

**The Social Enterprise Loan Fund ("the Company")**

**Company number: 02995859**

**Charity number 1042514**

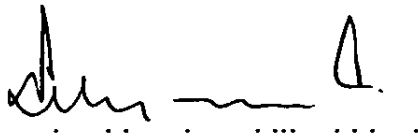
**Certificate pursuant to section 356(2) of the Companies Act 2006**

The following Written Special Resolution was duly passed by the Members of the Company on 31 March 2012

**Special Resolution**

That the regulations contained in the printed document which is attached in the Appendix to this Special Resolution be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association In accordance with article 14(5) of the regulations, the first Independent Directors shall be Mohamed Ismail Omer, John Illingworth and Roger Hooley

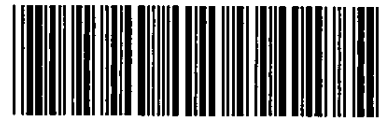
Signed...



Name of Director.

John Illingworth

FRIDAY



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13/04/2012

#286

COMPANIES HOUSE

## **APPENDIX TO SPECIAL RESOLUTION**

### **THE COMPANIES ACTS 1985 TO 2006 COMPANY LIMITED BY GUARANTEE**

#### **Articles of Association of The Social Enterprise Loan Fund**

- 1 The company's name is The Social Enterprise Loan Fund (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 e-mail 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,

"BII Directors" means the directors appointed by the Member in accordance with Article 14(2),

"Big Issue Group Company" means any parent undertaking of the Member, or any subsidiary undertaking of the Member or of its parent undertaking (including the Member),

"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 it is to take effect,

"the Commission" means the Charity Commission for England and Wales,

"Companies Acts" means the Companies Acts (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 97 of the Charities Act 1993,

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

"electronic form" has the meaning given in section 1168 of the Companies Act 2006,

"Independent Directors" means the directors who are appointed in accordance with Article 14(5),

"the Member" means Big Issue Invest Limited, whose registered office is at 1-5 Wandsworth Road, London SW8 2LN and registered company number is 04764982,

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

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

"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

The relevant model articles for a company limited by guarantee are hereby expressly excluded

### **Liability of the Member**

3

- (1) The liability of the Member is limited
- (2) The Member of the charity undertakes to contribute to the assets of the charity, in the event of the same been wound up while it is the member, or within one year after it ceases to be the member, for payment of the debts and liabilities of the charity contracted before it ceases to be the member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £1

### **Objects**

4 The charity's objects ("Objects") are to promote charitable purposes by the provision of grants, financial loans and other assistance in any of the following ways

- (a) the provision or assistance in the provision of recreational facilities for persons who by reason of their youth age infirmity or disablement poverty or

social and economic circumstances have need of such facilities or for members or the female members of the public at large,

- (b) the relief of poverty age and disability by the provision of housing for rental to those in need,
- (c) the advancement of education by the provision of charitable schools places of learning and educational facilities,
- (d) the advancement of education training and retraining particularly among the unemployed and the provision of work experience to the unemployed,
- (e) the advancement of education training and retraining and (in cases of need) financial support in setting up in a trade business or vocation or preparing for entering a profession trade business or employment generally or amongst the unemployed,
- (f) the promotion of such other charitable purposes as the directors may think fit

#### **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 and organise appeals In doing so, the charity must not undertake any substantial permanent trading activity the profits of which are liable to tax otherwise than for carrying out the Objects and must comply with any relevant statutory regulations,
- (2) to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter any buildings, erections or installations,
- (3) to make loans to charities and non-charitable voluntary organisations PROVIDED THAT the charity shall enter into a loan agreement with each such borrower which shall stipulate as a term thereof the charitable purpose or purposes for which the loan is to be applied, a breach of which will cause immediate repayment of the loan to the charity
- (4) to sell, lease or otherwise dispose of all or any part of the property or assets belonging to the charity In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006,
- (5) to raise or borrow money and to charge the whole or any part of the property or assets 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 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land,
- (6) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them,

