

**Company No: 6451283**

**Charity No: 1133206**

**THE COMPANIES ACTS 1985 – 2006**

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**THE HUO FAMILY FOUNDATION (UK) LIMITED**

**(as amended by special resolutions dated 4 December 2019)**

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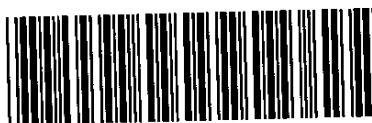
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**OF**

**THE HUO FAMILY FOUNDATION (UK) LIMITED**

**1. Preliminary**

Table A shall not apply.

**2. Interpretation**

2.1 In these Articles and the Memorandum the following terms shall have the following meanings unless the context indicates otherwise:

<b>Term</b>	<b>Meaning</b>
(a) <b>'1985 Act'</b>	the Companies Act 1985
(b) <b>'2006 Act'</b>	the Companies Act 2006
(c) <b>'Acts'</b>	the 1985 Act and the 2006 Act
(d) <b>'AGM'</b>	an annual general meeting of the Charity
(e) <b>'Articles'</b>	the Articles of Association of the Charity
(f) <b>'Chairman'</b>	the chairman of the Trustees appointed under Article 42
(g) <b>'Charitable Institution'</b>	a body (whether established in the United Kingdom or elsewhere) no part of the income or capital of which may be applied otherwise than for exclusively Charitable Purposes

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|-----|--|---|
| (h) | <b>'Charitable Purposes'</b>             | purposes which are exclusively charitable under the law of England and Wales and <b>'Charitable'</b> shall be construed accordingly   |
| (i) | <b>'Charity'</b>                         | the company governed by the Articles  |
| (j) | <b>'Charity Trustee'</b>                 | has the meaning prescribed by s.97(1) Charities Act 1993  |
| (k) | <b>'Charity Commission'</b>              | the Charity Commission for England and Wales  |
| (l) | <b>'clear days'</b>                      | in relation to the period of a notice, that 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  |
| (m) | <b>'Conflicted Trustee'</b> <sup>1</sup> | a Trustee in respect of whom a conflict of interest arises or may reasonably arise because he or a Connected Person is receiving or stands to benefit from the Charity, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity   |
| (n) | <b>'connected'</b>                       | as defined in sections 252 and 254 of the 2006 Act  |
| (o) | <b>'Connected Person'</b>                | means, in relation to a Trustee, a person with whom the Trustee shares a common interest such that he may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the Trustee's family or household or a person or body who is a business associate of the Trustee or other person with whom the Trustee is connected, and (for the avoidance of doubt) does not include a company with which the Trustee's only connection is an interest consisting of no more than 1% of the voting rights |

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<sup>1</sup> Definitions of 'Conflicted Trustee', 'connected' and 'Connected Person' inserted by special resolution dated 30 August 2017

(p)	<b>'electronic communication'</b>	any electronic communications as defined in the Electronic Communications Act 2000
(q)	<b>'Financial Expert'</b>	any authorised person or exempted person within the meaning of the Financial Services and Markets Act 2000
(r)	<b>'Huo Family Trustee'</b>	Xue Fang, Yan Huo, or any of their descendants (as determined by the shareholders) <sup>2</sup>
(s)	<b>'Material Benefit'</b>	a benefit which may not be financial but which has a monetary value
(t)	<b>'Memorandum'</b>	the provisions set out in the Schedule to these Articles and formerly contained in the Memorandum of Association of the Charity on incorporation <sup>3</sup>
(u)	<b>'month'</b>	a calendar month
(v)	<b>'Object'</b>	the object of the Charity as defined in clause 3 of the Memorandum
(w)	<b>'Secretary'</b>	the Secretary of the Charity or any other person appointed to perform the duties of the Secretary of the Charity, including a joint, assistant or deputy Secretary
(x)	<b>'Trustee'</b>	means a trustee of the Charity and 'Trustees' means all of the Trustees or a duly convened meeting of the Trustees. For the avoidance of doubt the Trustees are the directors (for the purposes of the Act) and the Charity Trustees
(y)	<b>'written' or 'in writing'</b>	(to the extent permissible by law) a legible document on paper, including a fax message and electronic mail which is capable of being reproduced in paper form
(z)	<b>'year'</b>	a calendar year

<sup>2</sup> Inserted by special resolution dated 4 December 2019

<sup>3</sup> Definition of 'Memorandum' amended by special resolution dated 30 August 2017

