

Registered Number: 2420623

Articles of Association

of

Cartrefi Cymru Co-operative Limited

COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

THE COMPANIES ACT 2006

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

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COMPANY NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

CARTREFI CYMRU CO-OPERATIVE LIMITED

PART A. INTRODUCTION

1 INTERPRETATION

1.1 In these Articles:

“the Act”	means the Companies Acts (as defined in Section 2 of the Companies Act 2006) insofar as they apply to the Company and any statutory modification or re-enactment thereof for the time being in force
“the Articles”	means these Articles of Association of the Company
“the Beneficiaries”	means the people referred to in Article 3.1
“the Board”	means the board of Trustees and (where appropriate) includes the Trustees acting by written resolution
“Board Meeting”	means a meeting of the Board
“Business Day”	means any day other than a Saturday, Sunday, bank holiday or public holiday
“Chair”	means (subject to the context) either the person elected as chair of the Company under Article 28 or where the chair of the Company is not present or has not taken the chair at a meeting means the person who is chairing a Board Meeting or General Meeting at the time
“Charity Commission”	means the Charity Commission for England and Wales
“Clear Days”	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
“Co-Chair”	means a person elected as a Co-Chair of the Company under Article 28
“Code of Conduct”	the code of conduct for the Board, the Representative Body and any other Committee as approved by the Board from time to time
“Committee”	means a committee of the Board exercising powers

	delegated to it by the Board
“Community Member”	means any friend or family of an individual Beneficiary of the Company or a supporter of the Company’s work who has elected to become a Community Member and is admitted in accordance with Article 6
“Companies House”	means the office of the Registrar of Companies
“Company”	means the charitable company to be regulated by the Articles
“Co-operative Principles”	means the following principles as agreed by the International Co-operative Alliance: <ul style="list-style-type: none">• Voluntary and Open Membership• Democratic Member Control• Member Economic Participation• Autonomy and Independence• Education, Training And Information• Co-operation Among Co-operatives• Concern for the Community or such other statement of principles as may replace them from time to time
“Council of Management or Governing Body”	means the Board
“General Meeting”	means a meeting of Members
“including”	means “including without limitation” and “include” and “includes” are to be construed accordingly
“Individual Member”	means an individual Beneficiary who has elected to become an Individual Member and is admitted in accordance with Article 6
“Local Representative Forum”	means a local structure for the involvement and representation of Members across the communities where the Company is working
“Member”	means a member for the time being of the Company who is admitted under Article 6
“the Objects”	means the objects of the Company set out in Article 3
“Observers”	mean those persons (other than Trustees) present under Article 30 at a Board Meeting
“Registered Office”	means the registered office of the Company
“Representative Body”	means the elected body of Members exercising the powers delegated to it by the Board and by these Articles

“the Senior Management Team”	means the Chief Executive (or equivalent) and the Finance Director (or equivalents) and such other officers of the Company designated by the Chief Executive from time to time
“Staff Member”	means any employee of the Company who has elected to become a Staff Member and is admitted in accordance with Article 6
“Trustee”	means a Director of the Company for the time being
“United Kingdom”	means Great Britain and Northern Ireland
“Working Party”	means a body established by the Board to make recommendations to the Board but without decision-making powers

1.2 In the Articles:

- 1.2.1 terms defined in the Act are to have the same meaning;
- 1.2.2 references to the singular include the plural and vice-versa and to the masculine include the feminine and neuter and vice-versa;
- 1.2.3 references to “organisations” or “persons” include corporate bodies, public bodies, unincorporated associations and partnerships;
- 1.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and references to legislation (where appropriate) include all regulations, determinations and directions made or given under it;
- 1.2.5 references to articles are to those within the Articles; and
- 1.2.6 headings are not to affect the interpretation of the Articles.

1.3 For the avoidance of doubt the system of law governing the Articles is the law of England.

1.4 None of the model articles in the Companies (Model Articles) Regulations 2008 applies to the Company.

2 NAME

The name of the Company is Cartrefi Cymru Co-operative Limited.

3 OBJECTS

3.1 The Objects for which the Company is established are the furtherance of health and the relief of suffering by:

- 3.1.1 providing for the care, accommodation, training, education, future living, employment, occupation and sustenance of persons normally, but not exclusively, resident in Wales with a mental or physical disability or suffering from a mental illness in order to foster and encourage a sense of independence; and

- 3.1.2 the provision of a holiday home for the rest and recreation of aged, infirm or poor persons and their families who are in need of the facilities of the Company by reason of their age, infirmity or social and economic circumstances (and the for avoidance of doubt "infirm" and "infirmity" shall include suffering from a mental illness or mental or physical difficulty).

