

Company number: 04180639

**Certificate of Passing of a Members' Resolution**  
**of**  
**The Foundation for Social Entrepreneurs ("the Foundation")**

**Passed on 21 June 2013**

The following resolution was duly passed as a special resolution at a members' meeting held on 21 June 2013 at 1pm at UnLtd, 123 Whitecross Street, London EC1Y 8JJ

**Special Resolution:**

*THAT the draft Articles of Association attached hereto be and are hereby approved and adopted as the Articles of Association of the Charity in substitution for and to the exclusion of all existing Articles of Association of the Charity For the purposes of the new Articles of Association the "Trustees" shall be*

*Richard Benton,*

*John Brown,*

*Anthony Freeling,*

*Norman Cumming,*

*Natalie Campbell,*

*Rajeeb Dey,*

*Alison Fielding,*

*Richard Tyrle,*

*Martin Wyn Griffith, and*

*Jason Shaw*

Signed

Trustee/ Secretary

Date:

*Raymond Tran*  
*RAYMOND TRAN*  
*21/6/13*

WEDNESDAY



\*A2BD957S\*  
A18 26/06/2013 #94  
COMPANIES HOUSE

The Companies Act 2006

Company Limited by Guarantee and not having a Share Capital

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**Articles of Association**  
**of**  
**The Foundation for Social Entrepreneurs**

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**As amended by special resolution dated: 21 June 2013**

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London EC4M 6YH  
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016270/0042/STL/SP

## **The Companies Act 2006**

### **Company Limited by Guarantee and not having a Share Capital**

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## **The Companies Act 2006**

### **Company Limited by Guarantee and not having a Share Capital**

### **Articles of Association of The Foundation for Social Entrepreneurs**

#### **PREAMBLE**

*These Articles of Association replace the founding Articles of Association of the Foundation (as amended to bring them into line with the Companies Act 2006) with the express purpose of changing the Foundation's governance structure so its founding member organisations are no longer company members but continue to have a role in the Foundation's governance*

*As part of the Governance Review process leading to these changes, a Governance Review Paper was drafted in collaboration with the founding member organisations and approved by the Trustees at a Trustees' meeting held on 18 March 2013 as principles to guide the governance of the Foundation going forward*

*The Trustees who will remain in office from the Adoption Resolution have signed the Paper as a "Concordat" to confirm their intention to implement its terms in good faith*

#### **INTERPRETATION**

##### **1. Defined terms**

The interpretation of these Articles is governed by the provisions set out in the Schedule at the end of the Articles.

##### **2. Registered office**

The registered office of the Foundation shall be situated in the United Kingdom

#### **OBJECTS AND POWERS**

##### **3. Objects**

The Foundation is established to promote the following objectives for the public benefit throughout the world and in accordance with the law of charity in England and Wales for the time being without discrimination as to age, sex, race, religion or opinion

3.1 The relief of poverty

3.2 The promotion of education and training.

3.3 The advancement of other charitable purposes beneficial to the community

#### **4. Powers**

To further its objects the Foundation may

- 4 1 provide and assist in the provision of money, materials or other help including but not limited to making awards, grants or bursaries to individuals,
- 4 2 organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures and other educational activities,
- 4 3 publish and distribute books, pamphlets, reports, leaflets, journals, films, tapes and instructional matter on any medium,
- 4.4 promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available,
- 4 5 provide or procure the provision of counselling and guidance,
- 4 6 provide or procure the provision of advice,
- 4 7 alone or with other organisations seek to influence public opinion and make representations to and seek to influence governmental and other bodies and institutions regarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to those which an English and Welsh charity may properly undertake;
- 4 8 enter into contracts to provide services to or on behalf of other bodies,
- 4 9 acquire or rent any property of any kind and any rights or privileges in and over property and construct, maintain, alter and equip any buildings or facilities,
- 4 10 dispose of or deal with all or any of its property with or without payment and subject to such conditions as the Trustees think fit (in exercising this power the Foundation must comply as appropriate with the Charities Act 2011),
- 4 11 borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds, including charging property as security for the repayment of money borrowed or as security for a grant or the discharge of an obligation (the Foundation must comply as appropriate with the Charities Act 2011 if it wishes to mortgage land),
- 4 12 set aside funds for special purposes or as reserves against future expenditure,
- 4 13 invest the Foundation's money not immediately required for its objects in or upon any investments, securities, or property,
- 4 14 arrange for investments or other property of the Foundation to be held in the name of a nominee or nominees and pay any reasonable fee required,
- 4 15 lend money and give credit to, take security for such loans or credit and guarantee or give security for the performance of contracts by any person or company,