2.2 Unless the context otherwise requires:

- (a) words or expressions contained in the Articles bear the same meaning as in the Act but excluding any statutory modification, amendment or re-enactment thereof not in force when the Articles become binding on the Charity;
- (b) subject to Article 2.2(a), references to an Act of Parliament are references to that Act of Parliament as modified, amended or re-enacted from time to time and to any subordinate legislation made under it;
- (c) where a specific reference is made to a section number of the 1985 Act, it shall be interpreted as a reference to that section of the 1985 Act or its equivalent section under the 2006 Act, notwithstanding the number of such equivalent section;
- (d) words denoting any gender shall include both the other genders, and
- (e) words denoting the singular shall include the plural and vice versa.

### **SHARES**

- 3. The authorised share capital of the Charity at the date of the adoption of these Articles is £1 being one share of £1.
- 4. The subscriber shall be the initial shareholder. There shall be no more than one share and one registered shareholder.

### **PATRON**

- 5. The Trustees may appoint and remove any person as a patron of the Charity and on such terms as it shall think fit. For the avoidance of doubt, a patron is not an officer of the Charity.

### **GENERAL MEETINGS**

- 6. The Trustees may call a general meeting at any time. The Trustees shall call a general meeting if they receive a requisition by the shareholders in accordance with the Acts.
- 7. Shareholders are entitled to attend general meetings either personally or by an authorised representative.

### **Proxies**

- 8. A shareholder or its authorised representative may appoint a proxy to attend general meetings in such shareholder's or authorised representative's place and to vote. The proxy form must be in

writing or contained in an electronic communication and (in either case) in the form prescribed by the Trustees from time to time.

9. The proxy form (and the power of attorney, if any, under which it is signed, or a copy of that power certified by a solicitor), in the case of an instrument in writing, must be deposited at the Charity's registered office not less than 48 hours before the meeting or adjourned meeting in question or, in the case of a proxy form contained in an electronic communication, must be received at the address or number notified for that purpose to the person appointing the proxy. If this Article is not complied with the proxy form is invalid.
10. A shareholder or its authorised representative may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing with the Secretary either an instrument in writing revoking the proxy or another duly executed proxy bearing a later date.

#### **Length of notice**

11. A general meeting shall be called by at least 14 clear days' written notice to every shareholder (or such other notice period as may be specified in the Acts).
12. A general meeting may be called by shorter notice if it is so agreed by all the shareholders entitled to attend and vote at that meeting.

#### **Contents of notice**

13. Every notice calling a general meeting shall specify the place, day and time of the meeting and the general nature of the business to be transacted. If a special resolution is to be proposed, the notice shall contain a statement to that effect and the text of the resolution shall be set out in the notice.

#### **Service of notice**

14. Notice of general meetings shall be given to every shareholder and to the Trustees.
15. 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 shall not invalidate the proceedings at that general meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

16. No business shall be transacted at any meeting unless a quorum is present. There is a quorum present at a general meeting if there is one person present either in person or by proxy, being a shareholder entitled to vote upon the business to be transacted or such shareholder's authorised representative.

17. If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Trustees may determine.
18. The Chairman, if any, shall preside at the meeting. If there is no Chairman or the Chairman is not present within fifteen minutes after the time set for the meeting, or is unwilling to act, those Trustees present at the meeting must elect one of themselves to be chairman of the meeting. If no Trustee is willing to act as chairman of the meeting, or if no Trustee is present within fifteen minutes after the time set for the meeting the shareholders present must choose one of themselves to be chairman of the meeting.
19. The chairman of the meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
20. A resolution put to the vote of a meeting shall be decided on a show of hands.
21. A declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
22. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a casting vote in addition to any other vote he may have.
23. The proceedings at any meeting shall not be invalidated by reason of any accidental informality or irregularity or any want of qualification in any of the persons present or voting.
24. Subject to the provisions of the Acts, a resolution in writing executed by such proportion of the shareholders entitled to attend and vote at a general meeting on the date of circulation of the resolution as may be required by the Acts, shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several documents in the like form each signed by or on behalf of one or more shareholders. The date of a written resolution shall be the date on which the last shareholder signs.

### **Votes of shareholders**

25. Every shareholder present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a shareholder entitled to vote, shall have one vote.
26. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the shareholders stand in the register of shareholders.
27. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and binding.

