

**ARTICLES OF ASSOCIATION**  
**SGH VENUE MANAGEMENT LTD**  
**Adopted 30<sup>th</sup> May 2012**

**PART A. INTRODUCTION**

**1 INTERPRETATION**

1.1 In these Articles:

"the Act"	means the Companies Act 2006
"AGM"	means an annual general meeting of the Company
"the Articles"	means these Articles of Association of the Company
"Beneficiary"	means a person to whom the Company may grant benefits in furtherance of the Objects
"BCCH"	means Bewdley Christian Community Hall Limited a charitable company limited by guarantee with registered company number 07308516 and charity number 1136845
"BCCH Company Member"	means a person appointed as a Company Member in accordance with Article 10.4
"BCCH Director"	means a BCCH Company Member appointed as a Director in accordance with Article 22.4
"BDT"	means Bewdley Development Trust CIC a community interest company with registered company number 04456169

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"BDT Company Member"	means a person appointed as a Company Member in accordance with Article 10.4
"BDT Director"	means a BDT Company Member appointed as a Director in accordance with Article 22.4
"the Board"	means the board of Directors of the Company and (where appropriate) includes a Committee and the Directors acting by written resolution
"Board Meeting"	means a meeting of the Board
"Business Day"	means any day other than a Saturday, Sunday or a bank holiday
"Chair"	means (subject to the context) either the person elected as chair of the Company under Article 31 or where the Chair of the Company is not present or has not taken the chair at a meeting means the person who is chairing a Board Meeting or General Meeting at the time
"Charity Commission"	means the office of the Charity Commissioners for England and Wales
"Clear Days"	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
"Committee"	means a committee of the Board exercising powers delegated to it by the Board

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"Companies House"	means the office of the Registrar of Companies
"the Company"	means the company intended to be regulated by the Articles
"Company Member"	means a member for the time being of the Company
"Co-opted Director"	means a person appointed as a Director in accordance with Article 22.5
"Director"	means any director of the Company
"Festival"	means Bewdley Festival Limited a charitable company limited by guarantee with registered company number 02388535 and charity number 701629
"Festival Company Member"	means a person appointed as a Company Member in accordance with Article 10.4
"Festival Director"	means a Festival Company Member appointed as a Director in accordance with Article 22.4
"GM"	means a general meeting of the Company
"General Meeting"	means an AGM or a GM
"including"	means "including without limitation" and "include" and "includes" are to be construed accordingly
"the Memorandum"	means the Memorandum of Association of the

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	Company
"the Objects"	means the objects of the Company set out in Article 4 of the Articles
"Observers"	means those persons (other than Directors) present under Article 33 at a Board Meeting
"Registered Office"	means the registered office of the Company
"Subsidiary"	means a Company in which the Company owns the majority of the shares or in which the Company holds the majority of the voting rights
"Secretary"	means the secretary of the Company including a joint, assistant or deputy secretary
"Senior Officer"	means any officer of the Company designated as such by the Board
"United Kingdom"	means Great Britain and Northern Ireland
"Vice-Chair"	means a person elected as a Vice-Chair of the Company under Article 31
"Working Party"	means a body established by the Board to make recommendations to the Board but without decision-making powers

1.2 In the Articles:

1.2.1 terms defined in the Act are to have the same meaning;

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- 1.2.2 references to the singular include the plural and vice versa and to the masculine include the feminine and neuter and vice versa;
  - 1.2.3 references to "organisations" or "persons" include corporate bodies, public bodies, unincorporated associations and partnerships;
  - 1.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and references to legislation (where appropriate) include all regulations, determinations and directions made or given under it;
  - 1.2.5 references to articles are to those within the Articles; and
  - 1.2.6 the headings are not to affect the interpretation of the Articles.
- 1.3 None of the model articles in the Companies (Models Articles) Regulations 2008 applies to the Company.
- 1.4 For the avoidance of doubt the system of law governing the Memorandum and the Articles is the law of England and Wales.

**2 NAME**

The name of the Company is SGH Venue Management Ltd.

**3 REGISTERED OFFICE**

The Registered Office of the Company will be situated in England and Wales.

