

SATURDAY



RM 24/09/2016 #167
COMPANIES HOUSE



**THE COMPANIES ACT 2006 AND THE CHARITIES ACT 2011
SPECIAL RESOLUTION**

TEES VALLEY ARTS

Registered in England and Wales Company No 01656560; Charity No 515369
01656560

CHANGE OF ARTICLES OF ASSOCIATION

At an Extraordinary General Meeting of the members of the above named company, duly convened and held at Royal Middlehaven House, 21 Gosford Street, Middlesbrough, North Yorkshire, TS2 1BB on 7th September 2016 at 17 15

The following Special Resolution was passed

That the Articles of Association of the company be modified as follows

I Commencing on Page 3, Article 6 and Page 4, Articles 7 through 9, and words and meanings that.

Application of income and property

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- (1) The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company (and no member of its Board of Management shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company)

Provided that nothing herein shall prevent any payment in good faith by the Company

- (a) of reasonable and proper remuneration to any member, officer or servant of the Company (not being a member of its Board of Management) for any services rendered to the Company,
- (b) of interest on money lent by any member of the Company (or of its Board of Management) at a rate per annum not exceeding 2 per cent less than the minimum lending rate prescribed for the time being by the Bank of England, or 3 per cent whichever is greater,
- (c) of reasonable and proper rent for premises demised or let by any member of the Company (or of its Board of Management),
- (d) to any member of its Board of out-of-pocket expenses
- (e) Any member of the Board of management (or any firm or company of which a member of the Board is a member or employee) may enter into a contract with the Company to supply goods or services in return for a payment or other material benefit but only if
 - (i) the goods or services are actually required by the Company
 - (ii) the nature and level of remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in clause (4) below
 - (iii) no more than one half of the Trustees are subject to such a contract in any financial year
 - (iv) whenever a Board member has a personal interest in a matter to be discussed at a meeting of the Board or any of its committees the member concerned must:

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- 1 declare an interest at or before discussion begins on the matter
- 2 withdraw from the meeting for that item unless expressly invited to remain in order to provide information
- 3 not be counted in the quorum for that part of the meeting
- 4 withdraw during the vote and have no vote on the matter

Benefits and payments to charity directors and connected persons

7 [blank]

Scope and powers permitting directors' or connected persons' Benefits

[blank]

Payment for supply of goods only – controls

[blank]

Declaration of directors' interests

8 [blank]

Conflicts of interests and conflicts of loyalties

9 [blank]

BE CHANGED TO:-

Application of income and property

6

- (1) The income and property of the charity shall be applied solely towards the promotion of the Objects
- (2)
 - (a) 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
 - (b) A director may benefit from trustee indemnity insurance cover purchased at the charity's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011
 - (c) A director may receive an indemnity from the charity in the circumstances specified in article 57
 - (d) A director may not receive any other benefit or payment unless it is authorised by article 7
- (3) Subject to article 7, 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
 - (a) a benefit from the charity in the capacity of a beneficiary of the charity,
 - (b) reasonable and proper remuneration for any goods or services supplied to the charity

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Benefits and payments to charity directors and connected persons

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(1) General provisions

No director or connected person may

- (a) buy any goods or services from the charity on terms preferential to those applicable to members of the public,
- (b) sell goods, services, or any interest in land to the charity,
- (c) be employed by, or receive any remuneration from, the charity,
- (d) receive any other financial benefit from the charity,

unless the payment is permitted by sub-clause (2) of this article, or authorised by the court or the Charity Commission

In this article a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value

Scope and powers permitting directors' or connected persons' Benefits

(2)

- (a) A director or connected person may receive a benefit from the charity in the capacity of a beneficiary of the charity provided that a majority of the directors do not benefit in this way
- (b) A director or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the charity where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011
- (c) Subject to sub-clause (3) of this article a director or connected person may provide the charity with goods that are not supplied in connection with services provided to the charity by the director or connected person
- (d) A director or connected person may receive interest on money lent to the charity at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate)
- (e) A director or connected person may receive rent for premises let by the director or connected person to the charity. The amount of the rent and the other terms of the lease must be reasonable and proper. The director concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion
- (f) A director or connected person may take part in the normal trading and fundraising activities of the charity on the same terms as members of the public

Payment for supply of goods only – controls

- (3) The charity and its directors may only rely upon the authority provided by sub-clause (2)(c) of this article if each of the following conditions is satisfied
 - (a) The amount or maximum amount of the payment for the goods is set out in an agreement in writing between the charity or its directors (as the case may be) and the director or connected person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of the charity

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- (b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question
 - (c) The other directors are satisfied that it is in the best interests of the charity to contract with the supplier rather than with someone who is not a director or connected person. In reaching that decision the directors must balance the advantage of contracting with a director or connected person against the disadvantages of doing so
 - (d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the charity
 - (e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of directors is present at the meeting
 - (f) The reason for their decision is recorded by the directors in the minute book.
 - (g) A majority of the directors then in office are not in receipt of remuneration or payments authorised by article 7
- (4) In sub-clauses (2) and (3) of this article
- (a) 'charity' includes any company in which the charity
 - (i) holds more than 50% of the shares, or
 - (ii) controls more than 50% of the voting rights attached to the shares, or
 - (iii) has the right to appoint one or more directors to the board of the company
 - (b) 'connected person' includes any person within the definition in article 61 'Interpretation'

Declaration of directors' interests

- 8 A director must declare the nature and extent of any interest, direct or indirect, which he or 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 charity 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)

Conflicts of interests and conflicts of loyalties

- 9
- (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
- (a) 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,
 - (b) 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, and
 - (c) the unconflicted directors consider it is in the interests of the charity to authorise the conflict of interests in the circumstances applying

- (2) In this article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a director or to a connected person

AND ADD THE FOLLOWING ARTICLE:

Interpretation

61 In article 7, sub-clause (2) of article 9 and sub-clause (2) of article 47 'connected person' means

- (1) a child, parent, grandchild, grandparent, brother or sister of the director,
- (2) the spouse or civil partner of the director or of any person falling within sub-clause (1) above,
- (3) a person carrying on business in partnership with the director or with any person falling within sub-clause (1) or (2) above,
- (4) an institution which is controlled –
 - (a) by the director or any connected person falling within sub-clause (1), (2), or (3) above, or
 - (b) by two or more persons falling within sub-clause 4(a), when taken together
- (5) a body corporate in which –
 - (a) the director or any connected person falling within subclauses (1) to (3) has a substantial interest, or
 - (b) two or more persons falling within sub-clause (5)(a) who, when taken together, have a substantial interest.
 - (c) Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this article

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Approval for this regulated change was sought from the Charities Commission and received on 16 March 2016

DATED 7th September 2016

SIGNED



R Anderson
Chair of the Board of Trustees