## **TRUSTEES**

### **Number of Trustees**

28. Unless otherwise decided by ordinary resolution:
  - 28.1 the minimum number of Trustees shall be two and there shall be no maximum number; and
  - 28.2 at least one half of the Trustees in office at any one time shall be Huo Family Trustees<sup>4</sup>.
29. The Trustees shall be appointed (and may be removed) by ordinary resolution of the shareholders and shall serve until their period of office is terminated under Article 36 or by this Article 29. Any such appointment:
  - 29.1 shall take effect at such time or in such circumstance, and shall be on such terms, as the resolution shall specify;
  - 29.2 may be revoked by ordinary resolution of the shareholders prior to such appointment taking effect<sup>5</sup>.

### **Powers of Trustees**

30. Subject to the provisions of the Acts, the Memorandum and the Articles, the business of the Charity shall be managed by the Trustees who may exercise all the powers of the Charity. No alteration of the Memorandum or Articles shall invalidate any prior act of the Trustees which would have been

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<sup>4</sup> Article 28.2 added by special resolution dated 4 December 2019

<sup>5</sup> Article 29 amended by special resolution dated 4 December 2019



valid if that alteration had not been made. The powers given by this Article shall not be limited by any special power given to the Trustees by the Articles and a meeting of Trustees at which a quorum is present may exercise all powers exercisable by the Trustees.

31. The Trustees may, by power of attorney or otherwise, appoint any person to be the agent of the Charity for such purposes and on such conditions as they determine.

#### **Delegation of Trustees' powers**

32. The Trustees may delegate any of their powers or the implementation of any of their resolutions to any committee in accordance with the following conditions:

32.1 the resolution making that delegation shall specify those who shall serve or be asked to serve on such committee (though the resolution may allow the committee to make co-options up to a specified number);

32.2 the composition of any such committee shall be entirely in the discretion of the Trustees and may comprise such of their number (if any) as the resolution may specify;

32.3 the deliberations of any such committee shall be reported regularly to the Trustees and any resolution passed or decision taken by any such committee shall be reported forthwith to the Trustees and for that purpose every committee shall appoint a secretary;

32.4 all delegations under this Article shall be revocable at any time; and

32.5 the Trustees may make such regulations and impose such terms and conditions and give such mandates to any such committee or committees as they may from time to time think fit.

33. For the avoidance of doubt, the Trustees may (in accordance with Article 32) delegate all financial matters to any committee and may empower such committee to resolve upon the operation of any bank account according to such mandate as it shall think fit whether or not requiring a signature of any Trustee, provided always that no committee shall incur expenditure on behalf of the Charity except in accordance with a budget which has been approved by the Trustees.

34. The meetings and proceedings of any committee shall be governed by the provisions of the Articles regulating the meetings and proceedings of the Trustees so far as the same are applicable and are not superseded by any regulations made by the Trustees.

#### **Investment Management**

35. The Trustees may exercise the powers of delegation relating to investment management and appointment of nominees set out in Clauses 4.16 and 4.17 of the Memorandum.

### **Disqualification, retirement and removal of Trustees**

36. The office of a Trustee shall be vacated if:
- 36.1 he ceases to be a Trustee by virtue of any provision of the Acts or he becomes prohibited by law from being a Trustee;
  - 36.2 he is disqualified;
  - 36.3 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - 36.4 he is, or may be, suffering from mental disorder and either:
    - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
  - 36.5 he resigns his office by written notice to the Charity (but only if at least two Trustees will remain in office when the notice of resignation is to take effect);
  - 36.6 in the case of a Trustee other than a Huo Family Trustee:
    - (a) he has served 3 consecutive terms of 3 years as a Trustee; or
    - (b) he attains the age of 75,subject to the Huo Family Trustees agreeing otherwise<sup>6</sup>;
  - 36.7 at a meeting of the Trustees at which at least half of the Trustees are present, a resolution is passed resolving that the Trustee be removed from office. Such a resolution shall not be passed unless the Trustee has been given at least fourteen clear days' notice in writing that the resolution is to be proposed, specifying the circumstances alleged to justify removal from office, and has been afforded a reasonable opportunity of being heard by or of making written representations to the Trustees; or
  - 36.8 a written notice removing a Trustee signed by all the shareholders is served on the Secretary at the Charity's registered office.