- (7) to establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with the purposes of the charity or calculated to further the Objects,
- (8) to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity, companies, institutions, societies or associations having objects wholly or in part similar to the Objects,
- (9) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves,
- (10) 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 6 and provided it complies with the conditions in that article,
- (11) to
  - (a) deposit or invest the charity's funds in or upon such investments, or other property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law,
  - (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,
- (12) to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993,
- (13) To delegate the day to day management of the charity to Big Issue Invest Limited or such body corporate as the charity may from time to time determine (hereinafter called "the Managers") on such terms and at such reasonable remuneration as the charity may think fit but subject always to the following conditions
  - (i) the delegated powers shall be exercisable only within clear policy guidelines drawn up in advance by the charity,
  - (ii) all delegations under this sub-clause shall be revocable on reasonable notice,
  - (iii) all acts and proceedings of the Managers shall be reported regularly to the charity and any resolution passed or decision taken by them shall be reported forthwith to the charity,

- (iv) the charity may make such regulations and impose such terms and conditions and give such mandates to the Managers as it may from time to time think fit,
  - (v) for the avoidance of doubt the charity may delegate financial matters to the Managers and may empower them 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 an authorised representative of the Member PROVIDED THAT the Managers shall not incur expenditure on behalf of the charity except in accordance with a budget which has been approved by the charity,
  - (vi) the charity shall review such delegation at intervals not (in the absence of special reasons) exceeding 12 months but so that any failure to undertake such review within the said period of 12 months shall not invalidate the delegation
- (14) 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,
  - (15) to purchase or otherwise acquire plant and machinery including computer hardware and software, furniture, fixtures, fittings, and all other effects of every description and to apply for registration of any patents, rights, copy rights, licences and alike,
  - (16) to undertake and execute any trusts or any agency business which may lawfully be undertaken by the charity and may be conducive to the Objects,
  - (17) to take and accept any gift of money, property or other assets, whether subject to any special trust or not, for any purpose within the Objects,
  - (18) to print and publish or otherwise have or cause to be reproduced or circulated any newspapers, periodicals, books, leaflets, magazines or other documents or films or audio or visual or otherwise recorded tapes or discs,
  - (19) to subscribe to or otherwise support the general or special purpose of any local or other charities having objects in whole or in part similar to the Objects,
  - (20) to establish and support or aid in the establishment and support of any charitable associations or institutions,
  - (21) to act and perform all the functions of a holding company and to purchase, subscribe for, underwrite, take or otherwise acquire or hold any stocks, bonds, options, debentures, debenture stock, obligations or securities or interests or rights in any of the forgoing (whether present or future) in each case of any description in or of any company, corporation, or legal entity in the United Kingdom,
  - (22) to provide general funding for such research as is necessary to assist or enable the charity to fulfil the Objects of and the dissemination of the useful results of such research,

- (23) to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any body with which the charity is authorised to amalgamate,
- (24) to transfer all or any part of the property, assets, liabilities and engagements of the charity to any body with which the charity is authorised to amalgamate,
- (25) to employ (whether as employee, consultant or otherwise) and pay any personal persons to supervise, organise, carry on the works of and advise the charity and subject to the provisions of clause 6 to pay reasonable annual sums or premiums for or towards the provision of pensions for officers or servants for the time being of the charity or their dependants,
- (26) to issue and arrange insurance for, and to indemnify the charity's officers, servants and voluntary workers from and against, all such risks incurred in the performance of their duties as may be thought fit,
- (27) to do all such other things as shall further the attainment of the Objects or any of them

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

##### **Universal clauses**

- 6 (1) The income and property of the charity shall be applied solely towards the promotion of the Objects
- (2)
  - (a) A director is entitled to be reimbursed from the property of the charity or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the charity
  - (b) A director may benefit from trustee indemnity insurance cover purchased at the charity's expense in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993
  - (c) A director may receive an indemnity from the charity in the circumstances specified in article 36
- (3) 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 the Member of the charity This does not prevent the Member 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