**4 OBJECTS**

- 4.1 The Company's objects are principally to further or benefit the residents of

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Bewdley and the surrounding area, by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to:-

- 4.1.1 provide or assist in the provision of facilities and services for recreational, cultural, spiritual, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity, disability, financial hardship or social circumstances may have need of special facilities and services; and/or
- 4.1.2 to advance the education and lifelong learning of the public in Bewdley and the surrounding area; and/or;
- 4.1.3 to promote and preserve good health through community participation in healthy recreation; and
- 4.1.4 such other charitable purposes as determined fit by the Board from time to time.

**4.2 Equal Opportunities**

In the furtherance of the Objects the Company shall at all times actively promote and take into consideration the principles of equality of opportunity.

**5 POWERS**

The Company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the Memorandum in order to further the Objects (but not otherwise) and in particular it has powers:

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**Staff and Volunteers**

- 5.1 to employ staff or engage consultants and advisers on such terms as the Board thinks fit and to provide pensions to staff, their relatives and dependants;
- 5.2 to recruit or assist in recruiting and managing voluntary workers, including paying their reasonable expenses;

**Property**

- 5.3 to acquire, secure, manage, equip, improve and maintain a community centre in furtherance of the Objects;
- 5.4 to purchase, lease, exchange, hire or otherwise acquire any real or personal property rights or privileges (including shared or contingent interests);
- 5.5 to construct, alter, improve, convert, maintain, equip, furnish and/or demolish any buildings, structures or property;
- 5.6 to sell, lease, licence, exchange, dispose of or otherwise deal with property (subject to the restrictions in the Charities Act 1993);
- 5.7 to purchase or acquire either alone or jointly with employees, students or servants freehold or leasehold property for the provision of accommodation for such employees, students or servants to enable the Company to recruit or retain staff of suitable calibre and experience;
- 5.8 to provide accommodation for any other organisation on such terms as the Board decides (including rent free or at nominal or non-commercial rents);

**Borrowing**

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5.9 to borrow and give security for loans;

**Grants and Loans**

5.10 to make grants, donations or loans, to give guarantees and to give security for those guarantees (subject to the restrictions in the Charities Act 1993);

**Fund Raising**

5.11 to raise funds, to invite and receive contributions;

**Trading**

5.12 to trade in the course of carrying out the Objects and to charge for services;

**Publicity**

5.13 to hold, conduct or promote meetings, conferences, lectures, exhibitions or training courses and to disseminate information to publicise the work of the Company and other organisations operating in similar fields;

5.14 to promote or carry out research and publish the results of it;

**Contracts**

5.15 to co-operate with and enter into contracts with any person;

**Bank or building society accounts**

5.16 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank or building society accounts in the name of the Company;

**Investments**



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5.17 to:-

5.17.1 deposit or invest funds;

5.17.2 employ a professional fund-manager; and

5.17.3 arrange for the investments or other property of the Company to be held in the name of a nominee

in the same manner and subject to the same conditions as trustees of a trust are permitted to do by the Trustee Act 2000.

**Insurance**

5.18 to insure the assets of the Company to such amount and on such terms as the Board decides, to pay premiums out of income or capital and to use any insurance proceeds as the Board decides (without necessarily having to restore the asset);

5.19 to insure and to indemnify its employees and voluntary workers from and against all risks incurred in the proper performance of their duties;

5.20 to take out insurance to protect the Company and those who use premises owned by or let or hired to the Company;

5.21 to take out indemnity insurance to cover the liability of the Directors and officers of the Company who are not Directors for negligence, default, breach of duty or breach of trust in relation to the Company but this insurance may not extend to:

5.21.1 any claim arising from any act or omission which a Director or officer knew was a breach of duty or breach of trust or which was committed by a Director or officer in reckless disregard of whether it was a breach of duty or breach of trust or not; or

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5.21.2 the costs of an unsuccessful defence to a criminal prosecution brought against a Director or officer in his capacity as a Director or officer of the Company;

**Other Organisations**

5.22 to establish, promote, assist or support (financially or otherwise) any trusts, companies, industrial and provident societies, associations or institutions which have purposes which include any one or more of the Objects or to carry on any other relevant charitable purposes;

5.23 to co-operate or join with any charity, voluntary body or public or statutory authority or any other organisation in any location whatsoever in furthering the Objects or allied charitable purposes, to exchange information and advice and to undertake joint activities with them;

5.24 to amalgamate with any charity which has objects similar to the Objects;

5.25 to undertake and execute any charitable trusts;

5.26 to affiliate, register, subscribe to or join any organisation;

5.27 to act as agent or trustee for any organisation;

**Reserves**

5.28 to accumulate income in order to set aside funds for special purposes or as reserves against future expenditure;

**Formation expenses**

5.29 to pay the costs of forming the Company and of complying with all relevant registration requirements; and

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**General**

5.30 to do anything else within the law which promotes or helps to promote the Objects.