- 4 16 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments,
- 4 17 accept (or disclaim) gifts of money and any other property,
- 4 18 raise funds by way of subscription, donation or otherwise,
- 4 19 trade in the course of carrying out the objects of the Foundation and carry on any other trade which is not expected to give rise to taxable profits,
- 4 20 incorporate and acquire subsidiary companies to carry on any trade;
- 4 21 subject to Article 5
  - 4 21 1 engage and pay employees, consultants and professional or other advisers, and
  - 4 21 2 make reasonable provision for the payment of pensions and other retirement benefits to or on behalf of employees and their spouses and dependants,
- 4 22 pay out of the funds of the Foundation the cost of any premium in respect of any indemnity insurance to cover the liability of the Trustees (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Foundation No such insurance shall extend to any claim arising from any act or omission which the Trustees (or any of them) knew to be a breach of trust or breach of duty or which was committed by the Trustees (or any of them) in reckless disregard of whether it was a breach of trust or breach of duty or not,
- 4 23 establish and support or aid in the establishment and support of any other organisations and subscribe, lend or guarantee money or property,
- 4 24 become a member, associate or affiliate of or act as trustee or appoint trustees of any other organisation (including without limitation any charitable trust of permanent endowment property held for any of the charitable purposes included in the Foundation's objects),
- 4 25 undertake and execute charitable trusts,
- 4 26 amalgamate or merge with or acquire or undertake all or any of the property, liabilities and engagements of any body,
- 4 27 co-operate with charities, voluntary bodies, statutory authorities and other bodies and exchange information and advice with them,
- 4 28 pay out of the funds of the Foundation the costs of forming and registering the Foundation,
- 4 29 insure the property of the Foundation against any foreseeable risk and take out other insurance policies as are considered necessary by the Trustees to protect the Foundation, and

- 4 30 do all such other lawful things as may further the Foundation's objects

### **LIMITATION ON PRIVATE BENEFITS**

#### **5. Limitation on private benefits**

- 5 1 The income and property of the Foundation shall be applied solely towards the promotion of its objects set out in these Articles.
- 5 2 No part shall be paid or transferred directly or indirectly to members or Trustees of the Foundation except for payment in good faith of
- 5 2.1 reasonable and proper wages to any employee (not being a Trustee) for any services given to the Foundation and of reasonable travelling and other out of pocket expenses necessarily incurred in carrying out the duties of any member, officer or employee of the Foundation,
  - 5 2 2 interest on money lent to the Foundation at a reasonable and proper rate per annum,
  - 5 2 3 reasonable and proper rent for premises let to the Foundation,
  - 5 2 4 fees, or other benefits to any company of which a Trustee is also a member holding not more than 1/100th part of the capital,
  - 5 2.5 reasonable and proper premiums in respect of indemnity insurance effected in accordance with Article 4 22,
  - 5 2 6 the usual professional charges for business done by any Trustee who is a solicitor, accountant or other person engaged in a profession, or by any partner of his or hers, when instructed by the Foundation to act in a professional capacity on its behalf, except that at no time shall a majority of the members of the Foundation or of the Trustees benefit under this provision and provided that any such member or Trustee shall withdraw from any meeting at which his or her appointment or remuneration or that of his or her partner is under discussion
- 5 3 The Trustees may be paid all reasonable travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Trustees or committees of Trustees or general meetings or separate meetings of the holders of debentures of the Foundation or otherwise in connection with the discharge of their duties

#### **OSCR**

- 5 4 If the Foundation is registered with the Office of the Scottish Charity Regulator the additional requirements under section 67 of the Charities and Trustee Investment (Scotland) Act 2005 must be complied with.



## **LIMITATION OF LIABILITY AND INDEMNITY**

### **6. Liability of members**

6 1 The liability of the members is limited

6 2 Every member of the Foundation undertakes to contribute such amount as may be required, not exceeding £1, to the Foundation's assets if it should be wound up while it is a member or within one year after it ceases to be a member

6 2 1 for the payment of the Foundation's debts and liabilities contracted before it ceased to be a member,

6 2 2 for the costs, charges and expenses of winding up, and

6 2 3 for the adjustment among themselves of the rights of persons who have contributed to the Foundation's assets

### **7. Indemnity**

Subject to the provisions of the Companies Acts but without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee or other officer of the Foundation shall be indemnified out of the assets of the Foundation against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Foundation, and against all costs, charges, losses, expenses or liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto

## ***TRUSTEES***

### ***TRUSTEES' POWERS AND RESPONSIBILITIES***

### **8. Trustees' general authority**

Subject to the Articles, the Trustees are responsible for the management of the Foundation's business, for which purpose they may exercise all the powers of the Foundation and in doing so will have reference to the Paper