##### **Directors' benefits**

- (4) (A) No director or connected person may
- (a) buy any goods or services from the charity on terms preferential to those applicable to members of the public,
  - (b) sell goods, services, or any interest in land to the charity,
  - (c) be employed by, or receive any remuneration from, the charity,
  - (d) receive any other financial benefit from the charity, unless
    - (i) the payment is permitted by article 6(4)(B)(a), or
    - (ii) the directors obtain the prior written approval of the Commission and fully comply with any procedures it prescribes
- (4) (B)(a)(i) 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
- (ii) 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, section 73A to 73C of the Charities Act 1993
  - (iii) Subject to article 6(4)(C) 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
  - (iv) A director or connected person may receive interest on money lent to the charity at a reasonable and proper rate which must be 2% (or more) per annum below the base rate of a clearing bank to be selected by the directors
  - (v) A director or connected person may receive rent for premises let by the director or connected person to the charity if the amount of the rent and the other terms of the lease are reasonable and proper and provided that the director concerned shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion
  - (vi) The directors may arrange for the purchase, out of the funds of the charity, of insurance designed to indemnify the directors in



accordance with the terms of, and subject to the conditions in, section 73F of the Charities Act 1993

(vii) 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

(4) (C) The charity and its directors may only rely upon the authority provided by article 6(4)(B)(a)(iii) if each of the following conditions is satisfied

(a) The amount or maximum amount of the payment for the goods is set out in an agreement in writing between

(i) the charity or its directors (as the case may be), and

(ii) the director or connected person supplying the goods ("the supplier") under which the supplier is to supply the goods in question to or on behalf of the charity

(b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question

(c) The other directors are satisfied that it is in the best interests of the charity to contract with the supplier rather than with someone who is not a director or connected person. In reaching that decision the directors must balance the advantage of contracting with a director or connected person against the disadvantages of doing so

(d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the charity

(e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of directors is present at the meeting

(f) The reason for their decision is recorded by the directors in the minute book

(g) A majority of the directors then in office are not in receipt of remuneration or payments authorised by article 6(4)(A)

- (5) (a) In sub-clauses (2)-(4) of this article 6 "charity" shall include any company in which the charity
- holds more than 50% of the shares, or
- controls more than 50% of the voting rights attached to the shares, or
- has the right to appoint one or more directors to the board of the company,
- (b) In sub-clause (4) of this article 6, sub-clause (2) of article 25 and sub-clause (2) of article 26 "connected person" means
- (i) a child, parent, grandchild, grandparent, brother or sister of the director,
  - (ii) the spouse or civil partner of the director or of any person falling within paragraph (i) above,
  - (iii) a person carrying on business in partnership with the director or with any person falling within paragraph (i) or (ii) above,
  - (iv) an institution which is controlled –
    - (i) by the director or any connected person falling within paragraph (i), (ii), or (iii) above, or
    - (ii) by two or more persons falling within sub-paragraph (i), when taken together
  - (v) a body corporate in which –
    - (i) the director or any connected person falling within paragraphs (i) to (iii) has a substantial interest, or
    - (ii) two or more persons falling within sub-paragraph (i) who, when taken together, have a substantial interest
- (c) Paragraphs 2 to 4 of Schedule 5 to the Charities Act 1993 apply for the purposes of interpreting the terms used in this sub-clause (5) In particular, any connected person has a "substantial interest" in a body corporate for the purposes of sub-clause (5)(b)(v) if the person or institution in question
- (i) is interested in shares comprised in the equity share capital of that body of a nominal value of more than one-fifth of that share capital, or

- (ii) is entitled to exercise, or control the exercise of, more than one-fifth of the voting power at any general meeting of that body