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<sup>6</sup> Article 36.6 inserted by special resolution dated 4 December 2019

### **Expenses of Trustees**

37. The Trustees may be paid all reasonable travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Trustees or committees of Trustees or general meetings of the Charity or otherwise in connection with the discharge of their duties.

### **PROCEEDINGS OF TRUSTEES**

38. Subject to the provisions of the Articles, the Trustees may regulate their proceedings as they think fit.
39. Any Trustee may, and the Secretary at the request of two Trustees shall, call a meeting of the Trustees. Notice of every meeting of the Trustees stating the general particulars of all business to be considered at such meeting shall be sent in writing to each Trustee at least seven clear days (excluding Saturdays, Sundays and Bank Holidays) before such meeting unless urgent circumstances require shorter notice or the Trustees agree otherwise, but the proceedings of any meeting shall not be invalidated by any irregularity in respect of such notice or by reason of any business being considered which is not specified in such general particulars<sup>7</sup>.
40. The quorum for the transaction of the business of the Trustees may be fixed by the Trustees and, unless so fixed at any other number, shall be two Trustees, to comprise at least one Huo Family Trustee<sup>8</sup>.
41. The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number but, if and so long as the number of Trustees is less than the number fixed by Article 28, the continuing Trustees may act for the purpose of increasing the number of Trustees to that number or of summoning a general meeting of the Charity but for no other purpose.
42. The Trustees may appoint one of their number to be the chairman of the Trustees and may at any time remove him from that office.
43. Unless he is unwilling to do so, the Chairman shall preside at every meeting of Trustees at which he is present. If there is no Chairman, or if the Chairman is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Trustees present may appoint one of their number to be chairman of the meeting.
44. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

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<sup>7</sup> Article 39 amended by special resolution dated 30 August 2017

<sup>8</sup> Article 40 amended by special resolution dated 4 December 2019

45. All acts done by a meeting of Trustees, or of a committee of Trustees, or by a person acting as a Trustee shall, even if afterwards discovered that there was a defect in the appointment of any Trustee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Trustee and had been entitled to vote.
46. A resolution in writing agreed by all the Trustees entitled to receive notice of a meeting of Trustees or of a committee of Trustees (other than any Conflicted Trustee) shall be as valid and effectual as if it had been passed at a meeting of Trustees or (as the case may be) a committee of Trustees duly convened and held and may consist of several documents in the like form each of which one or more Trustees has signified their agreement. The date of a written resolution of the Trustees shall be the date on which the last Trustee agrees to it<sup>9</sup>.
47. A meeting of the Trustees may be held either in person, by telephone or by suitable electronic means agreed between the Trustees in which all participants may communicate simultaneously with all other participants.

## **GENERAL**

### **Secretary**

48. Subject to the provisions of the Acts, the Secretary shall be appointed by the Trustees for such term at such remuneration (if the Secretary is not a Trustee) and upon such conditions as they may think fit, and may be removed by them.

### **Minutes**

49. The Trustees shall cause minutes to be made in books kept for the purpose:-
- 49.1 of all appointments of officers made by the Trustees; and
- 49.2 of all proceedings at meetings of the Charity and of the Trustees, and of committees of Trustees, including the names of the Trustees present at each such meeting;

and any such minutes, if purported to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall, as against any shareholder or Trustee of the Charity, be sufficient evidence of the proceedings.

### **Records and accounts**

50. The Trustees shall comply with the requirements of the Acts and of the Charities Act 1993 (or any statutory re-enactment or modification of those Acts) as to keeping financial records, the audit or

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<sup>9</sup> Article 46 amended by special resolution dated 30 August 2017

examination of accounts and the preparation and transmission to the Registrar of Companies and the Charity Commission of:

50.1 annual reports;

50.2 annual returns;

50.3 annual statements of account.

51. Subject to the discretion of the Trustees, shareholders shall be entitled to inspect the Charity's accounting records on reasonable notice.

### **Notices**

52. Any notice to be given to or by any person pursuant to the Articles shall be in writing or shall be given using electronic communications, to an address or number for the time being notified for that purpose to the person giving the notice, except that a notice calling a meeting of the Trustees need not be in writing or by electronic communication.