### **9. Chair**

The Trustees may appoint any of their number to be the Chair of the Trustees for such term of office as they determine and may at any time remove him or her from that office

### **10. Trustees may delegate**

10 1 Subject to the Articles, the Trustees may delegate any of their powers or functions to any committee

- 10.2 Subject to the Articles, the Trustees may delegate the implementation of their decisions or day to day management of the affairs of the Foundation to any person or committee.
- 10.3 In particular the Trustees shall establish
- 10.3.1 a Nominations, Remuneration and Governance Committee,
  - 10.3.2 an Awards and Fellowship Committee;
  - 10.3.3 an Audit Committee, and
  - 10.3.4 an Investment Committee
- 10.4 Subject to the provisions of these Articles, any delegation by the Trustees may be
- 10.4.1 by such means,
  - 10.4.2 to such an extent;
  - 10.4.3 in relation to such matters or territories, and
  - 10.4.4 on such terms and conditions,
- as they may from time to time determine
- 10.5 The Trustees may authorise further delegation of the relevant powers, functions, implementation of decisions or day to day management by any person or committee to whom they are delegated
- 10.6 The Trustees may revoke any delegation in whole or part, or alter its terms and conditions
- 10.7 The Trustees may by power of attorney or otherwise appoint any person to be the agent of the Foundation for such purposes and on such conditions as they determine

## **11. Committees**

- 11.1 In the case of delegation to committees
- 11.1.1 the resolution making the delegation must specify those who shall serve or be asked to serve on the committee (although the resolution may allow the committee to make co-options up to a specified number);
  - 11.1.2 the composition of any committee shall be entirely in the discretion of the Trustees and may include such of their number (if any) as the resolution may specify,
  - 11.1.3 the deliberations of any committee must be reported regularly to the Trustees and any resolution passed or decision taken by any committee must be reported promptly to the Trustees, and

11 1 4 no committee shall knowingly incur expenditure or liability on behalf of the Foundation except where authorised by the Trustees or in accordance with a budget which has been approved by the Trustees

11 2 The meetings and proceedings of any committee shall be governed by the Articles regulating the meetings and proceedings of the Trustees so far as they apply and are not superseded by any regulations made by the Trustees

## **12. Delegation of day to day management powers**

In the case of delegation of the day to day management of the Foundation to a chief executive or other manager or managers:

12 1 the delegated power shall be to manage the Foundation by implementing the policy and strategy adopted by and within a budget approved by the Trustees and (if applicable) to advise the Trustees in relation to such policy, strategy and budget,

12 2 the Trustees shall provide any manager with a description of his or her role and the extent of his or her authority, and

12 3 any manager must report regularly to the Trustees on the activities undertaken in managing the Foundation and provide them regularly with management accounts which are sufficient to explain the financial position of the Foundation

## **13. Delegation of investment management**

The Trustees may delegate the management of investments to a Financial Expert or Experts provided that

13 1 the investment policy is set down in Writing for the Financial Expert or Experts by the Trustees;

13 2 timely reports of all transactions are provided to the Trustees,

13 3 the performance of the investments is reviewed regularly with the Trustees;

13 4 the Trustees are entitled to cancel the delegation arrangement at any time,

13 5 the investment policy and the delegation arrangements are reviewed regularly,

13 6 all payments due to the Financial Expert or Experts are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt, and

13 7 the Financial Expert or Experts must not do anything outside the powers of the Trustees

## **14. Power to change name of Foundation**

The Trustees may change the name of the Foundation at any time by

14 1 majority decision of at least three-quarters of the Trustees present and voting at a meeting; or

- 14 2 majority decision of at least three-quarters of all the Trustees taken following the procedure in Article 21

### ***DECISION-MAKING BY TRUSTEES***

#### **15. Trustees to take decisions collectively**

Subject to Article 14 any decision of the Trustees must be either

- 15 1 by decision of a majority of the Trustees present and voting at a quorate Trustees' meeting (subject to Article 20), or
- 15 2 a unanimous decision taken in accordance with Article 21

#### **16. Calling a Trustees' meeting**

- 16 1 Two Trustees may (and the Secretary, if any, must at the request of two Trustees) call a Trustees' meeting
- 16 2 A Trustees' meeting must be called by at least seven Clear Days' notice unless either
- 16 2 1 all the Trustees agree, or
- 16.2 2 urgent circumstances require shorter notice
- 16 3 Notice of Trustees' meetings must be given to each Trustee
- 16 4 Every notice calling a Trustees' meeting must specify
- 16 4 1 the place, day and time of the meeting,
- 16 4 2 the general nature of the business to be considered at such meeting, and
- 16 4 3 if it is anticipated that Trustees participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- 16 5 Notice of Trustees' meetings need not be in Writing
- 16 6 Article 35 shall apply, and notice of Trustees' meetings may be sent by Electronic Means to an Address provided by the Trustee for the purpose.
- #### **17. Participation in Trustees' meetings**
- 17 1 Subject to the Articles, Trustees participate in a Trustees' meeting, or part of a Trustees' meeting, when
- 17 1 1 the meeting has been called and takes place in accordance with the Articles, and
- 17 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting (for example via telephone or video conferencing)

