

## **COMPANY NOT HAVING A SHARE CAPITAL**

### **Articles of Association for a Charitable Company**

#### **Articles of Association of Lady McAdden's Breast Screen Trust**

1. The company's name is Lady McAdden's Breast Screening Trust

(and in this document it is called the 'charity')

#### **Interpretation**

2. In the articles:

'address' means a postal address or, for the purposes of electronic communication, a fax number, an email or postal address or a telephone number for receiving text messages in each case registered with the charity,

'the articles' means the charity's articles of association;

'the charity' means the company intended to be regulated by the articles;

'clear days' in relation to the period of a notice means a 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 is to take effect;

'the Commission' means the Charity Commission for England and Wales;

'Companies Acts' means the Companies Act (as defined in section 2 of the Companies Act 2006) insofar as they apply to the charity;

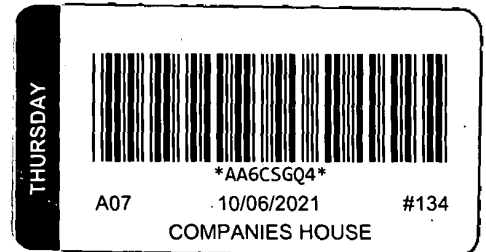
'the directors' means the directors of the charity. The directors are charity trustees as defined by section 177 of the Charities Act 2011,

'document' includes, unless otherwise specified, any document sent or supplied in electronic form;

'electronic form' as the meaning given in section 1168 of the Companies Act 2006,

'the memorandum' means the charity's memorandum of association,

'officers' includes the directors and the secretary (if any),



2

'the seal' means the common seal of the charity if it has one,

'secretary' means any person appointed to perform the duties of the secretary of the charity;

'the United Kingdom' means Great Britain and Northern Ireland, and

words importing one gender shall include all genders, and the singular includes the plural and vice versa.

Unless the context otherwise requires words or expressions contained in the 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.

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

### **Liability of members**

3. The liability of the members is limited to a sum not exceeding £10, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is member or within one year after he, she or it ceases to be a member, for
  - (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member,
  - (2) payment of the costs, charges and expenses of winding up, and
  - (3) adjustment of the rights of the contributories among themselves.

### **Objects**

4. The charity's objects ('Objects') are specifically restricted to the following so far only as the same are legally charitable.
  - 4.1 Preserving and promoting the good health of the population by providing facilities for searching for serious diseases by means of clinical examination, x-rays, mammography, cytological, biochemical examination, and whatsoever other methods shall from time be considered appropriate by the directors and by assessing the results of such screening and by providing analyses of the overall results and other statistical data to organisations concerned with health or to such other bodies as the directors shall from time to time consider appropriate.

- 2
- 4.2 Assisting towards the relief of ill health of the population by such screening and assessment and provisions of analyses and date as aforesaid
  - 4.3 providing advice, counselling and treatment in relation to such screening and assessment as aforesaid
  - 4.4 at the sole discretion of the directors promoting the work carried on by other organisations having objects similar to the foregoing objects of the charity

#### **Powers**

5. The charity has power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has power:
  - (1) to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity (but for the avoidance of doubt this shall not prevent the charity from running one or more charity shops as at present) and must comply with any relevant statutory regulations,
  - (2) to buy, take on lease or in exchange, hire or otherwise acquire alter any property and to maintain improve and equip it for use;
  - (3) to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 117 and 122 of the Charities Act 2011
  - (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 or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 124-126 of the Charities Act 2011 if it wishes to mortgage land;
  - (5) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
  - (6) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
  - (7) to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity:

- 2
- (8) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves,
  - (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 7 and provided it complies with the conditions in that article,
  - (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,

- (11) to provide indemnity insurance for the directors in accordance with, and subject to the conditions in section 189 of the Charities Act 2011,
- (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.
- (13) to do such other lawful things as are incidental or conducive to the attainment of the objects.

#### **Application of income and property**

- 6. (1) Save with the prior consent in writing of the Charity Commission the income and property of the charity shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to members of the charity, and no director shall be appointed to any office of the charity paid by salary or fees or receive any remuneration or other benefit in money or moneys worth from the charity
- (2) (a) A director 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

1

(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 who or any partner of his or her is a solicitor, accountant or other person engaged in a profession may receive payment when instructed by the charity to act in a professional capacity on its behalf. Provided That at no time shall the majority of the directors benefit under this provision and a director shall withdraw from any meeting which his or her appointment or remuneration or that of his or her partner, is under discussion.