## **Member**

7

- (1) The Member is the sole member of the Charity
- (2) In the event of a bona fide reconstruction of the Member without insolvency the directors shall admit its successor organisation as Member
- (3) If the Member goes into liquidation otherwise than for the purpose of a bona fide reconstruction without insolvency or has an administrator or a receiver or an administrative receiver appointed over all its assets or an order made or a resolution passed for its winding up the Member's membership shall automatically cease, and the directors shall after consultation (as far as practicable) with representatives of the former Member admit any other person or persons willing to become the member or members of the Charity to membership
- (4) Except as specified in paragraphs (2) and (3) above, the directors shall not have power to admit new members of the Charity

## **Decisions of the Member**

8

- (1) Decisions of the Member in respect of the Charity can be made
  - (a) by passing a written resolution in accordance with the provisions of the Companies Acts, or
  - (b) by passing a resolution by proxy or by an authorised representative at a general meeting convened and held in accordance with the provisions of the Companies Acts
- (2) Communications in relation to written resolutions shall be sent to the Charity's auditors in accordance with the Companies Acts

## **Directors**

9

- (1) A director must be a natural person aged 16 years or older
- (2) No one may be appointed a director if he or she would be disqualified from acting under the provisions of article 16

10 The minimum number of directors shall be three and the maximum number of directors shall be seven

- 11 The first directors shall be those persons notified to Companies House as the first directors of the charity
- 12 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**

13

- (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 directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors

#### **Appointment of directors**

14

- (1) The board of directors shall comprise BII Directors and Independent Directors. Any person who is willing to act as a director may be appointed as a director, subject to the provisions of this Article 14 and Article 16

##### *BII Directors*

- (2) The Member may appoint up to four directors (the "BII Directors"). BII Directors shall be appointed on notice in writing from a duly authorised representative of the Member with the prior written approval of the relevant person to be appointed by resolution of the Member's board of directors

##### *Independent Directors*

- (3) Only persons who are not employees, consultants or directors of the Member, or are not persons connected (as defined in article 6(5)(b)) with the Member, are eligible to be appointed as Independent Directors
- (4) As far as possible, there shall be three Independent Directors at all times. If the number of Independent Directors at any time falls below three then the remaining Independent Director(s) shall as soon as reasonably practicable appoint such number of additional Independent Directors as to take the number of Independent Directors to three
- (5) The first Independent Directors shall be those named in the resolution adopting these Articles. Thereafter, the Independent Directors shall be appointed by majority decision of the Independent Directors but no Independent Director may take office until consultation in regards to his or her appointment has taken place

with an authorised representative of the Member. Without prejudice to the requirement that such appointee may not be an employee, consultant or director of the Member, or be a person connected (as defined in article 6(5)(b)) with the Member, the reasonable representations of that representative as to the suitability of the proposed appointee shall be taken into account.

- (6) If the number of Independent Directors at any time reduces to one, for the period whilst there remains only one Independent Director, such Independent Director's powers shall be limited to appointing additional Independent Directors in accordance with article 14(4) (provided that no matter requiring the approval of one or more Independent Directors shall be approved (or approval sought) until such time as there are at least two Independent Directors). If all the Independent Directors vacate office at the same time, the BII Directors shall (as far as practicable) consult with the outgoing Independent Directors and have regard to any recommendations they may have in order to appoint their replacements. If there are no such recommendations, the BII Directors shall appoint any persons willing to act and deemed by them to be suitable to fill the vacancies to ensure that required minimum number of Independent Directors under paragraph (4) above is achieved.