17 2 In determining whether Trustees are participating in a Trustees' meeting, it is irrelevant where any Trustee is or how they communicate with each other

17 3 If all the Trustees participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

## **18. Quorum for Trustees' meetings**

18 1 At a Trustees' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

18 2 The quorum for Trustees' meetings may be fixed from time to time by a decision of the Trustees, but it must never be less than four

18 3 If the total number of Trustees for the time being is less than the quorum required, the Trustees must not take any decision other than a decision to appoint further Trustees

## **19. Chairing of Trustees' meetings**

The Chair, if any, or in his or her absence another Trustee nominated by the Trustees present shall preside as chair of each Trustees' meeting

## **20. Casting vote**

20 1 If the numbers of votes for and against a proposal at a Trustees' meeting are equal, the chair of the meeting has a casting vote in addition to any other vote he or she may have

20 2 Article 20 1 does not apply if, in accordance with the Articles, the chair of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes

## **21. Decisions without a meeting**

21 1 A decision is taken in accordance with this Article when all of the Trustees who are eligible to vote and within the UK at the time indicate to each other by any means (including without limitation by Electronic Means, such as by email or by telephone) that they share a common view on a matter provided always that there are sufficient Trustees to form a quorum.

21 2 Such a decision may, but need not, take the form of a resolution in Writing, copies of which have been signed by each Trustee or to which each Trustee has otherwise indicated agreement in Writing

## **22. Conflicts of interest**

### ***Declaration of interests***

22 1 A Trustee must declare the nature and extent of.

22 1 1 any direct or indirect interest which he or she has in a proposed transaction or arrangement with the Foundation, and

22 1 2 any duty or any direct or indirect interest which he or she has which conflicts or may conflict with the interests of the Foundation or his or her duties to the Foundation

***Participation in decision-making***

22 2 If a Trustee's interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of duties with or in respect of the Foundation, he or she is entitled to participate in the decision-making process, to be counted in the quorum and to vote in relation to the matter Any uncertainty about whether a Trustee's interest or duty is likely to give rise to a conflict shall be determined by a majority decision of the other Trustees taking part in the decision-making process

22 3 If a Trustee's interest or duty gives rise (or could reasonably be regarded as likely to give rise) to a conflict of interest or a conflict of duties with or in respect of the Foundation, he or she may participate in the decision-making process and may be counted in the quorum and vote unless

22 3.1 the decision could result in the Trustee or any person who is Connected with him or her receiving a benefit other than

- (a) any benefit received in his, her or its capacity as a beneficiary of the Foundation (as permitted under Article 5) and which is available generally to the beneficiaries of the Foundation,
- (b) the payment of premiums in respect of indemnity insurance effected in accordance with Article 4 22,
- (c) payment under the indemnity set out at Article 6 1; and
- (d) reimbursement of expenses in accordance with Article 5, or

22 3 2 a majority of the other Trustees participating in the decision-making process decide to the contrary,

in which case he or she must comply with Article 22 4

22 4 If a Trustee with a conflict of interest or conflict of duties is required to comply with this Article 22 4, he or she must

22 4 1 take part in the decision-making process only to such extent as in the view of the other Trustees is necessary to inform the debate;

22 4 2 not be counted in the quorum for that part of the process ; and

22 4 3 withdraw during the vote and have no vote on the matter

***Continuing duties to the Foundation***

22 5 Where a Trustee has a conflict of interest or conflict of duties and the Trustee has complied with his or her obligations under these Articles in respect of that conflict

22 5 1 the Trustee shall not be in breach of his or her duties to the Foundation by withholding confidential information from the Foundation if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her, and

22 5 2 the Trustee shall not be accountable to the Foundation for any benefit expressly permitted under these Articles which he or she or any person Connected with him or her derives from any matter or from any office, employment or position

**23. Register of Trustees' interests**

The Trustees must cause a register of Trustees' interests to be kept

**24. Validity of Trustee actions**

All acts done by a person acting as a Trustee shall, even if afterwards discovered that there was a defect in his or her appointment or that he or she was disqualified from holding office or had vacated office, be as valid as if such person had been duly appointed and was qualified and had continued to be a Trustee.

