10.1 Members are entitled without payment to one certificate for all the Shares of each class they hold (and, on transferring part of their Shares, to a certificate for the balance of their holding).
- 10.2 Every Share certificate must:
  - 10.2.1 specify the number, class and distinguishing numbers (if any) of the Shares to which it relates;
  - 10.2.2 specify the amount paid up for the Shares; and
  - 10.2.3 be executed by the Company.
- 10.3 The Company need not issue more than one certificate for Shares held jointly. The delivery of a certificate to one joint holder is a sufficient delivery to all of them.
- 10.4 If a Share certificate becomes defaced or worn out or is lost or destroyed it may be renewed. The Trading Board may specify conditions to be satisfied before it is renewed. Those conditions may relate to evidence, indemnity and provide for the payment of the Company's reasonable costs in investigating evidence. Apart from any payments due as a result of compliance with the Trading Boards' conditions no other charge may be

made. If the Share certificate is defaced or wearing out the old certificate must be delivered to the Company before it can be renewed.

## **11. LIEN**

- 11.1 The Company is to have a first and paramount lien on every Share registered in the name of any person indebted or under a liability to the Company, (including a Share held jointly with another person) for all money payable by the holder or the holder's estate to the Company. The Trading Board may exempt a Share from this Article at any time.
- 11.2 The Company may sell any Shares on which the Company has a lien if the debt secured by the lien is not paid within 14 clear days after notifying the holder of the Share (or the person entitled to it in consequence of the death or bankruptcy of the holder), demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 11.3 In order to give effect to a sale the Trading Board may authorise any person to sign a transfer of the Shares to, or as directed by the purchaser. The title of the purchaser will not be affected by any irregularity in or invalidity of the sale proceedings.
- 11.4 The net proceeds of the sale must be applied to discharge the debt secured by the lien. Any residue is to be paid to the person entitled to the Shares at the date of the sale when he/she surrenders the certificate for the Shares sold to the Company for cancellation.

## **12. CALLS ON SHARES AND FORFEITURE**

- 12.1 Subject to the terms of allotment, the Trading Board may make calls on the Members for any money unpaid on their Shares (whether in respect of nominal value or premium). A call is made when the Trading Board resolution authorising the call is passed.
- 12.2 Each Member must (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay the Company the amount called as required by the notice. A call may require payment in instalments. A person on whom a call is made will remain liable for the call made even if the Shares on which it was made are later transferred. The joint holders of a Share are jointly and severally liable to pay all calls on it.
- 12.3 If a call is unpaid after it is due the person from whom it is payable must pay interest on the unpaid amount from when it became due until payment. The rate must be fixed by the terms of allotment of the Share or in the notice of the call. If no rate is fixed the rate is to be the appropriate rate (as defined in the Act). The Trading Board may waive payment of the interest.
- 12.4 An amount payable on a Share on allotment on a fixed date (for the nominal value or a premium or as an instalment of a call) is to be deemed to be a call. If it is not paid this Article is to apply as if it had become payable because of a call.
- 12.5 Subject to the terms of allotment, the Trading Board may make different arrangements on the issue of Shares for the holders of the amounts and times of payment of calls on their Shares.
- 12.6 A call may be revoked before the Company receives the sum due under it. Payment of a call may also be postponed.

- 12.7 If a call remains unpaid after it has become due the Trading Board may give the person by whom it is payable at least 14 clear days' notice requiring payment of the call and any interest due and all expenses that may have been incurred by the Company as a result of the non-payment. The notice must state where payment is to be made and that, if it is not complied with, the Shares on which the call was made are liable to be forfeited.
- 12.8 If the notice is not complied with then, before the payment it required is made, the Shares on which it was given may be forfeited by a resolution of the Trading Board. The forfeiture is to include all dividends or other money payable on the forfeited Shares which were not paid before the forfeiture.
- 12.9 Subject to the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of as the Trading Board decides. This may be to its holder before the forfeiture or to any other person. At any time before the sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Trading Board decides. Where a forfeited Share is to be transferred to any person the Trading Board may authorise any person to sign the Share transfer to that person.
- 12.10 Where a Member's Shares have been forfeited he/she will cease to be a Member in respect of them. He/she must surrender the certificate for the Shares forfeited to the Company for cancellation. He/she is still liable to the Company for all money which, at the date of forfeiture, was payable to the Company on them plus interest at the interest rate before forfeiture or, if no interest was payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment. The Trading Board may waive payment or enforce payment without allowing for the value of the Shares at the time of forfeiture or the consideration received on their disposal.
- 12.11 A statutory declaration by a Director or the Secretary that a Share has been forfeited on a specified date is to be conclusive evidence of the fact stated in it as against all persons claiming to be entitled to the Share. The declaration is (subject to the execution of an instrument of transfer if necessary) to constitute a good title to the Share. The purchaser of the Share is not bound to see to the application of the consideration, if any. His/her title to the Share is not to be affected by any irregularity in or invalidity of the forfeiture or disposal proceedings.