**6 APPLICATION OF FUNDS**

**6.1 General**

The income and property of the Company must be applied solely towards promoting the Objects and (except to the extent authorised by this Article 6):

6.1.1 no part may be paid or transferred directly or indirectly by dividend bonus or profit to a Company Member; and

6.1.2 a Director may not directly or indirectly receive any payment of money or benefit from the Company.

**6.2 Benefits to Company Members**

For the avoidance of doubt nothing in Article 6.1 is to prevent the following payments to Company Members:

**Rent**

6.2.1 payment of reasonable and proper rent, service charges or other payments properly payable under the provision of any lease, agreement for lease or licence in respect of premises let to the Company by a Company Member or a reasonable hiring fee for premises hired to the Company by any Company Member;

**Interest on organisation's loans**

6.2.2 payment of reasonable and proper interest on money lent by any

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Company Member (or other person with the right to appoint Company Members);

**Supply of Goods or Services**

6.2.3 reasonable payments to a Company Member (or other person with the right to appoint Company Members) in return for goods and/or services supplied to the Company pursuant to a contract;

**Out of Pocket Expenses**

6.2.4 the payment of reasonable and proper out of pocket expenses to those Company Members who are engaged by the Company as volunteers in the work of the Company or in work which is directly funded (in whole or in part) by the Company and which are actually incurred by them in carrying out their work as volunteers; and

**Benefits to Company Members**

6.2.5 the grant of a benefit to a Company Member who is a Beneficiary in furtherance of the Objects including, subject to such consents as the law requires, the disposal of a property (outright or by lease, licence or otherwise).

**6.3 Benefits to Directors**

Notwithstanding Article 6.1, the Company may make the following payments or grant the following benefits to Directors:-

**Out of pocket expenses**

6.3.1 the reimbursement of reasonable and proper out-of-pocket expenses (including travel and dependants' care costs) actually incurred in enabling them to carry out their duties as Directors;

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- 6.3.2 the payment of reasonable and proper out of pocket expenses to those Directors who are engaged by the Company as volunteers in the work of the Company or in work which is directly funded (in whole or in part) by the Company and which are actually incurred by them in carrying out their work as volunteers;

**Indemnity**

- 6.3.3 an indemnity in respect of any liabilities properly incurred in running the Company (including the costs of a successful defence to criminal proceedings);
- 6.3.4 the benefit of indemnity insurance under Article 5.21;

**Fees to companies in which Directors have negligible interests**

- 6.3.5 a payment to a company in which a Director has no more than a 1% shareholding;

**Interest and Rent**

- 6.3.6 payment of reasonable and proper interest on money lent by any Director to the Company;
- 6.3.7 a reasonable rent, service charges or other payments properly payable under the provisions of any lease, agreement for lease or licence in respect of premises let by any Director to the Company or a reasonable hiring fee for property let or hired by any Director to the Company;

**Professional Fees**

- 6.3.8 the usual professional charges for business done by any Director who

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is a solicitor, accountant or other professional or by his firm when instructed by the Company to act in a professional capacity on its behalf provided that at no time shall a majority of the Directors benefit under this provision and that a Director shall withdraw from any meeting at which his appointment or remuneration or that of his partner is under discussion;

### **Beneficiaries**

6.3.9 benefits provided in furtherance of the Objects to Directors who are Beneficiaries where those benefits are no different from benefits which are provided to other Beneficiaries; and

### **Exceptional Circumstances**

6.3.10 other payments or benefits (approved in writing in advance by the Charity Commission) in exceptional cases.

## **6.4 Amendments**

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

## **7 LIMIT OF LIABILITY**

The liability of the Company Members is limited.

## **8 GUARANTEE**

Every Company Member promises, if the Company is wound up whilst he is a Company Member or within one year after ceasing to be a Company Member, to contribute such amount as is required up to a maximum of £1 towards the costs of winding up the Company and liabilities incurred whilst the contributor was a Company Member.