**25. Trustee's discretion to make further rules**

Subject to the Articles and having due regard to the Paper, the Trustees may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Trustees

**26. Advisory Panel**

The Trustees may constitute such advisory panel or panels as they think fit with power to advise the Trustees in relation to the affairs of the Foundation The Trustees shall determine the composition, proceedings and remit of any such panel

***APPOINTMENT AND RETIREMENT OF TRUSTEES***

**27. Number of Trustees**

27 1 There shall be at least four Trustees and unless otherwise decided by ordinary resolution

27.1 1 the maximum number of Trustees in ordinary circumstances shall be eleven inclusive of the Chair, and

27 1 2 the Trustees may temporarily appoint additional Trustees in exceptional circumstances up to a maximum of fifteen

**28. Appointment of Trustees and retirement of Trustees by rotation**

***Appointment of Trustees and duty to consult Partners***

28 1 The Trustees to hold office on the date these Articles take effect shall be those Trustees named in the Adoption Resolution

28 2 The Nominations, Remuneration and Governance Committee shall consult each Partner regarding potential candidates for any appointment of a Trustee after the 2015 Trustee Appointment Meeting

28 3 Subject to Article 30 and, for all appointments after the 2015 Trustee Appointment Meeting prior consultation with the Nominations, Remuneration and Governance Committee, any person who is willing to act as a Trustee, and who would not be disqualified from acting under the provisions of Article 29, may be appointed to be a Trustee by a decision of the Trustees

#### ***Automatic retirement***

28 4 Subject to Article 30, each Trustee shall retire from office at the Trustees' meeting closest to the third anniversary of the commencement of his or her term of office. For the avoidance of doubt the Partner Trustees shall not be subject to retirement by rotation in accordance with this Article 28 4 during the Transition Period

#### ***Maximum term***

28 5 Retiring Trustees may be reappointed for a second term of office and, in exceptional circumstances, a third term of office. A Trustee who has served for two or, in exceptional circumstances three, consecutive terms of office must take a break from office and may not be reappointed until the anniversary of the commencement of his or her break from office

28 6 If the retirement of a Trustee under Article 28 4 causes the number of Trustees to fall below that set out in Article 27 then the retiring Trustee shall remain in office until a new appointment is made.

28 7 For the purposes of Article 28 5, a term of office shall include a term for which the Trustee was appointed as a Partner Trustee during the Transition Period

#### ***Minimum age***

28 8 No person may be appointed as a Trustee unless he or she has reached the age of 16 years

### **29. Disqualification and removal of Trustees**

A Trustee shall cease to hold office if

29 1 he or she ceases to be a director by virtue of any provision of the Companies Act 2006, or is prohibited from being a director by law,

29 2 he or she is disqualified under the Charities Act 2011 from acting as a trustee of a Foundation,

29 3 the Trustees reasonably believe he or she has become physically or mentally incapable of managing his or her own affairs and they resolve that he or she be removed from office,



- 29 4 notification is received by the Foundation from him or her that he or she is resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least three Trustees will remain in office when such resignation has taken effect),
- 29 5 he or she fails to attend three consecutive meetings of the Trustees and the Trustees resolve that he or she be removed for this reason,
- 29 6 at a meeting of the Trustees at which at least half of the Trustees are present, a resolution is passed that he or she be removed from office. Such a resolution shall not be passed unless he or she has been given at least 14 Clear Days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify removal from office, and has been afforded a reasonable opportunity of either (at his or her option) being heard by or of making written representations to the Trustees, or
- 29 7 he or she ceases to be a member of the Foundation

## **TRANSITIONAL PROVISIONS**

### **30. Transitional Provisions**

- 30 1 During the Transition Period, the Board shall include up to five Partner Trustees

#### ***Partner Trustees during the Transition Period***

- 30 2 Immediately following the passage of the Adoption Resolution
  - 30 2 1 each Partner shall be entitled to nominate a preferred candidate for appointment to the Board as a Partner Trustee by giving written notice to the Nominations, Remuneration and Governance Committee, and
  - 30 2 2 the Nominations, Remuneration and Governance Committee shall have regard to the composition of the Board and may recommend such candidate to the Trustees for appointment to the Board in accordance with Article 28 3
- 30 3 In the event that the Nominations, Remuneration and Governance Committee is unable to recommend a Partner's preferred candidate to the Trustees, the relevant Partner shall be invited to nominate an alternative preferred candidate and Article 30 2 2 shall apply in respect of that candidate
- 30 4 For the avoidance of doubt, any Partner with an entitlement to nominate a preferred candidate for appointment to the Board which chooses not to do so immediately following the passage of the Adoption Resolution, shall be entitled to make such a nomination in accordance with Article 30 2 at any time during the Transition Period
- 30 5 Each Partner Trustee shall retire from office on or before the expiry of the Transition Period, and may be eligible for reappointment in accordance with Article 28 5
- 30 6 If a Partner Trustee ceases to hold office during the Transition Period, the Partner who nominated that Partner Trustee shall nominate a preferred candidate for appointment to the Board to replace that Partner Trustee for the unexpired part of the Transition