### **13. TRANSFER OF SHARES**

- 13.1 A Share transfer may be in any usual form or in any other form the Trading Board approves. It must be signed by or on behalf of the transferor.
- 13.2 Whilst the Parent Charity continues to be a Member, the Trading Board may not register a Share transfer without the consent of the Parent Charity. No Share shall be transferred except with the consent of the Parent Charity who may in its absolute discretion and without giving any reason decline to give consent to the transfer of any Share.
- 13.3 The Trading Board may in its absolute discretion and without giving any reason refuse to register a Share transfer. If the Trading Board refuses to register a Share transfer it must notify the transferee of the refusal within two months after the date the transfer was lodged with the Company.
- 13.4 No fee may be charged for the registration of any transfer or other document relating to or affecting the title to any Share.

- 13.5 The Company may retain a transfer document which is registered, but any transfer which the Trading Board refuses to register must (except in any case of fraud) be returned to the person lodging it when notice of the refusal is given.
- 13.6 The Trading Board may destroy all instruments of transfer of Shares of the Company which have been registered in any manner that the Trading Board approves as long as:
- 13.6.1 six years have passed since the date of registration of the transfer;
  - 13.6.2 the Trading Board acts in good faith; and
  - 13.6.3 at the date of destruction, the Trading Board has no notice of any claim to which the instrument of transfer might be relevant.
- 13.7 The Trading Board may destroy all registered Share Certificates which have been cancelled in any manner that the Trading Board approves as long as:
- 13.7.1 at least 3 years have passed since the date of cancellation of the Share certificate; and
  - 13.7.2 the Trading Board acts in good faith; and
  - 13.7.3 at the date of destruction the Trading Board has no notice of any claim to which the Share certificate might be relevant.
- 13.8 It is to be conclusively presumed in favour of the Company that any instrument of transfer destroyed in accordance with Article 13.6 was a valid and effective instrument duly and properly registered and that any Share certificate destroyed in accordance with Article 13.7 was a valid certificate duly and properly cancelled.
- 13.9 Nothing in this Article 13 is to impose any liability on the Company in relation to any instrument of transfer or Share certificate where the conditions specified in Articles 13.6 or 13.7 (as appropriate) have not been fulfilled.

#### **14. ALTERATION OF SHARE CAPITAL**

- 14.1 The Company may by ordinary resolution:
- 14.1.1 increase its share capital by new Shares of such amount as the resolution prescribes;
  - 14.1.2 consolidate and divide its Share capital into Shares of larger amount than its existing Shares;
  - 14.1.3 subject to the Act, sub-divide any of its Shares into Shares of smaller amount and create a preference in favour of some of the Shares resulting from the subdivision over the others; and/or
  - 14.1.4 cancel unissued Shares which have not been agreed to be taken up and reduce its Share capital by the amount of the cancelled Shares.
- 14.2 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account.



## **PART C. GENERAL MEETINGS**

### **15. GENERAL MEETINGS**

- 15.1 The Directors may call General Meetings.
- 15.2 On receiving a request from Members holding 5% or more of such of the paid up capital of the Company as carries the right of voting at General Meetings the Trading Board must promptly convene a General Meeting in accordance with section 303 of the Act.
- 15.3 There is no requirement to hold an Annual General Meeting but the Directors may choose to hold one if they wish.

### **16. NOTICE OF GENERAL MEETINGS**

- 16.1 A General Meeting must be called by at least 14 clear days' notice.
- 16.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Members who may attend and vote and who together hold 90% or more in nominal value of the Shares giving that right.
- 16.3 The notice must specify:
  - 16.3.1 the time and place of the General Meeting; and
  - 16.3.2 the general nature of the business to be transacted.
- 16.4 Notice of a General Meeting must be given to all of the Members, the Directors and the Company's auditors (if any).
- 16.5 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.
- 16.6 Subject to the Act no business may be transacted at a General Meeting except that specified in the notice convening the General Meeting.