4 POWERS

- 4.1 To further its Objects the Company may do all such lawful things as may be necessary or desirable to further the Company's Objects and may do anything else within the law which is incidental and inductive to the Objects. In particular but without limitation the Company may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds.
- 4.2 In exercising their powers under these Articles the Board, the Representative Body and the Members shall each seek to use those powers both to further the Company's Objects and to advance the Co-operative Principles in respect of the Company.

5 APPLICATION OF FUNDS

- 5.1 The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in these Articles 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 Council of Management or Governing Body 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.
- 5.2 Provided that nothing herein shall prevent any payment in good faith by the Company:-
- 5.2.1 of interest on money lent by any member of the Company or of its Council of Management or Governing Body at a reasonable and proper rate per annum not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the Council of Management or Governing Body or 3 per cent whichever is the greater;
- 5.2.2 of reasonable and proper rent for premises demised or let by any member of the Company or of its Council of Management or Governing Body;
- 5.2.3 of fees, remuneration or other benefit in money or money's worth to any company of which a member of the Council of Management or Governing Body may also be a member holding not more than 1/ 100th part of the capital of that company;
or
- 5.2.4 of reasonable and proper out-of-pocket expenses to any member of its Council of Management or Governing Body.

PART B. MEMBERSHIP

6 MEMBERS

- 6.1 Following adoption of the Articles, the Board has the power to designate the Members at that date into one of the Member categories as set out in Article 6.2.
- 6.2 Subject to Article 6.3, further individuals may be admitted to membership by the Board in the following categories: -
- 6.2.1 Individual Members;
 - 6.2.2 Community Members; or
 - 6.2.3 Staff Members.
- 6.3 Notwithstanding Articles 6.1 and 6.2, Individual Members, Community Members and Staff Members will only be admitted as Members subject to meeting specified eligibility criteria (such eligibility criteria to be determined by the Board from time to time) and in accordance with the Company's membership offer (such membership offer to be determined by the Board).

7 ADMISSION OF MEMBERS

- 7.1 Subject to Article 6.1, a person may not be admitted as a Member:-
- 7.1.1 unless they are eligible to become a Member under Article 6 and have signed a written application to become a Member in such form as the Board requires;
 - 7.1.2 unless they pay any agreed membership fee (such membership fee to be determined by the Board);
 - 7.1.3 if they have previously been removed as a Trustee under Article 22.1; or
 - 7.1.4 they would immediately cease to be eligible to be a Member under the Articles.
- 7.2 Membership is personal and not transferable.

8 TERMINATION OF MEMBERSHIP

A person will cease to be a Member:-

- 8.1 on delivering written notice of resignation to the Registered Office;
- 8.2 if they die;
- 8.3 in the case of a Staff Member, if they cease to be an employee of the Company;
- 8.4 in the case of an Individual Member, if they cease to be a Beneficiary of the Company;
- 8.5 if, in the case of a Community Member, the Board acting reasonably resolves that the Member concerned can no longer be regarded as a person who supports the work of the

Company;

- 8.6 if they otherwise cease to be eligible to be a Member under Article 6, the Act or by law;
- 8.7 if, also being a Trustee, they are removed from office as a Trustee under Articles 22.1.7, 22.1.9, or 22.1.10;
- 8.8 if a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- 8.9 if, in the reasonable opinion of the Board that Member's conduct is detrimental to the interests of the Company and the Board so resolves by a two thirds majority, provided that the Member concerned is first able to put their case as to why they should not be so removed.

9 LIABILITY OF MEMBERS

- 9.1 The liability of the Company Members is limited.
- 9.2 Every Member promises, if the Company is wound up whilst they are a Member or within one year after ceasing to be a Member, to contribute such amount as is required up to a maximum of £1 towards:
 - 9.2.1 winding up the Company;
 - 9.2.2 the payment of the debts and the payment of the costs, charges and expenses of liabilities incurred whilst the contributor was a Member; and
 - 9.2.3 the adjustment of the rights of the contributories among themselves.

PART C. GENERAL MEETINGS

10 GENERAL MEETINGS

- 10.1 The Board may call a General Meeting at any time, to be held at such time and place as the Board decides subject to Article 11.
- 10.2 On receiving a requisition from the percentage of Members required under the Act the Board must promptly convene a General Meeting.