Period by giving written notice to the Foundation, and Article 30 2 2 shall apply in respect of that candidate

***Expiry of the Transition Period and Partners' nomination of preferred candidates to be appointed at the 2015 Trustee Appointment Meeting***

- 30 7 Before the expiry of the Transition Period, a Partner Trustee may give notice to the Nominations Remuneration and Governance Committee that he or she would like to be reappointed as an Independent Trustee in accordance with Article 28 5 at the 2015 Trustee Appointment Meeting
- 30 8 Before the expiry of the Transition Period
- 30 8 1 each Partner shall be entitled to nominate a preferred candidate for appointment as a Partner Trustee at the 2015 Trustee Appointment Meeting, which for the avoidance of doubt may include a reappointment of an existing Partner Trustee, and
- 30 8 2 the Nominations, Remuneration and Governance Committee shall have regard to the composition of the Board and may recommend such candidate to the Trustees for appointment as a Partner Trustee in accordance with Article 28 3
- 30 9 In the event that the Nominations, Remuneration and Governance Committee is unable to recommend a Partner's preferred candidate to the Trustees, the relevant Partner shall be invited to nominate an alternative preferred candidate and Article 30 8 2 will apply in respect of that candidate
- 30 10 For the avoidance of doubt, any Partner with an entitlement to nominate a preferred candidate for appointment to the Board in accordance with Article 30 8 which chooses not to do so before the expiry of the Transition Period, shall be entitled to make such a nomination in accordance with Article 30 8 at any time between the 2015 Trustee Appointment Meeting and the 2018 Trustee Appointment Meeting Any Trustee who is appointed further to that nomination and subsequent recommendation shall resign at the 2018 Trustee Appointment Meeting

**MEMBERS**

***BECOMING AND CEASING TO BE A MEMBER***

**31. Trustees as members**

- 31 1 The Trustees from time to time shall be the only members of the Foundation.
- 31 2 A Trustee shall become a member on becoming a Trustee. All new Trustees are treated as having agreed to become members of the Foundation
- 31 3 The names of the members of the Foundation must be entered in the register of members

**32. Termination of membership**

- 32 1 A member shall cease to be a member if he or she ceases to be a Trustee

- 32 2 Membership is not transferable and shall cease on death

### ***DECISION-MAKING BY MEMBERS***

#### **33. Members' Meetings**

- 33 1 The Trustees may call a general meeting of the members at any time
- 33 2 Such meetings must be held in accordance with the provisions regarding such meetings in the Companies Acts.

### ***WRITTEN RESOLUTIONS***

#### **34. Written resolutions**

##### ***General***

- 34 1 Subject to this Article 34 a written resolution agreed by
- 34 1.1 members representing a simple majority, or
- 34 1 2 (in the case of a special resolution) members representing not less than 75%,  
of the total voting rights of eligible members shall be effective
- 34 2 On a written resolution each member shall have one vote
- 34 3 A written resolution is not a special resolution unless it stated that it was proposed as a special resolution
- 34 4 A members' resolution under the Companies Acts removing a Trustee or auditor before the expiry of his or her term of office may not be passed as a written resolution

##### ***Circulation***

- 34 5 A copy of the proposed written resolution must be sent to every eligible member together with a statement informing the member how to signify his or her agreement and the date by which the resolution must be passed if it is not to lapse.
- 34 6 In relation to a resolution proposed as a written resolution of the Foundation the eligible members are the members who would have been entitled to vote on the resolution on the Circulation Date of the resolution
- 34 7 The required majority of eligible members must signify their agreement to the written resolution within the period of 28 days beginning with the Circulation Date
- 34 8 Communications in relation to written resolutions must be sent to the Foundation's auditors in accordance with the Companies Acts

### ***Signifying agreement***

34 9 A member signifies his or her agreement to a proposed written resolution when the Foundation receives from him or her (or from someone acting on his or her behalf) an authenticated Document

34 9 1 identifying the resolution to which it relates, and

34.9 2 indicating the member's agreement to the resolution

34 10 For the purposes of Article 34 9

34 10 1a Document sent or supplied in Hard Copy Form is sufficiently authenticated if it is signed by the person sending or supplying it; and

34.10 2a Document sent or supplied in Electronic Form is sufficiently authenticated if

(a) the identity of the sender is confirmed in a manner specified by the Foundation, or

(b) where no such manner has been specified by the Foundation, if the communication contains or is accompanied by a statement of the identity of the sender and the Foundation has no reason to doubt the truth of that statement

34 11 If the Foundation gives an electronic Address in any Document containing or accompanying a written resolution, it will be deemed to have agreed that any Document or information relating to that resolution may be sent by Electronic Means to that Address (subject to any conditions or limitations specified in the Document)

## **ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS**

### **35. Communications by the Foundation**

#### ***Methods of communication***

35 1 Subject to the Articles and the Companies Acts, any Document or information (including any notice, report or accounts) sent or supplied by the Foundation under the Articles or the Companies Acts 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 the Foundation, including without limitation:

35.1 1 in Hard Copy Form,

35 1 2 in Electronic Form, or

35 1 3 by making it available on a website.