### **17. QUORUM FOR GENERAL MEETINGS**

- 17.1 No business may be transacted at a General Meeting unless a quorum is present.
- 17.2 A quorum is one Member who is entitled to vote upon the business to be transacted present in person or by duly authorised representative but, whilst the Parent Charity continues to be a Member, in order for a General Meeting to be quorate a representative of the Parent Charity must be present.
- 17.3 A Member may be part of the quorum for a General Meeting if he/she can hear, comment and vote on the proceedings through telephone video conferencing or other communications equipment.
- 17.4 If a quorum is not present within 30 minutes from the time of the General Meeting or a quorum ceases to be present for a continuous period of 30 minutes during a General Meeting it must be adjourned to such time and place as the Trading Board decides.

17.5 Notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Members.

17.6 If a quorum is not present within 30 minutes from the time of the adjourned General Meeting it is to be dissolved.

## **18. CHAIR AT GENERAL MEETINGS**

18.1 The Chair of the Trading Board is to chair General Meetings.

18.2 If the Chair of the Trading Board is not present within 10 minutes from the time of the General Meeting or is unwilling to act another Director nominated by the Trading Board must chair the General Meeting.

18.3 If neither the Chair nor a Director nominated under Article 18.2 is present and willing to act within 10 minutes from the time of the General Meeting the Members present and entitled to vote must choose one of their number (who must be a Director if a Director is present and willing to act) to chair the General Meeting.

## **19. ADJOURNMENT OF GENERAL MEETINGS**

19.1 The Chair may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.

19.2 The Chair may also, without the consent of a General Meeting, adjourn it (whether or not it has commenced or is quorate) if it appears to the Chair that:

19.2.1 unruly conduct is likely to prevent the orderly holding of the meeting; or

19.2.2 an adjournment is necessary for the business of the meeting to be conducted properly.

19.3 When a meeting is adjourned under Article 19.1, the time and place for the adjourned meeting is either to be fixed by the Chair at the time of the adjournment or in default it is to be fixed by the Trading Board.

19.4 The only business which may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting which was adjourned.

19.5 It is not necessary to give notice of a General Meeting which is adjourned under Article 19.1 or Article 19.2 unless it is adjourned for 14 days or more, in which case 7 clear days' notice must be given.

19.6 Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

## **20. VOTING AT GENERAL MEETINGS**

20.1 Resolutions are to be decided on a show of hands unless a ballot is properly demanded.

- 20.2 Every Member present in person or by representative or by proxy has one vote on a show of hands.
- 20.3 Directors who are not Members may speak but not vote at General Meetings
- 20.4 If there is an equality of votes on a show of hands or a ballot the Chair is not entitled to a second or casting vote.
- 20.5 An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chair whose decision is final.
- 20.6 A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a ballot is demanded.

## **21. BALLOTS**

- 21.1 A ballot may be demanded at any time during the General Meeting by the Chair or any Member.
- 21.2 The demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.
- 21.3 A ballot must be taken immediately. The Chair may appoint scrutineers (who need not be Members).
- 21.4 On a ballot each Member present in person or by proxy is to have one vote for each Share held.

## **22. PROXIES**

- 22.1 A Member may appoint a proxy in writing. A proxy need not be a Member. The Trading Board may from time to time prescribe a form to appoint a proxy by Standing Orders. A proxy may not appoint another proxy.
- 22.2 Votes may be cast in a ballot either personally or by proxy. The document appointing a proxy may instruct the proxy which way to vote on particular resolutions.
- 22.3 A proxy will only be valid if the document appointing a proxy (and any power of attorney or other authority (if any) under which it is signed) or a properly certified copy is deposited at the Registered Office at least 24 hours before the starting time for the General Meeting adjourned General Meeting or ballot at which the proxy proposes to vote.
- 22.4 No document appointing a proxy will be valid for more than 12 months.
- 22.5 A vote given or ballot demanded by proxy or by the duly authorised representative of an organisation which is a Member is to be valid despite the revocation of the proxy or authorisation or the death or insanity of the principal unless written notice of the death, insanity or revocation is received at the Registered Office before the start of the General Meeting or adjourned General Meeting at which the proxy is used.

## **23. MINUTES OF GENERAL MEETING**

The Secretary must keep minutes of all General Meetings.

## **24. MEMBERS' WRITTEN RESOLUTIONS**

- 24.1 Subject to the Act, a written resolution approved by the required majority of eligible Members (provided those Members would constitute a quorum at a General Meeting) is as valid as if it had been passed at a General Meeting.
- 24.2 A resolution under Article 24.1 may consist of several documents in similar form each approved by one or more Company Members.
- 24.3 A resolution under Article 24.1 may be signed for a corporate body which is a Member by its authorised representative, a director or secretary, its solicitor or by an attorney.