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**9 WINDING UP**

9.1 If the Company is wound up any property remaining after all its debts and liabilities have been satisfied must be applied to another charitable organisation which has objects similar to the Objects.

9.2 The charitable organisation to which the Company's property is transferred under Article 9.1 is :-

9.2.1 to be nominated by the Company Members at or before the time of dissolution;

9.2.2 in default of any nomination under Article 9.2.1 to be selected by the Charity Commission.

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**PART B. COMPANY MEMBERSHIP**

**10 MEMBERS**

10.1 The Company Members are:-

10.1.1 the subscribers to the Memorandum; and

10.1.2 others admitted to membership of the Company under the Articles.

10.2 Subject to Article 10.3 further Company Members are to be admitted to membership of the Company so that the membership of the Company comprises up to:-

2.1.1. two BDT Company Members;

2.1.2. two Festival Company Members; and

2.1.3. two BCCH Company Members.

10.3 A person may not be admitted as a Company Member:-

10.3.1 unless he has signed a written application to become a Company Member in such form as the Board requires, and his application has been approved by the Board;

10.3.2 unless he is a Director;

10.3.3 for a period determined by the Board having ceased to be a Company Member by reason of his being removed as a Director under Article 24.1.5 or Article 24.1.8 or Article 24.1.13;

10.3.4 if he is or has been an employee of the Company in the past twelve



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months;

10.3.5 unless he is aged 18 or over; or

10.3.6 if he would immediately cease to be a Company Member or Director under the Articles.

10.4 BDT, Festival and BCCH shall each have the right to nominate up to two persons to be appointed as Company Members. The Board shall consider any nominations received and subject to Article 10.2 and 10.3 shall appoint the persons nominated as Company Members.

10.5 In the event that a vacancy for a BDT Company Member, Festival Company Member or BCCH Company Member arises because an individual ceases to hold office under the Articles then the Board shall seek a nomination for and appoint a replacement in accordance with Article 10.4.

10.6 Company membership is personal and not transferable.

10.7 The status of a Company Member must be stated in the Company's Register of Members.

10.8 For the avoidance of doubt neither the BDT Company Members together nor the Festival Company Members together nor the BCCH Company Members together shall constitute a separate class of Company Members.

**11 CESSATION OF COMPANY MEMBERSHIP**

11.1 A person will cease to be a Company Member:

11.1.1 if he dies;

11.1.2 on giving written notice of resignation to the Secretary;

11.1.3 if he ceases to be a Director;

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- 11.1.4 if being a BDT Company Member the Board receives written notice from BDT removing him as a BDT Company Member;
- 11.1.5 if being a Festival Company Member the Board receives written notice from Festival removing him as a Festival Company Member;
- 11.1.6 if being a BCCH Company Member the Board receives written notice from BCCH removing him as a BCCH Company Member;
- 11.1.7 for a period determined by the Board having ceased to be a Company Member by reason of that person being removed as a Director under Article 24;
- 11.1.8 if the Board resolves to terminate the membership of a Company Member for a reasonable cause subject to giving the Company Member concerned a reasonable opportunity to explain why he should not be removed;
- 11.1.9 if he is or becomes an employee of the Company.

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## **PART C. GENERAL MEETINGS**

### **12 ANNUAL GENERAL MEETINGS**

- 12.1 The Company may but need not hold an AGM each year.
- 12.2 If it is decided to hold an AGM, such AGM is to be held at such time and place as the Board decides.
- 12.3 The business of the AGM is:-
  - 12.3.1 to receive the annual Directors' report;
  - 12.3.2 to consider the accounts and the auditors' report;
  - 12.3.3 to appoint the auditors (if necessary); and
  - 12.3.4 to transact any other business specified in the notice convening the meeting.
- 12.4 Whether or not the Company holds an AGM, it must ensure it complies with the requirements of s.423 (and following) of the Act.

### **13 GENERAL MEETINGS**

- 13.1 A General Meeting other than an AGM is called a GM.
- 13.2 A GM is to be called by the Board.
- 13.3 If there are insufficient Directors available to form a quorum at a Board Meeting to call a GM it may be called in the same way as a Board Meeting.

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13.4 On receiving a requisition from a percentage of the Company Members required under the Act the Board must promptly convene a GM.