(e) A director may not receive any other benefit of 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.

### **Benefits and payments to charity directors and connected persons**

#### **7. (1) General provisions**

No director or connected person may:

(a) buy any goods or services from the charity on terms preferential to those application to members of the public;

(b) sell goods, service, or any interest in the land to the charity;

(c) be employed by, or receive any remuneration from the charity;

(d) receive any other financial benefit from the charity;

(e) take or hold any interest in the property belonging to the charity or be interested other than as director in any contract of which the charity is party

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 no more than 2% under 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 property. 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.

(g) A member, officer or servant of the charity who is not a director may receive reasonable and proper remuneration from the services rendered to the charity.

(h) Fees, remuneration or other benefits in money or moneys worth may be paid to any company of which a director may also be a member holding not more than 1/100<sup>th</sup> part of the issued capital of that Company.

- (3) Any investments or securities held by the charity from time to time shall be vested in the name of the charity on whose behalf any two directors may sign from time to time as authorised by the directors as a whole.

#### **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 in 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 behalf of the charity

(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 is in the best interest 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 or 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; and

(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 been previously 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 interest 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 interest 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 directors 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 interest in the circumstances applying.
- (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 a conflict which does not involve a direct or indirect benefit of any nature to a director or to a connected person

### **Members**

10. (1) The subscribers to the memorandum are the first members of the charity
- (2) Membership is only open to other individuals or organisations who:
- (a) are invited by the directors to apply to the charity in the form required by the directors or who are otherwise approved in accordance with the rules made under article 58; and
  - (b) are approved by the directors.
- (3) (a) 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
- (b) The directors must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.
- (c) 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

- (4) Membership is not transferable.
- (5) The directors must keep a register of names and addresses of the members

### **Classes of membership**

- 11. (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.
- (2) The directors may not directly or indirectly alter the rights or obligations attached to a class of membership.
- (3) The rights attached to a class of membership may only be varied if.
  - (a) three-quarters of the members of that class consent in writing to the variation, or
  - (b) a special resolution is passed at a separate general meeting of the members of that class agreed to the variation
- (4) The provisions in the articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members

### **Termination of membership**

- 12. Membership is terminated if;
  - (1) the member dies, or it is an organisation, ceases to exist,
  - (2) (subject to any rules made to the contrary under article 58) the member resigns by written notice to the charity unless, after the resignation, there would be less than two members and subject to such resignation being accepted by the majority of directors in their absolute discretion.
  - (3) any sum due from the member to the charity is not paid in full within six months of it falling due,
  - (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 or its membership is terminated as a result of a breach of these articles or any other sufficient reason. A

resolution to remove a member from membership may only be passed if

- (a) 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;
- (b) 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.

In addition, membership shall automatically terminate at the end of the expiration of three years from the date of a members application being approved by the directors and such member may reapply for renewal of membership at the end of the three year term in accordance with article 10

### **General meetings**

13. (1) The charity must hold its first annual general meeting within eighteen months after the date of its incorporation.

- (2) An annual general meeting must be held in each subsequent year and not more than fifteen months may elapse between successive annual general meetings.
- (3) An annual general meeting shall be specified as such in the notice calling it. The annual general meeting shall be held at such times and places as the directors shall appoint.

14. The directors may call a general meeting at any time and in addition the members may requisition a meeting in accordance with the Companies Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member may call one.

### **Notice of general meetings**

15. (1) The minimum period of notice required to hold a general meeting of the charity are:

- (a) twenty-one clear days for an annual general meeting or a general meeting called for the passing of a special resolution or to appoint or reappoint a director;
- (b) fourteen clear days for all other general meetings.

- (2) An annual general meeting may be called by shorter notice if it is so agreed by all members entitled to attend and vote.
  - (3) 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, being a majority who together hold not less than 95 percent of the total voting rights.
  - (4) 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 22.
  - (5) The notice must be given to all members and to the directors and auditors.
16. The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting was not served with notice or did not receive it because of an accidental omission by the charity.