## **PART D. DIRECTORS**

### **25. NUMBER OF AND APPOINTMENT OF DIRECTORS**

25.1 No person may be appointed as a Director:

25.1.1 unless he/she is over 18; or

25.1.2 if he/she would immediately cease to be a Director under Article 26.

25.2 On or before the appointment of a person as a Director the person must either sign the prescribed Companies House form for the appointment of a Director or provide the information necessary to register the person online at Companies House as a Director. The appointment of any person as a Director, who has not complied with the requirements of this Article 25.2 within one month of appointment, is to lapse unless the Trading Board resolves that there is good cause for the delay.

25.3 The minimum number of Directors is three and the maximum number of Directors is ten. Two of the Directors must be directors of the Parent Charity.

25.4 All of the Directors are to be appointed by the Parent Charity (subject to Articles 25.1 and 25.2).

25.5 The Parent Charity may remove any or all of the Directors at any time (subject to the provisions of the Act).

25.6 All Directors shall serve (subject to Article 26) until the start of the next General Meeting held immediately following the third anniversary of their appointment (such term being as close to 3 years as practicable) but are eligible for reappointment.

25.7 No Director may be appointed except as set out in the Articles.

25.8 Subject to Articles 25.1 and 25.2 the appointment of a Director under Article 25.4 is to take effect when the Parent Charity gives written notice of that appointment to:

25.8.1 the Registered Office;

25.8.2 a Trading Board Meeting; or

25.8.3 the Secretary.

### **26. RETIREMENT AND REMOVAL OF DIRECTORS**

26.1 A Director will cease to hold office if he/she:-

26.1.1 dies;

26.1.2 ceases to be a director under the Act or is prohibited by law from being a director;

26.1.3 in the reasonable opinion of the Trading Board, becomes incapable of fulfilling his/her duties and responsibilities as a Director because of illness or injury and the Trading Board resolves that he/she be removed as a Director;

- 26.1.4 is declared bankrupt or makes any arrangement or composition with his/her creditors;
- 26.1.5 is in the opinion of the Trading Board guilty of conduct detrimental to the interests of the Company and the Trading Board resolves by a 75% majority of the Directors present and voting at a properly convened Trading Board Meeting that he should be removed (provided that the Director concerned has first been given an opportunity to put his/her case and to justify why he/she should not be removed as a Director);
- 26.1.6 resigns by written notice to the Company at the Registered Office;
- 26.1.7 is absent without good reason from three consecutive Trading Board Meetings held no more frequently than once per month and the Trading Board resolves (by a 75% majority of the Directors present and voting at a properly convened Trading Board Meeting) that he/she should cease to be a Director;
- 26.1.8 his/her term of office comes to an end and he/she is not re-appointed in accordance with Article 25.6; or
- 26.1.9 he/she is removed as Director under Article 25.5.

## **27. DIRECTORS' REMUNERATION AND EXPENSES**

- 27.1 Directors are to be paid such remuneration (if any) as the Members decide by ordinary resolution. Unless the resolution states otherwise, it is deemed to accrue from day to day.
- 27.2 Directors are entitled to be paid all reasonable expenses properly incurred by them in attending Trading Board Meetings and General Meetings and in carrying out their duties as Directors.

## **28. DIRECTORS' OBLIGATIONS**

- 28.1 The Trading Board may set out in writing the principal obligations of every Director to the Trading Board and to the Company (a "statement of obligations"). The statement of obligations is not intended to be exhaustive and the Trading Board may review and amend it from time to time.
- 28.2 The statement of obligations may include (but are not obliged to, and shall not necessarily be limited to):
  - 28.2.1 a commitment to its values and objectives including equal opportunities;
  - 28.2.2 an obligation to contribute to and share responsibility for the Trading Board's decisions;
  - 28.2.3 an obligation to read Trading Board papers and to attend meetings, training sessions and other relevant events;
  - 28.2.4 an obligation to declare relevant interests;

- 28.2.5 an obligation (subject to any overriding legally binding requirement to the contrary) to keep confidential the affairs of the Trading Board;
- 28.2.6 an obligation to comply with fiduciary duties, including:
- (a) to act in the best interests of the Company;
  - (b) to declare any interests a Director may have in accordance with Article 29 and not put himself/herself in a position where his/her personal interest or his/her duty owed to another conflicts with the duties owed to the Company;
  - (c) to secure the proper and effective use of the Company's property;
  - (d) to act personally;
  - (e) to act within the scope of any authority given;
  - (f) to use the proper degree of skill and care when making decisions, particularly when investing funds;
  - (g) to act in accordance with the Articles.
  - (h) such other obligations as the Trading Board deems appropriate or necessary from time taking account of the law and best practice in this area.
- 28.3 If required to do so by the Trading Board, a Director must confirm in writing to the Trading Board that he/she will meet his/her obligations to the Trading Board and to the Company as set out in the statement of obligations within one month of his/her appointment.
- 28.4 The Director's obligations under this article are in addition to the duties and obligations imposed upon the Directors by company law (whether under the Act or otherwise).