35 2 Where a Document or information which is required or authorised to be sent or supplied by the Foundation under the Companies Acts is sent or supplied in

Electronic Form or by making it available on a website, the recipient must have agreed that it may be sent or supplied in that form or manner or be deemed to have so agreed under the Companies Acts (and not revoked that agreement) Where any other Document or information is sent or supplied in Electronic Form or made available on a website the Trustees may decide what agreement (if any) is required from the recipient

- 35.3 Subject to the Articles, any notice or Document to be sent or supplied to a Trustee in connection with the taking of decisions by Trustees may also be sent or supplied by the means which that Trustee has asked to be sent or supplied with such notices or Documents for the time being

***Deemed delivery***

- 35 4 A member present in person or by proxy at a meeting of the Foundation shall be deemed to have received notice of the meeting and the purposes for which it was called

- 35 5 Where any Document or information is sent or supplied by the Foundation to the members

35.5 1 where it is sent by post it is deemed to have been received 48 hours (including Saturdays, Sundays, and Public Holidays) after it was posted,

35 5 2 where it is sent or supplied by Electronic Means, it is deemed to have been received on the same day that it was sent,

35 5 3 where it is sent or supplied by means of a website, it is deemed to have been received

- (a) when the material was first made available on the website, or
- (b) if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

- 35 6 Subject to the Companies Acts, a Trustee or any other person (other than in their capacity as a member) may agree with the Foundation that notices or Documents sent to that person in a particular way are deemed to have been received within a specified time, and for the specified time to be less than 48 hours

***Failed delivery***

- 35 7 Where any Document or information has been sent or supplied by the Foundation by Electronic Means and the Foundation receives notice that the message is undeliverable

35 7 1 if the Document or information has been sent to a member and is notice of a general meeting of the Foundation, the Foundation is under no obligation to send a Hard Copy of the Document or information to the member's postal address as shown in the Foundation's register of members, but may in its discretion choose to do so,

35 7 2 in all other cases, the Foundation shall send a Hard Copy of the Document or information to the member's postal address as shown in the Foundation's register of members (if any), or in the case of a recipient who is not a member, to the last known postal address for that person (if any), and

35 7 3 the date of service or delivery of the Documents or information shall be the date on which the original electronic communication was sent, notwithstanding the subsequent sending of Hard Copies

### ***Exceptions***

35 8 Copies of the Foundation's annual accounts and reports need not be sent to a person for whom the Foundation does not have a current Address

35 9 Notices of general meetings need not be sent to a member who does not register an Address with the Foundation, or who registers only a postal address outside the United Kingdom, or to a member for whom the Foundation does not have a current Address.

## **36. Communications to the Foundation**

The provisions of the Companies Acts shall apply to communications to the Foundation

## **37. Secretary**

A Secretary shall be appointed by the Trustees for such term, at such remuneration and upon such conditions as they may think fit, and may be removed by them If there is no Secretary

37 1 anything authorised or required to be given or sent to, or served on, the Foundation by being sent to its Secretary may be given or sent to, or served on, the Foundation itself, and if addressed to the Secretary shall be treated as addressed to the Foundation, and

37 2 anything else required or authorised to be done by or to the Secretary of the Foundation may be done by or to a Trustee, or a person authorised generally or specifically in that behalf by the Trustees

## **38. Irregularities**

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

## **39. Minutes**

The Trustees must cause minutes to be made:

39 1 of all appointments of officers made by the Trustees,

39 2 of all resolutions of the Foundation and of the Trustees (including, without limitation, decisions of the Trustees made without a meeting), and

39 3 of all proceedings at meetings of the Foundation and of the Trustees, and of committees of Trustees, including the names of the Trustees present at each such meeting,

and any such minute, if purported to be signed (or in the case of minutes of Trustees' meetings signed or authenticated) by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as against any member or Trustee of the Foundation, be sufficient evidence of the proceedings.