11 NOTICE OF GENERAL MEETINGS

- 11.1 Every General Meeting must be called by at least 14 Clear Days' notice.
- 11.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Company Members who may attend and vote and who together hold 20% or more of the total voting rights of all of the Company Members at the General Meeting. This must include at least 5% of the total Members from each of the Individual Members, the Community Members, and Staff Members groups.
- 11.3 The notice must specify:-
 - 11.3.1 the time, date and place of the General Meeting;
 - 11.3.2 the general nature of the business to be transacted; and
 - 11.3.3 if a special resolution is proposed, the fact that the proposed resolution is a special resolution and the wording of the resolution.
- 11.4 Subject to the Act no business may be transacted at a General Meeting except that specified in the notice convening the meeting.
- 11.5 Notice of a General Meeting must be given to all of the Company Members, Trustees and the Company's auditors (if any).
- 11.6 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.

12 QUORUM

- 12.1 No business may be transacted at a General Meeting unless a quorum is present.
- 12.2 The quorum for General Meetings must include at least 5% of the total number of Members from each of the Individual Members, the Community Members, and the Staff Members groups, and:
 - 12.2.1 if the total number of members is less than 100, the quorum is one third of the members;
 - 12.2.2 if the total number of members is 100 or more, then the quorum is 20% of the total number of members, up to a maximum of 200 people.
- 12.3 A Member may be part of the quorum at a General Meeting if they can see and / or hear,

comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

- 12.4 If a quorum is not present within 15 minutes from the time of the General Meeting or a quorum ceases to be present during a General Meeting it must be adjourned to such time and place as the Board decides.
- 12.5 If at the adjourned meeting there are again insufficient Members present within 15 minutes from the time of the adjourned General Meeting to constitute a quorum then those Members who are present in person or by proxy (provided that they number at least 10% of the total Members for the time being or 100 Members, whichever is the lower, and must include at least 2% of the total Members from each of the Individual Members, the Community Members and Staff Members groups) shall constitute a quorum for the purpose of allowing any business of the adjourned meeting to be conducted.
- 12.6 Reasonable notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Members.

13 CHAIR AT GENERAL MEETINGS

- 13.1 The Chair is to chair General Meetings.
- 13.2 If the Chair is not present within 15 minutes from the time of the General Meeting or is unwilling to act then the Co-Chair, if any, must chair the General Meeting.
- 13.3 If neither the Chair nor the Co-Chair, if any, is present and willing to act within 15 minutes from the time of the General Meeting, the Company Members present must choose one of their number to chair the General Meeting.

14 ADJOURNMENT OF GENERAL MEETINGS

- 14.1 The Chair may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.
- 14.2 The Chair may also adjourn a General Meeting if it appears to the Chair that for any other reason an adjournment is necessary for the business of the meeting to be properly conducted.
- 14.3 The only business that may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting that was adjourned.
- 14.4 It is not necessary to give notice of a General Meeting which is adjourned under Article 14.1 or 14.2 unless it is adjourned for 30 days or more in which case 7 Clear Days' notice must be given.
- 14.5 Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

15 VOTING AT GENERAL MEETINGS

- 15.1 Subject to Article 15.2, resolutions are to be decided on a show of hands unless a ballot is properly demanded.
- 15.2 Each Member present in person or by proxy has one vote both on a show of hands and a

ballot. In furtherance of the Company's Objects, in order for a resolution to be passed each constituent group of Members must approve the resolution by the requisite majority of the constituent Members from that group voting in favour.

- 15.3 If there is an equality of votes on a show of hands or a ballot the Chair is not entitled to a second or casting vote and resolutions which fail to achieve the required majority from each constituent Member group will be lost.
- 15.4 An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chair whose decision is final.
- 15.5 A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a ballot is demanded.

16 **BALLOTS**

- 16.1 A ballot may be demanded by the Chair or by any two Members before or on the declaration of the result of a show of hands.
- 16.2 A demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.
- 16.3 The demand for a ballot will not prevent the General Meeting continuing to transact business other than in relation to the question on which the ballot is demanded.
- 16.4 A ballot is to be taken as the Chair directs. The Chair may appoint scrutineers (who need not be Members) and set a time and place to declare the result. The result will be the resolution of the General Meeting at which the ballot was demanded but will be treated as passed when the result is declared.
- 16.5 A ballot on the election of a chair or an adjournment must be taken immediately. A ballot on any other question may be taken either immediately or at such time and place as the Chair directs.
- 16.6 At least 7 Clear Days' notice must be given of the time and place at which the ballot is to be taken unless the time and place are announced at the General Meeting at which it is demanded.

17 **PROXIES**

- 17.1 A Member may validly appoint a proxy by notice in writing which:
- 17.1.1 states the name and address of the Company Member appointing the proxy;
 - 17.1.2 identifies the person appointed to be that Member's proxy and the General Meeting in relation to which that person is appointed;
 - 17.1.3 is signed by or on behalf of the Company Member appointing the proxy, or is authenticated in such manner as the Trustees may determine; and
 - 17.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the General Meeting to which they relate.