#### **Proceedings at general meetings**

17. (1) No business shall be transacted at any general meeting unless a quorum is present.
- (2) A quorum is:
- (a) 3 members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting; or
  - (b) one tenth of the total membership at the time
- whichever is the greater
- (3) The authorised representative of a member organisation shall be counted in the quorum.
- (4) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

- (5) A person is able to exercise the right to vote at a general meeting when—
  - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (6) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (7) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

- 18. (1) If
  - (a) a quorum is not present within half an hour from the time appointed for the meeting, or
  - (b) during a meeting a quorum ceases to be present, or

the meeting shall be adjourned to such time and place as the person who is chairing the meeting shall determine.

- (2) The directors must reconvene the meeting and give at least seven days' notice of the reconvened meeting stating the date, time and place of the meeting.
- (3) 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.

- 19.(1) General Meetings shall be chaired by the person who has been appointed to chair meetings of the directors.

- (2) If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting a director nominated by the directors shall chair the meeting.

- 2
- (3) If there is only one director present and willing to act, he or she shall chair the meeting.
  - (4) If no director is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.
  - (5) A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
20. (1) The members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- (2) 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.
  - (3) 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.
  - (4) If a meeting is adjourned by a resolution of the members for more than seven days, at least thirty clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.
21. (1) 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:
- (a) by the person chairing the meeting, or
  - (b) by at least two members present in person or by proxy and having the right to vote at the meeting; or
  - (c) 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.
- (2) (a) The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- (b) 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.
- (3) (a) 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.

- (b) 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.
- (4) (a) 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.
- (b) The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- (5) (a) A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
- (b) 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.
- (c) The poll must be taken within thirty days after it has been demanded.
- (d) 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, unless such time and place are announced at the meeting at which it is demanded.
- (e) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.
- (6) In the case of an equality of vote, whether on a show of hands or on a poll, the person chairing the meeting shall be entitled to a casting vote in addition to any vote he may have. It is hereby recorded that this provision appeared in article 17 of the previous articles of the charity which were in place prior to 1<sup>st</sup> October 2017 and it is therefore considered that this provision remains valid notwithstanding section 282 of the Companies Act 2006 as provided by the Companies Act 2006 (Commencement No. 5 Transitional Provisions and Savings) Order 2007.

#### **Content of proxy notices**

- 22. (1) Proxies may only validly be appointed by a notice in writing (a 'proxy notice') which –
  - (a) states the name and address of the member appointing the proxy,



- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the charity in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The charity may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
  - (3) Proxy notices may specify how the proxy appointed under them is to vote (or that proxy is to abstain from voting) on one or more resolutions.
  - (4) Unless a proxy notice indicates otherwise, it must be treated as –
    - (a) allowing the person appointed under it as a proxy discretion as to how to vote on an ancillary or procedural resolutions put to the meeting, and
    - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **Delivery of proxy notices**

- 22 (A) (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the charity by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by deliver to the charity a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which is relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of

the authority of the person who executed it to execute it on the appointor's behalf

### **Written resolutions**

- 23 (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 be entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:
- (a) a copy of the proposed resolution has been sent to every eligible member;
  - (b) 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; and
  - (c) it is contained in an authenticated document which has been received at its registered office within the period of 28 days beginning with the circulation date.
- (2) A resolution in writing may comprise several copies to which on or more members have signified their agreement.
- (3) In the case of a member that is an organisation, its authorised representative may signify its agreement.

### **Votes for members**

- 24 Subject to article 11, every member, whether an individual or an organisation, shall have one vote but no member shall be entitled to vote unless all monies then payable by that member to the charity have been paid.
- 25 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.
- 26 (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.
- (2) The organisation must give written notice to the charity of the name of its representative. The representative shall not be entitled to represent the organisation at any meeting unless the notice has been received by the charity. The representative may continue to represent the organisation

until written notice to the contrary is recovered by the charity.

- (3) Any notice given to the charity will be conclusive evidence that the representative 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 representative has been properly appointed by the organisation.

### **Directors**

- 27 (1) A director must be a natural person aged 18 years or older and shall be a suitably qualified person and in particular shall be persons who through residence, occupation, employment or otherwise by virtual of their personal professional qualifications to make a contribution to the pursuit of the objects or management of the charity.
- (2) No one may be appointed a director if he or she would be disqualified from acting under the provisions of article 39.
- 28 The minimum number of directors shall be 3 and the maximum shall be 10 in both cases unless otherwise determined by ordinary resolution,
- 29 The first directors shall be those persons notified to Companies House as the first directors of the charity.
- 30 A director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the directors.