## **29. CONFLICTS OF INTEREST AND TRADING BOARD MEMBER CONDUCT**

### **29.1**

- 29.1.1 In Article 29.1.5 and Article 29.1.6 and subject to Article 29.1.3, an "Interested Director" means a Director who has an interest in any contract, proposed contract, arrangement or dealing with the Company and who must declare his/her interest under section 177 of the Act before the matter is discussed by the Trading Board.
- 29.1.2 For the purposes of Article 29.1.1:
- (a) a general notice to the Trading Board that a Director has an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested is to be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent specified; and
  - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him/her to have knowledge is not be treated as an interest.

- 29.1.3 An interest of a person who is connected with a Director (as defined in the Act) is to be treated as an interest of the Director.
- 29.1.4 A Director who has a direct or indirect personal financial interest which is material in a matter being considered by the Trading Board must leave the Trading Board Meeting whilst the question is discussed or decided without taking part in the discussion or decision and may not count towards the quorum for that item.
- 29.1.5 In the event that there are not sufficient Directors to hold a quorate Trading Board Meeting to consider the relevant matter because there is one or more Interested Directors and Interested Directors are not permitted to form part of the quorum, then those Interested Directors may form part of the quorum for the purposes of agreeing to circulate an ordinary resolution to the Members of the Company detailing the extent of the conflict and requesting the Members to authorise the Interested Director's conflict of interest.
- 29.1.6 In the event that a resolution is passed by the Members in accordance with Article 29.1.5 the Interested Director may then count as part of the quorum and for voting purposes at the Trading Board Meeting in relation to the relevant matter.
- 29.1.7 A Director who holds an interest in an issue being discussed at a Trading Board Meeting solely as a director, officer or employee of the Parent Charity may, after declaring that interest under Article 29.1.1, count towards the quorum and take full part in the discussion and voting.
- 29.1.8 Subject to his/her duty to act in the best interests of the Company, a Director who holds an interest other than in a personal financial capacity or as a Director, officer or employee of the Parent Charity may, after declaring his/her interest, and subject to the right of the remaining Directors to resolve that he/she should withdraw and not vote on a particular matter, count towards the quorum and take full part in the discussion and voting.
- 29.1.9 The Company may by ordinary resolution suspend or relax any Articles prohibiting a Director from voting at a Trading Board Meeting either generally or for a particular matter.
- 29.1.10 If a question arises at a Trading Board Meeting as to the right of a Director to vote, the question may be referred to the Chair of the meeting and the Chair's ruling given at the meeting in relation to any Director other than himself/herself is to be conclusive.
- 29.1.11 A decision of the Trading Board will not be invalid because of the subsequent discovery of an interest which should have been declared.
- 29.1.12 Any Director may make such disclosure to the Parent Charity as to the business and affairs of the Company as the Director in his/her absolute discretion determines.

## **29.2 Complaints about conduct**



- 29.2.1 If the Chair receives a written complaint identifying the complainant and alleging conduct by a Director that in his/her reasonable opinion is detrimental to the interests of the Company and/or the Parent Charity and suggests that there is a prima facie case for the complaint to be investigated in accordance with the provisions of this Article he/she may suspend the Director concerned.
- 29.2.2 Conduct detrimental to the interests of the Company includes, without limitation:
- (a) any breach of a Director's obligations as set out in the statement of obligations of Directors signed by him/her under Article 28.3 or otherwise; and
  - (b) conviction of any offence which has or is likely to bring the Company and/or the Parent Charity into disrepute.
- 29.2.3 Where the Chair is absent or unable or unwilling to act in relation to the complaint or the complaint is about the Chair then an authorised representative of the Parent Charity may exercise the power to suspend the Chair or a Director under Article 29.2.1 in the same circumstances as the Chair.
- 29.2.4 The Director whose conduct is complained of must immediately be notified in writing either by the Secretary (if any) or by the Chair or by an authorised representative of the Parent Charity of the complaint and of any suspension which if exercised under Article 29.2.1 or Article 29.2.3 will be effective from the date of the notice. During the period of any suspension the Director must not:
- (a) participate in a Trading Board Meeting;
  - (b) authorise or incur expenditure on behalf of the Company;
  - (c) make use of any property belonging to or in use by the Company in his/her capacity as a Director;
  - (d) hold himself/herself out as a Director of the Company; or
  - (e) seek to commit the Company to any obligation.
- 29.2.5 On receipt of a complaint under Article 29.2.1 the Chair or the authorised representative of the Parent Charity must immediately refer the matter for a fair process of investigation, which may be carried out by a panel established for the purpose, an independent person or persons, or such other body as the Chair or the or the authorised representative of the Parent Charity acting reasonably shall appoint, including under such procedure for dealing with complaints as the Trading Board may from time to time approve.