- 17.2 A proxy need not be a Member. The Board may from time to time prescribe a form to appoint a proxy by standing orders made under Article 38. A proxy may not appoint another proxy.
- 17.3 The document appointing a proxy may instruct the proxy which way to vote on particular resolutions.
- 17.4 A proxy will only be valid if the document appointing a proxy (and any power of attorney or other authority (if any) under which it is signed) or a properly certified copy is deposited at the Registered Office at least 24 hours before the starting time for the General Meeting or adjourned General Meeting at which the proxy proposes to vote.
- 17.5 No document appointing a proxy will be valid for more than 12 months.
- 17.6 A vote given or ballot demanded by proxy is to be valid despite:-
- 17.6.1 the revocation of the proxy; or
 - 17.6.2 the death or insanity of the principal
- unless written notice of the death, insanity or revocation is received at the Registered Office before the start of the General Meeting or adjourned General Meeting at which the proxy is used.
- 17.7 A proxy form will not be valid for any part of a General Meeting at which the Company Member who appointed the proxy is present.

18 MEMBERS' WRITTEN RESOLUTIONS

- 18.1 A written resolution approved by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of eligible Members (provided that those Members would constitute a quorum at a General Meeting in accordance with Article 16) is as valid as if it had been passed at a General Meeting provided that:
- 18.1.1 a copy of the proposed resolution has been sent to every eligible Member;
 - 18.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of Members (provided that those Members would constitute a quorum at a General Meeting in accordance with Article 12) have signified their agreement to the resolution; and
 - 18.1.3 such agreement is contained in an authenticated document that has been received at the Registered Office within the period of 28 days beginning with the circulation date.
- 18.2 A resolution under Article 18.1 may consist of several documents in similar form each approved by one or more Members.

PART D. REPRESENTATIVE BODY & TRUSTEES

19 THE REPRESENTATIVE BODY

- 19.1 When the Company has over 100 Members, the Board shall use its reasonable endeavours to establish the Representative Body.
- 19.2 The Representative Body shall have the following objectives:
- 19.2.1 to represent the views of the Company Members and the wider Beneficiary community, including through the establishment of Local Representative Forums;
 - 19.2.2 to pro-actively shape, develop and sustain a Member-led approach within the Company;
 - 19.2.3 to ensure that Members can consider, review and develop with the Board the strategic and operational development of the Company (having a proactive input into influencing decision making and strategic direction) through Local Representative Forums and the Representative Body;
 - 19.2.4 to seek to ensure, through its composition and the work of Local Representative Forums, that the level of representation for the Individual Members, the Community Members, and the Staff Members strikes an appropriate balance having regard to their legitimate interest in the Company's affairs;
 - 19.2.5 to proactively review the current appointments to the Board and ensure that the Board continues to have the requisite skills required for the management of the Company and to represent the views of the Company Members.
- 19.3 The Representative Body will:
- 19.3.1 engage with the Board and the other Members in an open and flexible way to support the agreed objectives of the Company and decision making processes;
 - 19.3.2 meet at least once in each calendar year, or as often as the Representative Body and the Board shall agree and determine is necessary from time to time;
 - 19.3.3 establish terms of reference for any Local Representative Forums;
 - 19.3.4 work together with the Board on any matters that they jointly consider appropriate which may be raised by the other Members or arises with the Board from time to time; and
 - 19.3.5 be responsible for appointing six to eleven non-executive Trustees to be appointed to the Board as Trustees. The appointments process for the Trustees shall be in accordance with such terms of reference as shall be determined by the Board and approved by the Representative Body from time to time.
- 19.4 The Individual Members, the Community Members and the Staff Members shall each elect and appoint members from their own constituent Member group to sit on the Representative Body. The appointments and election processes for the Representative Body shall be in accordance with such terms of reference as shall be determined by the Representative Body and approved by the Board from time to time.

19.5 Subject to Article 19.3, the Representative Body shall comprise the following Members:

19.5.1 four Members who are also Individual Members;

19.5.2 four Members who are also Community Members;

19.5.3 four Members who are also Staff Members; and

19.5.4 two Trustees.

Three Company employees, being those employees who are responsible for being the support officer for the Individual Members, the Community Members and the Staff Members respectively may attend and speak at meetings of the Representative Body but shall not be entitled to vote on any matter.

19.6 The Representative Body shall appoint one of its members to be its Chair or representative in line with the terms of reference for the Representative Body which are set from time to time. No Trustee or Company employee appointed to the Representative Body shall be the Chair.