### **Powers of directors**

- 31 (1) The directors shall manage 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, the articles or any special resolution.
- (2) No alteration of the articles or any special resolution shall have retrospective effect to invalidate any prior act of the directors.
- (3) Any meeting of the directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors.
- (4) In addition to all the powers hereby expressly conferred on the directors and without detracting from the generality of their powers under the articles the directors shall have the following powers namely:

- (a) to expend the funds of the charity in such manner as they shall consider most beneficial for the achievement of the objects and to invest in the name of the charity such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objects of the charity;
- (b) to enter into contracts on behalf of the charity.

#### **Retirement of directors**

- 32 At each annual general meeting one-third of the directors or, if their number is not three or a multiple of three, the number nearest to one-third, must retire from office. If there is only one director he or she must retire.
- 33 (1) The directors to retire by rotation shall be those who have been longest in office since their last appointment. If any directors became or were appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.  
  
(2) If a director is required to retire at an annual general meeting by a provision of the articles the retirement shall take effect upon the conclusion of the meeting.

#### **Appointment of directors**

- 34 The charity may be ordinary resolution
  - (1) appoint a person who is willing to act to be a director, and
  - (2) determine the rotation in which any additional directors are to retire.
- 35 No person other than a director retiring by rotation may be appointed a director at any general meeting unless:
  - (1) he or she is recommended for re-election by the directors; or
  - (2) not less than fourteen nor more than thirty five clear days before the date of the meeting, the charity is given 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.
- 36 All members who are entitled to receive notice of a general meeting must be given not less than seven nor more than twenty eight clear days' notice of any resolution to be put to the meeting to appoint a director other than a director who is to retire by rotation.
- 37
  - (1) The directors may appoint a person who is willing to act to be a director.
  - (2) A director appointed by a resolution of the other directors must retire at the next annual general meeting and must not be taken into account in determining the directors who are to retire by rotation.
- 38 The appointment of a director, whether by the charity in general meeting or by the other directors, must not cause the number of directors to exceed any number fixed the maximum number of directors.
- 38 A Subject to the provision of the Companies Act and to clause 4, the directors may appoint one or more of their number the unremunerated office by managing director or to any other unremunerated executive office under the charity. Any such appointment may be made on such terms as the directors determine. Any appointment of a director to an executive office shall terminate if he ceases to be a director. The managing director and a director holding any other executive office shall not be subject to retirement by rotation.

#### **Disqualification and removal of directors**

- 39 A director shall cease to hold office is he or she
  - (1) ceases to be a director by virtue of any provision in the Companies Acts or is prohibited by law from being a director;
  - (2) is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions);
  - (3) ceases to be a member of the charity;
  - (4) becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs,

- (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),
- (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; or
- (7) directly or indirectly interested in the contract with the charity and fails to declare the nature of his interest as required by the Companies Act.

#### **Remuneration of directors**

- 40 The directors must not be paid any remuneration unless it is authorised by article 7.

#### **Proceedings of directors**

- 41 (1) The directors may regulate their proceedings as they think fit, subject to the provisions of the articles.
- (2) Any director may call a meeting of the directors.
  - (3) The secretary (if any) must call a meeting of the directors if requested to do so by a director.
  - (4) Questions arising at a meeting shall be decided by a majority of votes.
  - (5) It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.
  - (6) In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.
  - (7) A meeting may be held by suitable electronic means agreed by the directors in which each participant may communicate with all the other participants.
- 42 (1) 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 'Present' includes being present by suitable electronic means agreed by the directors in which a participant or participants may communicate with all other participants.
- (2) The quorum shall be three or the number nearest to one-third of the total number of the directors, whichever is the

greater, or such larger number as may be decided from time to time by the directors.

- (3) 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.

43 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.

44 (1) The directors shall appoint a director to chair their meetings and may at any time revoke such appointment.

(2) 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 five minutes after the time appointed for the meeting, the directors present may appoint one of their number to chair that meeting.

(3) The person appointed to chair meetings of the directors shall have no functions or powers except those conferred by the articles or delegated to him or her by the directors.

45 (1) A resolution in writing or in electronic form agreed by all of the directors entitled to receive notice of a meeting of the directors (or a committee of directors if applicable) and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

(2) 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.

### **Delegation**

46 (1) The directors may delegate any of their powers or functions to one or more committees of three or more directors but the terms of any delegation must be promptly reported to the directors and recorded in the minute book.