#### *Terms of Office*

- (7) All directors shall be appointed for an initial term of three years which shall run from their date of appointment ("their First Three Year Term").
- (8) After expiry of their First Three Year Term, all directors (subject to Article 16) shall be eligible to be appointed in accordance with the above provisions for a further three year term ("their Second Three Year Term") which shall run from the date of their re-appointment.
- (9) After expiry of their Second Three Year Term, all directors (subject to Article 16) shall be eligible to be appointed in accordance with the above provisions for a further three year term ("their Third Three Year Term") which shall run from the date of their re-appointment.
- (10) After expiry of their Third Three Year Term, no director (subject to Article 21(1)) shall be eligible for re-appointment until he or she has stood down for a period of at least two years, which shall run from the day immediately after the last day of his or her Third Three Year Term.
- (11) All directors who are re-appointed after standing down for a period of at least two years pursuant to Article 14(10) shall be eligible to be reappointed for an initial term of three years pursuant to Article 14(7) and thereafter Articles 14(8) to 14(10) will apply.
- (12) Articles 14(7) to (11) shall not apply to any BII Director who is an employee of a Big Issue Group Company. Any such BII Director shall cease to be a director of the charity on
- (a) ceasing to be an employee of any Big Issue Group Company, or
  - (b) receipt by the charity of a notice in writing from a duly authorised representative of the Member that his or her appointment as a director

has been terminated (with the prior written approval of the relevant director's appointment to be terminated by resolution of the Member's board of directors )

- 15 The appointment of a director must not cause the number of directors to exceed any number fixed as the maximum number of directors

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

- 16 A director shall cease to hold office if 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 section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision),
- (3) has a bankruptcy order made against him or her, or an order is made against that person in individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which has an effect similar to that of bankruptcy, or a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (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) fails to attend three consecutive meetings of the directors without good cause and the directors resolve that the director be removed for that reason, or
- (7) being an Independent Director acts in a way which the Member (acting reasonably) considers to be unreasonable or detrimental (in each case in a material way) to the interests of the charity and/or the Member, and an authorised representative of the Member serves written notice on the charity that the director is to be removed for this reason, provided that the Member may not exercise this power within three years from the date when these Articles are adopted by the charity unless with the prior written agreement of all directors (excluding the Independent Director in respect of whom the written notice is served)

#### **Remuneration of directors**

- 17 The directors must not be paid any remuneration unless it is authorized by article 6

#### **Proceedings of directors**

- 18

- (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) The Member shall appoint (and may at any time remove) on notice in writing from one of its authorised representatives one of the BII Directors as the chair for directors' meetings
- (5) Questions arising at a meeting shall be decided by a majority of votes
- (6) In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote, except that this shall not apply if, in accordance with Article 25, the chair of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes
- (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
- (8) The directors shall hold meetings at least quarterly

19

- (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 the other participants
- (2) The quorum shall be three, and must include at least one Independent Director It must also include two BII Directors, except where, pursuant to Article 25 (conflicts of interests), fewer than two of the BII Directors can be counted towards the quorum in relation to the matter in question, in which case this additional requirement shall not apply
- (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

20

- (1) 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
- (2) For so long as the number of Independent Directors is at any time is two then any matter requiring the approval or consent of a majority of the Independent Directors shall require the approval or consent of both of the Independent Trustees

21

- (1) Where, for a particular meeting, the chair appointed by the Member under Article 18(4) is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, or if the Member has not appointed anyone to chair meetings under that Article, the directors present may appoint one of their number to chair that meeting

- (2) 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

22

- (1) A resolution in writing or in electronic form agreed by a simple majority of all the directors eligible to vote upon the resolution at a meeting of directors or at a committee of directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held provided that
- (a) a copy of the resolution is sent or submitted to all the directors with accompanying guidance as to how to signify agreement to the resolution and the date by which the resolution must be passed if it is not to lapse,
  - (b) for the avoidance of doubt the date on which the resolution must be passed must not be more than 28 days from the date upon which the proposed resolution was circulated to the directors,
  - (c) a simple majority of the total number of directors for the time being holding office has signified its agreement to the resolution,
  - (d) at least one Independent Director has signified their agreement to the resolution, and
  - (e) any vote cast by a director who would be prevented from voting or counting towards the quorum pursuant to Article 25 if the resolution were proposed at a meeting shall not count towards the majority required by Article 22(1)(c)
- (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**