19.7 Where the Representative Body does not have a Chair or its Chair is not present at the start of the meeting of the Representative Body, the Representative Body may nominate any other member of the Representative Body (other than the Trustee or Company employee) present at that meeting.

19.8 Any terms of reference for the Representative Body (and any amendment to those terms of reference) shall be determined by the Representative Body but shall be subject to the approval of the Board.

20 APPOINTMENT OF TRUSTEES

20.1 The Board shall be comprised of between six to eleven Trustees.

20.2 Subject to the remainder of this Article 20.2:

20.2.1 where there is a Representative Body in place then the Representative Body shall review the composition of the Board on an annual basis, and may appoint further Trustees, and replace or re-appoint Trustees ceasing to hold office, up to the maximum number permitted by these Articles;

20.2.2 where there is no Representative Body in place then the Board shall review its composition on an annual basis, and may appoint further Trustees, and replace or re-appoint Trustees ceasing to hold office, up to the maximum number permitted by these Articles. Where the Board exercises any power under this Article then the Board shall use reasonable endeavours to consult the Members before so doing.

20.3 Trustees may be such Community Members or non-Members who have the relevant skills and experience to perform the duties required of a Trustee.

20.4 The Trustees shall approve the appointment of the Chief Executive (or equivalents) and the Finance Director (or equivalents).

20.5 On or before the appointment of a person as a Trustee the person must either sign the prescribed Companies House form for the appointment of a director or provide the information necessary to register the person online at Companies House as a Trustee. The

appointment of any person as a Trustee, who has not complied with the requirements of this Article 20.3 within one month of appointment, is to lapse unless the Board resolves that there is good cause for the delay.

20.6 Trustees shall be elected for a fixed term of office expiring at the start of the first Board meeting three years after their appointment, but may be re-appointed.

21 OBLIGATIONS OF TRUSTEES

21.1 Trustees will be required to sign up (and adhere) to a Code of Conduct.

21.2 Trustees shall be required to share decision-making, as far as possible, with the Representative Body including delegating appropriate decisions. The objective is to enable the democratic decision making amongst Members as far as possible to have ownership of the governance of the Company. Where it is not appropriate to share or delegate a decision to the Representative Body the Board must incorporate, as far as practically possible, the views of the Representative Body on the matter.

21.3 Trustees should work co-operatively and support the Representative Body in all appropriate matters.

22 RETIREMENT AND REMOVAL OF TRUSTEES

22.1 A Trustee will cease to hold office if they:-

22.1.1 die;

22.1.2 reach the end of their fixed term in accordance with Article 20.5;

22.1.3 cease to be or to be entitled to be a Trustee under these Articles, the Act or by law;

22.1.4 in the reasonable opinion of the Board, become incapable of fulfilling their duties and responsibilities as a Trustee because of illness or injury and the Board resolves that they should be removed as a Trustee;

22.1.5 in the case of a Trustee who also sits on the Representative Body, they cease to be on the Representative Body as defined in these Articles;

22.1.6 are declared bankrupt or make any arrangement or composition with their creditors;

22.1.7 are in the opinion of the Board guilty of conduct detrimental to the interests of the Company and the Board resolves by a 75% majority of the Trustees present and voting at a properly convened Board Meeting that they should be removed provided that the Trustee concerned has first been given an opportunity to put their case and to justify why they should not be removed as a Trustee;

22.1.8 resign by written notice to the Company at the Registered Office;

22.1.9 are absent without good reason from three consecutive Board Meetings held no more frequently than once per month and the Board resolves (by a 75% majority of the Trustees present and voting at a properly convened Board Meeting) that they should cease to be a Trustee;

- 22.1.10 fail to sign up to the Code of Conduct a statement of their obligations under Article 21 within one month of their appointment and the Board resolves that they be removed.

23 CONFLICTS OF INTEREST AND TRUSTEE CONDUCT

23.1 Declaration of interests

- 23.1.1 If a Trustee is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, they must declare the nature and extent of that interest to the other Trustees.
- 23.1.2 In accordance with the Act, the declaration may be made at a Board Meeting or by written notice.
- 23.1.3 If a declaration of interest proves to be or becomes inaccurate or incomplete a further declaration must be made.
- 23.1.4 Any required declaration of interest must be made before the Company enters into the transaction or arrangement.
- 23.1.5 A declaration is not required in relation to an interest of which the Trustee is not aware or where the Trustee is not aware of the transaction or arrangement in question. For this purpose a Trustee is treated as being aware of matters of which they ought reasonably to be aware.
- 23.1.6 A Trustee need not declare an interest:-
- 23.1.6.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interests; or
 - 23.1.6.2 if, and to the extent that, the other Trustees are already aware of it (and for this purpose the other Trustees are treated as being aware of anything of which they ought reasonably to be aware).