## **PART E. TRADING BOARD MEETINGS**

### **30. POWERS AND FUNCTIONS OF THE TRADING BOARD**

- 30.1 Subject to the Act, and these Articles, the business of the Company is to be managed by the Trading Board who may exercise all the powers of the Company.
- 30.2 Alterations of these Articles do not invalidate earlier acts of the Trading Board which would have been valid without the alteration.
- 30.3 The Trading Board must direct the Company's affairs in such a way as to promote the values and objectives of the Company. Its functions include:
- 30.3.1 defining and ensuring compliance with the values of the Company;
  - 30.3.2 establishing policies and plans to achieve these objectives;
  - 30.3.3 appraising each year's budget and accounts before publication;
  - 30.3.4 establishing and overseeing a framework of delegation of its powers to committees and employees with proper systems of control;
  - 30.3.5 monitoring the Company's budget in relation to its plans, budget controls and decisions;
  - 30.3.6 appointing (and if necessary removing) employees;
  - 30.3.7 satisfying itself that the Company's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
  - 30.3.8 ensuring that appropriate advice is taken on the items listed in this Article 30.3 and in particular on matters of legal compliance and financial viability.

### **31. TRADING BOARD MEETINGS**

- 31.1 Subject to the Articles, the Trading Board may regulate Trading Board Meetings as it wishes.
- 31.2 Trading Board Meetings are to be called:
- 31.2.1 by the Secretary;
  - 31.2.2 by notice in writing to the Secretary from the Chair or any two other Directors which specifies the business to be transacted; or
  - 31.2.3 under Article 31.4.
- 31.3 The Secretary must call a Trading Board Meeting for a time as soon as reasonably practicable from the receipt of a notice under Article 31.2.2.
- 31.4 If the Secretary fails to convene the Trading Board Meeting within 14 days of the receipt of a notice under Article 31.2.2 it may be called by the Chair or the two Directors (as the case may be) who requested it.

31.5 The Secretary (or the Chair or two Directors calling the Trading Board Meeting, as the case may be) must give 5 clear days' notice of Trading Board Meetings to each of the Directors but it is not necessary to give notice of a Trading Board Meeting to a Director who is out of the United Kingdom.

31.6 A Trading Board Meeting which is called on shorter notice than required under Article 31.5 is deemed to have been duly called if this is agreed by 75% or more of the total number of Directors of the Company at the time of the Trading Board Meeting.

31.6.1 Questions arising at a Trading Board Meeting are to be decided by a majority of votes.

31.6.2 If there is an equality of votes the Chair is entitled to a casting vote.

31.6.3 A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Trading Board is unaware at the time does not invalidate decisions taken in good faith.

## **32. QUORUM FOR TRADING BOARD MEETINGS**

32.1 The quorum for Trading Board Meetings is at least 50% plus 1 from the Parent Charity.

32.2 A Director may be part of the quorum of a Trading Board Meeting if he/she can hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

32.3 The Trading Board may act despite vacancies in its number but if the number of Directors is less than the minimum the Trading Board may act only to call a General Meeting.

32.4 At an inquorate Trading Board Meeting or one which becomes inquorate for more than 20 minutes the Directors present may act only to adjourn it or to call a General Meeting.

## **33. MINUTES**

33.1 The Trading Board must arrange for minutes to be kept of all Trading Board Meetings. The names of the Directors present should be included in the minutes.

33.2 Copies of the draft minutes of Trading Board Meetings must be distributed to the Directors as soon as reasonably possible after the meeting.

33.3 Minutes must be approved as a correct record at the next Trading Board Meeting (as regards minutes of Trading Board Meetings). Once approved minutes must be signed by the person chairing the Trading Board Meeting at which they are approved.

## **34. OBSERVERS**

34.1 The Trading Board may allow individuals who are not Directors to attend Trading Board Meetings as Observers on whatever terms they decide.