53. The Charity may give any notice to a shareholder either personally or by sending it by post in a prepaid envelope addressed to the shareholder at his address or by leaving it at that address or by electronic communication to an address or number for the time being notified for that purpose to the Charity by the shareholder. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of shareholders in respect of the joint shareholding and notice so given shall be sufficient notice to all the joint shareholders. Any notice shall be deemed to have been received:

53.1 if delivered personally, at the time of delivery;

53.2 if sent by post, 48 hours after the envelope containing the same is put in the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed, prepaid and posted; or

53.3 if contained in an electronic communication, 48 hours after the electronic communication was sent and electronic confirmation of receipt shall be conclusive evidence that an electronic communication was sent.

54. If a shareholder is present at any meeting of the Charity he shall be deemed to have notice of the meeting and, where requisite, of the purposes for which it was called.

### **Indemnity**

55. To the extent permitted by law and, in particular but without limitation, ss.232 to 235 of the 2006 Act, every Trustee, manager, the Secretary or other officer of the Charity shall be entitled to be

indemnified out of the assets of the Charity against all losses or liabilities incurred by him in his capacity as such officer.

55.1 in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted; or

55.2 in connection with any application under ss.144(3) or (4) of the 1985 Act (acquisition of shares by innocent nominee) or s.727 of the 1985 Act (general power to grant relief in case of honest and reasonable conduct) in which relief is granted to him by the court.

#### **Trustees' indemnity insurance**

56. The Trustees shall have power to resolve pursuant to clause 4.19 of the Memorandum to effect Trustees' indemnity insurance, despite their interest in such policy.

#### **Winding-up**

57. The provisions of clause 8 of the Memorandum relating to the dissolution of the Charity shall have effect and be observed as if the same were repeated in the Articles.

## **SCHEDULE**

### **PROVISIONS FORMERLY CONTAINED IN THE MEMORANDUM OF ASSOCIATION AND NOW FORMING PART OF THE ARTICLES OF ASSOCIATION**

**1. Name**

The name of the Charity is The Huo Family Foundation (UK) Limited.

**2. Registered office**

The registered office of the Charity will be in England and Wales.

**3. Objects**

3.1 The Charity's object ('**the Object**') is such exclusively charitable purposes as the Trustees of the Charity may in their absolute discretion determine.

3.2 This clause may not be amended without the prior written consent of the Charity Commission.

**4. Powers**

The Charity has the following powers, which may be exercised only in promoting the Object:

- 4.1 to support, administer or set up other charities;
- 4.2 to borrow money and give security for loans (but only in accordance with the restrictions imposed by the Charities Act 1993);
- 4.3 to acquire or hire property of any kind;
- 4.4 to make grants or loans of money and give guarantees;
- 4.5 to raise funds (but not by means of carrying on a trade or business on a continuing basis which is for the principal purpose of raising funds rather than for the purpose of actually carrying out the Object, unless the income of the Charity from that trade or business is not subject to tax by reason of any legislation or concession from time to time in force);
- 4.6 to provide advice;
- 4.7 to promote, encourage, carry out or commission research, surveys, studies or other work;
- 4.8 to publish or distribute information;
- 4.9 to co-operate with other bodies;

- 4.10 to set aside funds for special purposes or as reserves against future expenditure;
- 4.11 to sell, manage, lease, license, mortgage, exchange, dispose of or deal with all or any of its property with or without payment and subject to such conditions as it may think suitable (but only in accordance with the restrictions imposed by the Charities Act 1993);
- 4.12 to establish, promote, support, aid, amalgamate or co-operate with, become a part or shareholder, affiliate or associate of, and act as or appoint directors, agents, nominees or delegates to control and manage Charitable Institutions whether corporate or non-corporate with objects compatible with the Object and to subscribe, lend or guarantee money to such Charitable Institutions;
- 4.13 to undertake and execute any Charitable trusts which may lawfully be undertaken by it;
- 4.14 to purchase or acquire or undertake all or any of the property, assets, liabilities and engagements of any Charitable Institutions whether corporate or non-corporate with objects similar to the Object;
- 4.15 to deposit or invest the moneys of the Charity not immediately required for its operations in any manner as may be thought fit (including but not limited to the establishment of trading or other subsidiaries of any kind), subject to such conditions (if any) and such consents or procedures (if any) as may for the time being be imposed or required by law;
- 4.16 to delegate the management of investments to a Financial Expert, but only on terms that:
  - (a) the investment policy is set down in writing for the Financial Expert by the Trustees;
  - (b) every transaction is reported promptly to the Trustees;
  - (c) the performance of the investments is reviewed regularly by the Trustees;
  - (d) the Trustees are entitled to cancel the delegation arrangement at any time;
  - (e) the investment policy and the delegation arrangement are reviewed at least once a year;
  - (f) all payments due to the Financial Expert are on a scale or at a level which is agreed in advance and notified promptly to the Trustees on receipt;
  - (g) the Financial Expert must not do anything outside the powers of the Trustees;
- 4.17 to arrange for investments or other property of the Charity to be held in the name of a nominee (being a corporate body registered or having an established place of business in