23.2 Authorisation of conflicts of interest

- 23.2.1 A Trustee may enter into a transaction or arrangement with the Company only if and to the extent that such an arrangement is authorised by Article 23.2.2.
- 23.2.2 Where, for whatever reason, a Trustee has any form of interest in relation to a transaction or arrangement with the Company (which shall include a conflict of duty) and the transaction or arrangement is not authorised by virtue of any other provision in the Articles then it may be authorised by those Trustees not having a conflict provided that:-
- 23.2.2.1 the Trustee with the conflict (and any other interested Trustee) is not counted when considering whether or not there is a valid quorum for that part of the meeting and does not vote in relation to the matter giving rise to the conflict; and
 - 23.2.2.2 the Trustees who do not have a conflict in relation to the matter in question consider it is in the best interests of the Company to authorise the transaction.
- 23.2.3 The Trustees who do not have a conflict in relation to the matter in question may,

in their absolute discretion, determine that the Trustee with the conflict and/or any other interested Trustee should absent himself from the part of the meeting at which there is discussion concerning the transaction or arrangement giving rise to the conflict.

PART E. BOARD MEETINGS

24 FUNCTIONS OF THE BOARD

- 24.1 The Board must direct the Company's affairs in such a way as to promote the Objects and reflect the views of the Representative Body. Its functions include:-
- 24.1.1 defining and ensuring compliance with the values and objectives of the Company including the Code of Conduct;
 - 24.1.2 establishing policies and plans to achieve those objectives;
 - 24.1.3 approving each year's budget and accounts before publication;
 - 24.1.4 establishing and overseeing a framework of delegation of its powers to the Representative Body and employees with proper systems of control;
 - 24.1.5 monitoring the Company's performance in relation to its plans budget controls and decisions;
 - 24.1.6 satisfying itself that the Company's affairs are conducted in accordance with the Charity Commission guidance and generally accepted standards of performance and propriety; and
 - 24.1.7 ensuring that appropriate advice is taken on the items listed in Articles 24.1.1 to 24.1.6 and in particular on matters of legal compliance and financial viability.
- 24.2 The Board will, at all times, operate in accordance with the Company's Objects and promote independence, resilience and ownership amongst the Representative Body. However, the Board will always be mindful of the stewardship role undertaken by the Board on behalf of the Company and will act fairly, reasonably and practically in this respect.
- 24.3 The Board shall undertake to delegate appropriate decisions as it may determine to the Representative Body.

25 POWERS OF THE BOARD

- 25.1 Subject to the Act and the Articles, the business of the Company is to be managed by the Board who may exercise all of the powers of the Company.
- 25.2 An alteration to the Articles does not invalidate earlier acts of the Board which would have been valid without the alteration.

26 BOARD MEETINGS

- 26.1 Subject to the Articles, the Board may regulate Board Meetings as it wishes.
- 26.2 Board Meetings may be called by any Trustee.
- 26.3 7 days' notice of Board Meetings must be given to each of the Trustees but it is not necessary to give notice of a Board Meeting to a Trustee who is out of the United Kingdom.
- 26.4 A Board Meeting which is called on shorter notice than required under Article 26.3 is deemed to have been duly called if at least five Trustees certify in writing that because of

special circumstances it ought to be called as a matter of urgency.

26.5 Matters arising at a Board Meeting are to be decided by a simple majority of votes and, each Trustee is to have one vote.

26.6 If there is an equality of votes the Chair is entitled to a second or casting vote.

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

27 QUORUM FOR BOARD MEETINGS

27.1 The quorum for Board Meetings is one half of the Trustees for the time being.

27.2 A Trustee may be part of the quorum at a Board Meeting if they can see and / or hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

27.3 The Board may act despite vacancies in its number but if the number of Trustees is less than half then the Board may act only to appoint new Trustees or invite the Representative Body to do so.

27.4 At a Board Meeting which remains inquorate for 15 minutes after its starting time or one which becomes inquorate for more than 15 minutes the Trustees present may act only to:-

27.4.1 adjourn it to such other time and place as they decide; or

27.4.2 call a General Meeting.

27.5 If at the adjourned Board Meeting there are again insufficient Trustees present within 15 minutes from the time of the adjourned Board Meeting to constitute a quorum then the Trustees present may only act to call a General Meeting.