34.2 Observers may not vote, but may take part in discussions unless the Trading Board decides otherwise.

- 34.3 The Trading Board may exclude Observers from any part of a Trading Board Meeting where the Trading Board considers the business is private.

## **35. DELEGATION**

- 35.1 The Trading Board may:

- 35.1.1 establish Committees consisting of those persons the Trading Board decide (including people who are not Directors);
- 35.1.2 delegate to a Committee any of its powers;
- 35.1.3 determine the quorum for Committee meetings; and
- 35.1.4 revoke a delegation at any time.

- 35.2 The members of a Committee are to be appointed by the Trading Board to hold office for whatever period the Trading Board decides and may be removed or replaced by the Trading Board at any time.

- 35.3 The Trading Board may specify any financial limits within which a Committee must function and may authorise a Committee to operate any bank account. The Trading Board may specify how that account must be operated.

- 35.4 The Trading Board may also delegate to any Director, officer or employee of the Company or any person seconded to or providing services to the Company such of their powers as they consider desirable to be exercised by him/her.

## **36. DIRECTORS' WRITTEN RESOLUTIONS**

- 36.1 A written resolution signed by all the Directors entitled to receive notice of a Trading Board Meeting (provided they would be a quorum at a Trading Board Meeting) is as valid as if it had been passed at a Trading Board Meeting.

- 36.2 A written resolution signed by all members of a Committee (provided they would be a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.

- 36.3 A resolution under Articles 36.1 or 36.2 may consist of several documents in similar form each signed by one or more of the Directors or Committee members and will be treated as passed on the date of the last signature.

## **PART F. OFFICERS**

### **37. CHAIR**

- 37.1 The Company may have a Chair. The Chair, who must be a Director, is to be appointed by:
- 37.1.1 the Parent Charity (by giving notice to the Company in writing); or
  - 37.1.2 in the event of the Parent Charity not having appointed a Chair, the Trading Board.
- 37.2 The Chair is to hold office until the start of the first Trading Board Meeting after a fixed period of 3 years from his/her appointment but is eligible for reappointment up to a maximum of 3 terms.
- 37.3 A Chair may resign from his/her position at any time (without necessarily resigning as a Director at the same time).
- 37.4 Where there is no Chair the first item of business of a Trading Board Meeting must be to elect one.
- 37.5 Where a Chair is elected by the Trading Board in accordance with Article 37.1.2, the Company shall notify the Parent Charity of such election in writing with 7 days.
- 37.6 The Parent Charity may terminate the Chair's appointment at any time, by giving notice to the Company in writing (without necessarily terminating his/her appointment as a Director).
- 37.7 Unless in accordance with Articles 37.2 or 37.6, the Chair may be removed only at a Trading Board Meeting called for the purpose where the resolution to remove him/her is passed by 75% of the Directors who are present and voting. The Chair must be given an opportunity to say why he/she should not be removed.
- 37.8 The Chair is to chair all Trading Board Meetings and General Meetings at which he/she is present unless he/she does not wish to do so.
- 37.9 If the Chair is not present within 10 minutes after the starting time of a Trading Board Meeting or does not wish to chair the Trading Board Meeting, the Trading Board shall appoint another Director to chair that Trading Board Meeting during the Chair's absence.
- 37.10 The functions of the Chair are:-
- 37.10.1 to ensure that Trading Board Meetings and General Meetings are conducted efficiently;
  - 37.10.2 to give Directors an opportunity to express their views;
  - 37.10.3 to ensure that the Trading Board directs the Company's affairs in accordance with Article 29;
  - 37.10.4 to ensure that the Trading Board monitors the use of delegated powers;

37.10.5 to encourage the Trading Board to take professional advice when it is needed;

37.10.6 to act as a figurehead for the Company; and

37.10.7 to ensure the Company's affairs are conducted properly.

### **38. THE SECRETARY**

38.1 The Trading Board may (but need not) with the prior written approval of the Parent appoint a Secretary for such a term and at such a salary (if any) as the Trading Board decides.

38.2 A Secretary may be removed by the Trading Board at any time.

### **39. INDEMNITIES AND INSURANCE**

39.1 No officer or employee is to be liable for losses suffered by the Company except those due to his/her own dishonesty or gross negligence.

39.2 Subject to the Act every Director, officer or employee is to be indemnified by the Company against any liability incurred in the discharge of his/her duties or in that capacity in defending any civil or criminal proceedings as long as:

39.2.1 judgement is given in his/her favour (or the proceedings are dealt with without a finding or admission of a material breach of duty by him/her);

39.2.2 he/she is acquitted; or

39.2.3 relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

39.3 Subject to the written consent of the Parent, the Trading Board may decide to purchase and maintain insurance, in the name and at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.