England and Wales) under the control of the Trustees, or of a Financial Expert acting under their instructions, and to pay any reasonable fee required;

- 4.18 to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;
- 4.19 to insure the Trustees against the costs of a successful defence to a criminal prosecution brought against them as Charity Trustees or pay out of its funds the cost of any premium in respect of any indemnity to cover the liability of the Trustees against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless as to whether, the act or omission was a breach of trust or duty;
- 4.20 subject to clause 5, to employ paid or unpaid agents, staff or advisers;
- 4.21 subject to clause 5, to enter into contracts to provide services to or on behalf of other bodies;
- 4.22 to establish or acquire subsidiary companies to assist or act as agents for the Charity;
- 4.23 to pay out of its funds the costs of forming and registering the Charity;
- 4.24 to do all such other lawful things as shall further the Objects.

## **5. Application of income and property**

- 5.1 The property and funds of the Charity must be used only for promoting the Object and do not belong to the shareholders of the Charity. No part of the income or capital may be paid or transferred, directly or indirectly, to the shareholders of the Charity, whether by way of dividend or bonus or in any other way that amounts to a distribution of profits or surplus. This does not prevent the payment of:
  - (a) reasonable and proper remuneration to any officer, employee or shareholder of the Charity in return for any goods or services provided to the Charity;
  - (b) a reasonable rate of interest on money lent to the Charity;
  - (c) a reasonable rent or hiring fee for property or equipment let or hired to the Charity;
  - (d) premiums on the indemnity insurance referred to in sub-clause 4.19;
  - (e) Charitable grants or other assistance to a shareholder where it is to be applied for Charitable Purposes;

- (f) any sum (or the transfer of any asset) to a shareholder where it is to be applied for Charitable Purposes in accordance with clause 8.
- 5.2 A Trustee must not receive (whether directly or indirectly) any payment of money or other *Material Benefit from the Charity* except:
  - (a) as permitted by law;
  - (b) as mentioned in sub-clauses 5.1 and 5.3;
  - (c) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in carrying out the administration of the Charity;
  - (d) an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings);
  - (e) in exceptional cases, other payments or benefits (but only with the written approval of the Charity Commission in advance).
- 5.3 Any Trustee (or any firm or company of which a Trustee is a shareholder, member or employee) may enter into a contract with the Charity to supply goods or services in return for a payment or other *Material Benefit* but only if:
  - (a) the goods or services are actually required by the Charity;
  - (b) 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 at a meeting of the Trustees conducted in accordance with sub-clause 5.4 below; and
  - (c) no more than one half of the Trustees are subject to such a contract in any financial year.
- 5.4 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee the Trustee concerned must:
  - (a) declare an interest before the meeting or before discussion begins on the matter;
  - (b) withdraw from the meeting for that item unless expressly invited to remain in order to provide information;
  - (c) not be counted in the quorum for that part of the meeting;
  - (d) *withdraw during the vote and have no vote on the matter; and*
  - (e) comply with any additional procedures such as are required by law.

5.5 This clause may not be amended without the prior written consent of the Charity Commission.

**6. Limited liability**

The liability of the shareholders is limited.

**7. Share capital**

The Charity's share capital is £1 being one share of £1.

**8. Dissolution**

8.1 If the Charity is dissolved, the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:

- (a) by transfer to one or more Charitable Institutions whose purposes are within, the same as or similar to the Object;
- (b) directly for the Object or any Charitable Purposes within, the same as or similar to the Object;
- (c) by transfer to a shareholder, where the assets are to be applied for Charitable Purposes within, the same as or similar to the Object;
- (d) in such a manner consistent with Charitable status as the Charity Commission shall approve in writing in advance;

8.2 On dissolution a final report and statement of account must be sent to the Charity Commission.

**9. Interpretation**

Words and expressions defined in the Articles of Association of the Charity have the same meaning in this Memorandum of Association.