**14 NOTICE OF GENERAL MEETINGS**

14.1 Every General Meeting must be called by at least 14 Clear Days' notice, except where the Act requires a special notice to be given in which case the provisions of the Act apply.

14.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Company Members who may attend and vote and who together hold 90% or more of the total voting rights of all of the Company Members at the General Meeting.

14.3 The notice must specify:-

14.3.1 the time, date and place of the General Meeting;

14.3.2 the general nature of the business to be transacted; and,

14.3.3 in the case of an AGM, that it is the AGM.

14.4 Subject to the Act no business may be transacted at a General Meeting except that specified in the notice convening the meeting.

14.5 Notice of a General Meeting must be given to all of the Company Members, the Directors and the Company's auditors (if any).

14.6 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not invalidate the proceedings at that General Meeting.

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**15 QUORUM**

- 15.1 No business may be transacted at a General Meeting unless a quorum is present.
- 15.2 The quorum for General Meetings is three or one third of the Company Members for the time being (whichever is the greater) present in person or by proxy with at least one BCCH Company Member, one BDT Company Member and one Festival Company Member being present in person or by proxy.
- 15.3 A Company Member may be part of the quorum at a General Meeting if he can understand, comment and vote on the proceedings through telephone, video conferencing or other communications equipment.
- 15.4 If a quorum is not present within 15 minutes from the time of the General Meeting or a quorum ceases to be present during a General Meeting it must be adjourned to such time and place as the Board decides.
- 15.5 If at the adjourned meeting there are again insufficient Company Members present within 15 minutes from the time of the adjourned General Meeting to constitute a quorum then those Company Members who are present (provided that they number at least two) shall constitute a quorum for the purpose of allowing any business of the adjourned meeting to be conducted.
- 15.6 Reasonable notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Company Members.
- 15.7 Any person who in the reasonable opinion of the Board has an interest in the work of the Company may attend a General Meeting and may with the permission of the Chair speak but unless he is a Company Member he may not vote.

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**16 CHAIR AT GENERAL MEETINGS**

- 16.1 The Chair is to chair General Meetings.
- 16.2 If the Chair is not present within 15 minutes from the time of the General Meeting or is unwilling to act then the Vice-Chair must chair the General Meeting.
- 16.3 If neither the Chair nor the Vice-Chair is present and willing to act within 15 minutes from the time of the General Meeting, the Company Members present must choose one of their number to chair the General Meeting.

**17 ADJOURNMENT OF GENERAL MEETINGS**

- 17.1 The Chair may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.
- 17.2 The Chair may adjourn a General Meeting if it appears to the Chair that:-
  - 17.2.1 more people wish to attend the meeting than was reasonably to be expected and the room is too small;
  - 17.2.2 unruly conduct is likely to prevent the orderly holding of the meeting;  
or
  - 17.2.3 for any other reason an adjournment is necessary for the business of the meeting to be properly conducted.
- 17.3 The only business which may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting which was adjourned.
- 17.4 It is not necessary to give notice of a General Meeting which is adjourned under Article 17.1 or 17.2 unless it is adjourned for 30 days or more in which

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case 7 Clear Days' notice must be given.

17.5 Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

**18 VOTING AT GENERAL MEETINGS**

18.1 Resolutions are to be decided on a show of hands unless a ballot is properly demanded.

18.2 Each Company Member present in person has one vote both on show of hands and a ballot.

18.3 If there is an equality of votes on a show of hands or a ballot the Chair is not entitled to a second or casting vote.

18.4 An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chair whose decision is final.

18.5 A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a ballot is demanded.

**19 BALLOTS**

19.1 A ballot may be demanded by the Chair or any two Company Members before or on the declaration of the result of a show of hands.

19.2 A demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.

19.3 The demand for a ballot will not prevent the General Meeting continuing to

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transact business other than in relation to the question on which the ballot is demanded.

- 19.4 A ballot is to be taken as the Chair directs. The Chair may appoint scrutineers (who need not be Company Members) and set a time and place to declare the result. The result will be the resolution of the General Meeting at which the ballot was demanded but will be treated as passed when the result is declared.
- 19.5 A ballot on the election of a chair or an adjournment must be taken immediately. A ballot on any other question may be taken either immediately or at such time and place as the Chair directs.
- 19.6 At least 7 Clear Days' notice must be given of the time and place at which the ballot is to be taken unless the time and place are announced at the General Meeting at which it is demanded.