39.4 In Article 39.3:

39.4.1 a "Relevant Director" means any Director or former Director; and

39.4.2 a "Relevant Loss" means any loss or liability which has or may be incurred by a Relevant Director in connection with that Director's duties or powers in relation to the Company; the Parent Charity; or any pension fund or employees' share scheme of the Company or Parent Charity.

## **PART G. STATUTORY AND MISCELLANEOUS**

### **40. ACCOUNTS ANNUAL REPORT AND CONFIRMATION STATEMENT**

40.1 The Company must comply with the Act in:-

40.1.1 preparing and filing an annual Directors' report and annual accounts; and

40.1.2 making a confirmation statement to the Registrar of Companies House.

40.2 The Company must comply with the Act in relation to the audit or examination of accounts (to the extent that the law requires).

40.3 The annual Directors' report and accounts must contain:-

40.3.1 revenue accounts and balance sheet for the last accounting period;

40.3.2 the auditor's report on those accounts (if applicable); and

40.3.3 the Trading Board's report on the affairs of the Company.

40.4 The accounting records of the Company must always be open to inspection by a Director.

### **41. BANK AND BUILDING SOCIETY ACCOUNTS**

41.1 All bank and building society accounts must be operated by the Directors and must include the name of the Company.

41.2 Cheques and orders for the payment of money must be signed in accordance with the Trading Board's instructions.

### **42. EXECUTION OF DOCUMENTS**

42.1 Unless the Trading Board decides otherwise, documents which are executed as deeds must be signed by:

42.1.1 two Directors;

42.1.2 one Director and the Secretary; or

42.1.3 one Director in the presence of a witness who attests the signature of the Director.

### **43. NOTICES**

43.1 Notices under the Articles must be in writing (except notices calling Trading Board Meetings) or shall be given using Electronic Communications to an address for the time being notified for that purpose to the person giving the notice.

43.2 A Member present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.

43.3 The Company may give a notice to a Member, Director or auditor either:

- 43.3.1 personally;
- 43.3.2 by sending it by post in a prepaid envelope;
- 43.3.3 by facsimile transmission;
- 43.3.4 by leaving it at his/her address; or
- 43.3.5 by Electronic Communication to an address notified for such purposes to the Company by the Member.

43.4 Notices under Article 43.3.2 may be sent:

- 43.4.1 to an address in the United Kingdom which that person has given the Company;
- 43.4.2 to the last known home or business address of the person to be served; or
- 43.4.3 to that person's address in the Company's register of Members.

43.5 Proof that an envelope containing a notice was properly addressed prepaid and posted is conclusive evidence that the notice was given 48 hours after it was posted.

43.6 Proof that a facsimile transmission was made is conclusive evidence that the notice was given at the time stated on the transmission report.

43.7 A notice may be served on the Company by delivering it or sending it to the Registered Office or by handing it to the Secretary.

43.8 The Trading Board may make standing orders to define other acceptable methods of delivering notices by electronic mail or other means.

43.9 In these Articles "address" in relation to Electronic Communications includes any number or address for the purposes of such communications.

#### **44. STANDING ORDERS**

44.1 Subject to Article 44.4:

- 44.1.1 the Trading Board may from time to time make standing orders for the proper conduct and management of the Company; and
- 44.1.2 the Company in General Meeting may alter, add to or repeal the standing orders.

44.2 The Trading Board must adopt such means as they think sufficient to bring the standing orders to the notice of the Members.

44.3 Standing orders are binding on all Members and Directors.

44.4 No standing order may be inconsistent with or may affect or repeal anything in these Articles.



## **45. MINUTES**

- 45.1 The Trading Board must arrange for minutes to be kept of all General Meetings and Trading Board Meetings. The names of the Directors present must be included in the minutes.
- 45.2 Copies of the draft minutes of Trading Board Meetings must be distributed to the Directors as soon as reasonably possible after the Trading Board Meeting and in any case seven days before the next Trading Board Meeting (unless the next Trading Board Meeting is an urgent Trading Board Meeting).
- 45.3 Minutes must be approved as a correct record at the next General Meeting (as regards minutes of General Meetings) or Trading Board Meeting (as regards minutes of Trading Board Meetings). Once approved they must be signed by the person chairing the meeting at which they are approved.
- 45.4 The Trading Board must keep minutes of all of the appointments made by the Trading Board.