#### **40. Records and accounts**

The Trustees shall comply with the requirements of the Companies Acts and of the Charities Act 2011 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

40 1 annual reports,

40 2 annual returns, and

40 3 annual statements of account

#### **41. Exclusion of model articles**

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

### **WINDING UP**

#### **42. Winding up**

If any property remains after the Foundation has been wound up or dissolved and all debts and liabilities have been satisfied it shall be given or transferred to some other charitable institution or institutions having similar objects to those of the Foundation and which prohibits the distribution of its or their income and property among its or their members to an extent at least as great as Article 5 imposes upon the Foundation. The institution or institutions which are to benefit shall be chosen by the members of the Foundation at or before the time of winding up or dissolution

## SCHEDULE

### INTERPRETATION

#### Defined terms

1. In the Articles, unless the context requires otherwise, the following terms shall have the following meanings.

	<b>Term</b>	<b>Meaning</b>
1 1	<b>“2015 Trustee Appointment Meeting”</b>	the Trustees’ meeting closest to the second anniversary of the passing of the Adoption Resolution,
1 2	<b>“2018 Trustee Appointment Meeting”</b>	the Trustees’ meeting closest to the third anniversary of the 2015 Trustee Appointment Meeting,
1 3	<b>“Address”</b>	includes a postal or physical address and a number or address used for the purposes of sending or receiving Documents or information by Electronic Means,
1 4	<b>“Adoption Resolution”</b>	the special resolution by which these Articles of Association were adopted,
1 5	<b>“Articles”</b>	the Foundation’s articles of association,
1 6	<b>“Chair”</b>	has the meaning given in Article 9,
1 7	<b>“Circulation Date”</b>	in relation to a written resolution, has the meaning given to it in the Companies Acts,
1 8	<b>“Clear Days”</b>	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,
1 9	<b>“Companies Acts”</b>	the Companies Acts (as defined in Section 2 of the Companies Act 2006);
1 10	<b>“Connected ”</b>	<p>in relation to a Trustee means any person falling within any of the following categories</p> <p>(a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of the Trustee, or</p> <p>(b) the spouse or civil partner of any person in (a), or</p>



- (c) any other person in a relationship with the Trustee which may reasonably be regarded as equivalent to such a relationship as is mentioned at (a) or (b); or
- (d) any company, partnership or firm of which the Trustee is a paid director, member, partner or employee, or shareholder holding more than 1% of the capital,
- 1 11 **“Document”** includes summons, notice, order or other legal process and includes, unless otherwise specified, any document sent or supplied in Electronic Form,
- 1 12 **“Electronic Form” and “Electronic Means”** have the meanings respectively given to them in Section 1168 of the Companies Act 2006,
- 1 13 **“Financial Expert”** an individual, company or firm who, or which, is authorised to give investment advice under the Financial Services and Markets Act 2000,
- 1 14 **“Foundation”** The Foundation for Social Entrepreneurs,
- 1 15 **“Hard Copy” and “Hard Copy Form”** have the meanings respectively given to them in the Companies Act 2006,
- 1 16 **“Independent Trustees”** all Trustees who are not Partner Trustees shall be Independent Trustees,
- 1 17 **“Nominations Remuneration and Governance Committee;** has the meaning given in Article 10 3,
- 1 18 **“Paper”** means the Governance Review Paper drafted in collaboration with the Partners that was approved by the Trustees at a Trustees’ meeting on 18 March 2013,
- 1 19 **“Partners”** means each of the following organisation
- Changemakers Foundation (company number CRN 04143956) (registered charity number 1086178);
  - Charity Projects (operating as Comic Relief) (company number 1806414) (registered charity number 326568),
  - The Bright Red Dot Foundation Limited (operating as Community Action Network) (company number 3635124)

(registered charity number. 1075749),

- The School for Social Entrepreneurs (company number. 3900741) (registered charity number 1085465),
- Social Entrepreneurs Network Scotland, (company number 278156) (registered charity number SC029210)

provided the organisation

- is not taken over by another organisation,
- has not served written notice on the Foundation to cease consulting with the organisation, or
- has not served written notice on the Foundation to request that some other charitable institution be consulted in its place AND such request is approved by three-quarters of the Trustees present and voting

1 20 **“Partner Trustee”**

means

- during the Transition Period, a Trustee who is recommended for appointment in accordance with Article 30.2.2 and is subsequently appointed, and
- a Trustee who is recommended for appointment in accordance with Article 30.8.2 and is appointed at the 2015 Trustee Appointment Meeting or subsequently in accordance with Article 30.10

1 21 **“Public Holiday”**

means Christmas Day, Good Friday and any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the company is registered,

1 22 **“Secretary”**

the secretary of the Foundation (if any),

1 23 **“Transition Period”**

the period from the passing of the Adoption Resolution to the 2015 Trustee Appointment Meeting,