(2) The directors may impose conditions when delegating, including the conditions that

(a) the relevant powers are to be exercised exclusively by the committee to whom they delegate;

- (b) No expenditure may be incurred on behalf of the charity except in accordance with a budget previously agreed with the directors.
- (3) The directors may revoke or alter a delegation.
- (4) All acts and proceedings of any committees must be fully and promptly reported to the directors.

#### **Validity of directors' decisions**

47 (1) Subject to article 47 (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;

- (a) who was disqualified from holding office;
- (b) who had previously retired or who had been obliged by the constitution to vacate office,
- (c) who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise,

if without:

- (d) the vote of that director; and
- (e) that director being counted in the quorum,

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

(2) Article 47 (1) does not permit a director or a connected person 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 article 47 (1), the resolution which would have been void, or if the director has not complied with article 8.

#### **Secretary**

47A Subject to the provisions of the Companies Acts the secretary (if any) shall be appointed by the directors for such term and upon such conditions as they may think fit and any secretary so appointed may be removed by them. A secretary may not receive any remuneration from the charity.

#### **Seal**

48 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 secretary (if any) or by a second director.

### **Minutes**

- 49 The directors must keep minutes of all:
- (1) appointments of officers made by the directors,
  - (2) proceedings at meetings of the charity;
  - (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.

### **Accounts**

- 50(1) The directors must prepare for each financial years accounts as required by the Companies Acts and the Charities Acts from time to time. 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.
- (2) The directors must keep accounting records as required by the Companies Act
- (3) Any bank account (other than an impressed account specifically authorised by the directors) in which any part of the assets of the charity is deposited shall be operated by the directors and shall indicate the name of the charity. All cheques and orders for the payment of money from such account shall be signed by at least two directors.

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

- 51(1) The directors must comply with the requirements of the Charities Act 2011 with regard to the
- (a) transmission of a copy of the statements of account to the Commission;
  - (b) preparation of an Annual Report and the transmission of a copy of it to the Commission,

- (c) preparation of an Annual Return and its transmission to the Commission.

- (2) The directors must notify the Commission promptly of any changes to the charity's entry on the Central Register of Charities.

#### **Means of communication to be used**

- 52 (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 that Act to be sent or supplied by or to the charity.

- (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.

- 53 Any notice to be given to or by any person pursuant to the articles:

- (1) must be in writing, or
- (2) must be given in electronic form.

- 54 (1) The charity may give any notice to a member either:

- (a) personally; or
- (b) by sending it by post in a prepaid envelope addressed to the member at his or her address, or
- (c) by leaving it at the address of the member, or
- (d) by giving it in electronic form to the member's address.
- (e) by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place date and time of the meeting.

- (2) 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.

- 55 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.
- 56 (1) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- (2) Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- (3) In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
- (a) 48 hours after the envelope containing it was posted; or
- (b) in the case of an electronic form of communication, 48 hours after it was sent.

### **Indemnity**

- 57(1) The charity shall indemnify a relevant director against any liability incurred in that capacity, to the extent permitted by law.
- (2) In this article a 'relevant director' means any director or former director of the charity.

### **Rules**

- 58(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.
- (2) The bye law may regulate the following matters but are not restricted by them.
- (a) the admission of members of the charity (including the admission of organisation 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.
- (b) the conduct of members of the charity in relation to one another, and to the charity's employees and volunteers,

- (c) 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,
  - (d) the procedure at general meetings and meetings of the director in so far as such procedure is not regulated by the Companies Acts or by the articles,
  - (e) generally, all such matters as are commonly the subject matter of company rules.
- (3) The charity in general meeting has the power to alter, add to or repeal the rules or bye laws.
  - (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.
  - (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.

### **Disputes**

- 59 If a dispute arises between members of the charity about the validity or property of anything done by the members of the charity under these articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith settle the dispute by mediation before resorting to litigation.

### **Dissolution**

- 60 (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:
- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities for purposes similar to the Objects, or
  - (c) to any charity or charities for use for particular purposes that fall within the Objects.
- (2) Subject to any 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 or before dissolution of the charity be applied or transferred.

- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities for purposes similar to the Objects, or
  - (c) to any charity or charities for use of particular purposes that fall within the Objects.
- (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 resolution in accordance with article 60 (1) or 60 (2) 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.

### **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 sub-clause (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.

2000

1