23

- (1) In the case of delegation to committees
- (a) the resolution making that delegation shall specify those who shall serve or be asked to serve on such committee (although the resolution may allow the committee to make co-options up to a specified number),
  - (b) the composition of any such committee shall be entirely in the discretion of the directors but shall comprise at least one of their number and may include other persons who are not directors,
  - (c) the deliberations of any such committee shall be reported regularly to the directors and any resolution passed or decision taken by any such



committee shall be reported promptly to the directors and for that purpose every committee shall appoint a secretary,

- (d) all delegations under this Article shall be variable or revocable at any time,
- (e) the directors may make such regulations and impose such terms and conditions and give such mandates to any such committee as they may from time to time think fit, and
- (f) no committee shall knowingly incur expenditure or liability on behalf of the Charity except where authorised by the directors or in accordance with a budget which has been approved by the directors
- (2) For the avoidance of doubt, the directors may 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 director
- (3) The meetings and proceedings of any committee shall be governed by the Articles regulating the meetings and proceedings of the directors so far as applicable and not superseded by any regulations made by the directors

#### **Declaration of directors' interests**

- 24 A director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the charity or in any transaction or arrangement entered into by the charity which has not previously been declared. A director must absent himself or herself from any discussions of the 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**

25

- (1) If a conflict of interests arises for a director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the articles, the unconflicted directors may authorise such a conflict of

interests in which case the following conditions apply

- (a) the conflicted director should absent himself from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person,
- (b) the conflicted director may not vote on any such matter and is not to be counted when considering whether a quorum of directors is present for the relevant part of the meeting, and

- (c) the unconflicted directors shall consider whether it is in the interests of the charity to authorise the conflict of interests in the circumstances applying
- (2) In this article conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such conflict which does not involve a direct or indirect benefit of any nature to a director or to a connected person

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

26

- (1) Subject to article 26(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 a quorate meeting
- (2) Article 26(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 26(1), the resolution would have been void, or if the director has not complied with article 24

### **Seal**

- 27 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**

- 28 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

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

29

- (1) The directors shall comply with the requirements of the Companies Acts and of the Charities Act 1993 as to maintaining a members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Charity Commission of
  - (a) annual reports,
  - (b) annual returns, and
  - (c) annual statements of account

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

30

- (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

31 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

32

- (1) The charity may give any notice to the Member either
  - (a) by sending it by post in a prepaid envelope addressed to the Member at its address, or

- (b) by leaving it at the address of the Member, or
- (c) by giving it in electronic form to the Member's address

- (2) Should the Member not register an address with the charity or registers only a postal address that is not within the United Kingdom, the Member shall not be entitled to receive any notice from the charity

33 The Member present in person by proxy or by an authorised representative 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

34

- (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**

35

- (1) The charity shall indemnify any director against any liability incurred by him or her or it in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006
- (2) In this article a "relevant director" means any director or former director of the charity

36 The charity may indemnify an auditor against any liability incurred by him or her or it

- (1) in defending proceedings (whether civil or criminal) in which judgment is given in his or her or its favour or he or she or it is acquitted, or
- (2) in connection with an application under section 1157 of the Companies Act 2006 (power of Court to grant relief in case of honest and reasonable conduct) in which relief is granted to him or her or it by the Court

#### **Amendments**

- 37 These Articles cannot be amended without the prior written approval of the majority of the Independent Directors

## **Rules**

38

- (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 Member may alter, add to or repeal the rules or bye laws by ordinary resolution
- (3) The directors must adopt such means as they think sufficient to bring the rules and bye laws to the notice of the Member of the charity
- (4) The rules or bye laws shall be binding on the Member of the charity. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the articles

## **Dissolution**

39

- (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 such 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 for 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 58(1) 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
- (3) In no circumstances shall the net assets of the charity be paid to or distributed to the Member of the charity and if no resolution in accordance with article 40(1) is passed by the Member or the directors the net assets of the charity shall be applied for charitable purposes as directed by the Court or the Commission