28 CHAIR AND CO-CHAIR

28.1 The Company must have a Chair and may have a Co-Chair. The Chair and the Co-Chair, if any, are to be elected by the Board. The Board must decide the period during which they are each to hold office and the precise point at which their term of office ends. Both the Chair and the Co-Chair, if any, may be re-elected by the Board.

28.2 The Chair and the Co-Chair, if any, may resign from their positions at any time (without necessarily resigning as Trustees at the same time).

28.3 Where there is no Chair the first item of business at a Board Meeting must be to elect a Chair in accordance with Article 28.1.

28.4 The Chair and the Co-Chair, if any, may be removed only at a Board Meeting called for the purpose at which a resolution with a majority in favour is passed. The Chair or the Co-Chair (as the case may be) must be given an opportunity to say why they should not be removed.

28.5 The Chair is to chair all Board Meetings and General Meetings at which he/she is present unless he/she does not wish or is not able to do so.

28.6 If the Chair is not present within 5 minutes after the starting time of a Board Meeting, or is

unwilling or unable to chair a Board Meeting, then the Co-Chair, if any, must chair the Board Meeting unless he/she is unwilling or unable to do so.

- 28.7 If both the Chair and the Co-Chair, if any, are not present within 5 minutes after the starting time of a Board Meeting or both are unwilling or unable to chair the meeting then the Board must elect one of the Trustees who is present to chair the Board Meeting.
- 28.8 The functions of the Chair are:-
- 28.8.1 where appropriate, to act as an ambassador for the Company and to represent the views of the Board to the general public and other organisations;
 - 28.8.2 to ensure that Board Meetings and General Meetings are conducted efficiently;
 - 28.8.3 to give all Trustees an opportunity to express their views;
 - 28.8.4 to establish a constructive working relationship with and to provide support to the Representative Body;
 - 28.8.5 where necessary (and in conjunction with the other Trustees) to ensure that, where the post of any employee is or is due to become vacant, a replacement is found in a timely and orderly fashion;
 - 28.8.6 to encourage the Board to delegate sufficient authority to the Representative Body to enable the business of the Company to be carried on effectively between Board Meetings in furtherance of its Objects;
 - 28.8.7 to ensure that the Board monitors the use of delegated powers appropriately; and
 - 28.8.8 to encourage the Board to take professional advice when it is needed and particularly before considering the dismissal of an employee.
- 28.9 The role of the Co-Chair, (if any,) is to deputise for the Chair during any period of their absence and, for that period, their functions shall be the same as those of the Chair.

29 COMMITTEES AND WORKING PARTIES

- 29.1 The Board may, in conjunction with the Representative Body:-
- 29.1.1 establish Committees consisting of those persons whom the Board decide;
 - 29.1.2 delegate to a Committee any of its powers; and
 - 29.1.3 revoke a delegation at any time.
- 29.2 The Board may establish working parties consisting of those persons whom the Board decide. A Working Party may not take decisions on behalf of the Board but may consider issues in depth with a view to making recommendations to the Board.
- 29.3 The members of a Committee or a Working Party are to be appointed by the Board but the Board may give a Committee or a Working Party the right to co-opt individuals to its membership. The Board is to determine the chair of each Committee or Working Party.
- 29.4 Each member of a Committee or Working Party (including the chair) is to hold office from the date of their appointment until the term of office for which they have been appointed expires or until they resign or are removed by the Board from the Committee or Working

Party.

- 29.5 The Board must determine the quorum for each Committee and Working Party it establishes.
- 29.6 The Board must specify the financial limits within which any Committee may function. A Working Party can have no authority to incur expenditure.
- 29.7 Every Committee or Working Party must report its proceedings and decisions to the Board as the Board determines.

30 OBSERVERS

- 30.1 Subject to Article 30.5, the Board may allow individuals who are not Trustees to attend Board Meetings as Observers on whatever terms the Board decides.
- 30.2 The Senior Management Team is permitted to attend, listen and comment at Board meetings.
- 30.3 Observers may not vote but may take part in discussions with the prior consent of the Chair.
- 30.4 The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.
- 30.5 The Board must exclude an Observer from any Board Meeting at which a possible personal benefit to them is being considered.

31 TRUSTEES' WRITTEN RESOLUTIONS

- 31.1 A written resolution approved by a majority of the Trustees entitled to receive notice of a Board Meeting (provided they would constitute a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.
- 31.2 A written resolution approved by a simple majority of the members of a Committee (provided they would constitute a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.
- 31.3 A resolution under Articles 31.1 or 31.2 may consist of several documents in similar form each approved by one or more of the Trustees or Committee Members.

PART F. OFFICERS

32 INDEMNITIES FOR OFFICERS AND EMPLOYEES

- 32.1 The Company may indemnify any officer or employee (other than a Trustee) against any liability incurred by them in their capacity as such except when that liability is due to their own dishonesty or gross negligence.
- 32.2 Subject to the Act (in particular sections 232-238 or any section of any other statute amending or replacing sections 232-238) and Article 32.3, the Company may indemnify any Trustee against any liability incurred by them in their capacity as such.
- 32.3 The indemnity provided to a Trustee in accordance with Article 32.2 may not include any indemnity against liability:-
- 32.3.1 to the Company or a company associated with it;
 - 32.3.2 for fines or penalties; or
 - 32.3.3 incurred as a result of their unsuccessful defence of criminal or civil proceedings.
- 32.4 The indemnity provided to a Trustee in accordance with Article 32.2 may include the provision of funds to cover their legal costs as they fall due on terms that the Trustee in question will repay the funds if they are unsuccessful in their defence of the criminal or civil proceedings to which these costs relate.
- 32.5 In respect to its auditor the Company may:-
- 32.5.1 purchase and maintain insurance for their benefit against any liability incurred by them in their capacity as such; and
 - 32.5.2 indemnify them against any liability incurred in defending any proceedings (whether civil or criminal) in which judgment is given in their favour or they are acquitted or in connection with any application under Section 1157 of the Act or any section of any other statute amending or replacing Section 1157 in which relief is granted to them by the Court.

PART G. STATUTORY AND MISCELLANEOUS

33 MINUTES

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

34 ACCOUNTS ANNUAL REPORT AND ANNUAL RETURN

- 34.1 The Company must comply with the Act in making an annual return to the Registrar of Companies and the Charity Commission.
- 34.2 The Company must comply with the Act in relation to the audit or examination of accounts (to the extent that the law requires).
- 34.3 The annual Trustees' report and accounts must contain:-
 - 34.3.1 revenue accounts and balance sheet for the last accounting period;
 - 34.3.2 the auditor's report on those accounts (if applicable); and
 - 34.3.3 the Board's report on the affairs of the Company.
- 34.4 The accounting records of the Company must always be open to inspection by a Trustee.

35 BANK AND BUILDING SOCIETY ACCOUNTS

- 35.1 All bank and building society accounts must be controlled by the Board and must include the name of the Company.
- 35.2 A cheque or order for the payment of money must be signed in accordance with the Board's instructions.

36 EXECUTION OF DOCUMENTS

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

- 36.1 two Directors;
- 36.2 one Director and the Secretary (where appointed); or
- 36.3 one Director in the presence of a witness who attests the Director's signature.

37 NOTICES

- 37.1 Except for notices calling Board Meetings (which may be in writing but do not have to be) notices under the Articles must be in writing. In this Article writing includes facsimile transmission or email.
- 37.2 A Member present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.
- 37.3 The Company may give a notice to a Member, Trustee or auditor either:
- 37.3.1 personally;
 - 37.3.2 by sending it by post in a prepaid envelope;
 - 37.3.3 by facsimile transmission;
 - 37.3.4 by leaving it at their address; or
 - 37.3.5 by email.
- 37.4 Notices under Article 37.3.2 to 37.3.5 may be sent:-
- 37.4.1 to an address in the United Kingdom which that person has given the Company;
 - 37.4.2 to the last known home or business address of the person to be served; or
 - 37.4.3 to that person's address in the Company's register of Members.
- 37.5 Proof that an envelope containing a notice was properly addressed prepaid and posted is conclusive evidence that the notice was given 48 hours after it was posted.
- 37.6 Proof that a facsimile transmission was made is conclusive evidence that the notice was given at the time stated on the transmission report.
- 37.7 A copy of the notification from the system used by the Company to send emails, that the email has been sent to the particular person, will be conclusive evidence that the notice was sent and such notice will be deemed to have been delivered 24 hours after it was sent.
- 37.8 A notice may be served on the Company by delivering it or sending it to the Registered Office.
- 37.9 The Board may make standing orders to define other acceptable methods of delivering notices.

38 STANDING ORDERS

- 38.1 Subject to Article 38.4;
- 38.1.1 the Board may from time to time, following consultation with the Representative Body, make, alter, add to or repeal standing orders for the proper conduct and management of the Company; and
 - 38.1.2 the Company in a General Meeting may alter, add to or repeal the standing orders.

- 38.2 The Board must adopt such means as they think sufficient to bring the standing orders to the notice of Members.
- 38.3 Standing orders are binding on all Members and Trustees.
- 38.4 No standing order may be inconsistent with or may affect or repeal anything in the Articles.

39 WINDING UP

- 39.1 If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of Article 5 hereof, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some other charitable object.