**20 COMPANY MEMBERS' WRITTEN RESOLUTIONS**

- 20.1 Subject to the Act, a written resolution signed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the Company Members entitled to attend and vote at a General Meeting (provided those Company Members would constitute a quorum at a General Meeting) is as valid as if it had been passed at a General Meeting provided that:
- 21.1.1 a copy of the proposed resolution has been sent to every eligible Company Member;
- 21.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of Company Members have signified their agreement to the resolution; and
- 21.1.3 such agreement is contained in an authenticated document that has



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been received at the Registered Office within the period of 28 days beginning with the circulation date.

- 20.2 A resolution under Article 20.1 may consist of several documents in similar form each signed by one or more Company Members.

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**PART D. DIRECTORS**

**21 APPOINTMENT OF DIRECTORS**

21.1 The Directors are to be appointed in accordance with the Articles.

**22 COMPOSITION OF THE BOARD**

22.1 The first Directors are those named in the statement delivered to the Registrar of Companies under the Act.

22.2 The appointment of a Director is not to take effect until he has signed the prescribed Companies House form. The appointment of any person as a Director who has not done so within one month of appointment is to lapse unless the Board resolves that there is good cause for the delay.

22.3 A person may not be a Director:-

22.3.1 with the exception of Co-opted Directors, unless he is a Company Member;

22.3.2 if he would immediately cease to hold office under Article 24;

22.3.3 unless he is aged 18 or over; or

22.3.4 if he is or has been an employee of the Company in the past 12 months.

22.4 Subject to Articles 22.2 and 22.3 each of the Company Members is to be a Director such that:-

22.4.1 every BDT Company Member is to be a BDT Director;

22.4.2 every Festival Company Member is to be a Festival Director; and

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22.4.3 every BCCH Company Member is to be a BCCH Director.

22.5 Subject to Articles 22.2 and 22.3, the Board shall be entitled to appoint up to two persons as they think fit as Co-opted Directors. A person appointed as a Co-opted Director shall hold office for a term as near as possible to one year but may be re-appointed. The Board may either:

22.5.1 before the date on which a person ceases to be a Co-opted Director extend the term throughout which he is to continue to be a Co-opted Director for a further period of 1 year; or

22.5.2 after that date re-admit him as a Co-opted Director for a further period of 1 year; or

22.5.3 subject to Articles 22.2 and 22.3, appoint an alternative suitable person as a Co-opted Director for a period of 1 year.

## **23 OBLIGATIONS OF DIRECTORS**

23.1 The Board must set out the obligations of every Director to the Board and to the Company in writing. The statement of Directors' obligations is not intended to be exhaustive and the Board must review and may amend it from time to time.

23.2 The statement of the obligations of the Directors to the Company must include:-

23.2.1 a commitment to its values and objectives (including equal opportunities);

23.2.2 an obligation to contribute to and share responsibility for the Board's decisions;

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23.2.3 an obligation to read Board papers and to attend meetings, training sessions and other relevant events;

23.2.4 an obligation to declare relevant interests;

23.2.5 an obligation (subject to any overriding legally binding requirement to the contrary) to keep confidential the affairs of the Board;

23.2.6 an obligation to comply with their fiduciary duties, including:-

23.2.6.1 to act in the best interests of the Company;

23.2.6.2 to declare any interests a Director may have in matters to be discussed at Board meetings and not put himself in a position where his personal interest or a duty owed to another conflicts with the duties owed to the Company;

23.2.6.3 to secure the proper and effective use of the Company's property;

23.2.6.4 to act personally;

23.2.6.5 to act within the scope of any authority given;

23.2.6.6 to use the proper degree of skill and care when making decisions particularly when investing funds;

23.2.6.7 to act in accordance with the Memorandum and Articles; and

23.2.6.8 a reference to their obligations under the general law.

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23.3 A Director must sign and deliver to the Board a statement confirming he will meet his obligations to the Board and to the Company within one month of his appointment or election. The Board may change the statement from time to time.

**24 RETIREMENT AND REMOVAL OF DIRECTORS**

24.1 A Director will cease to hold office if he:-

24.1.1 dies;

24.1.2 ceases to be a Director under the Act or is prohibited by law from being a Director or is disqualified from acting as a charity trustee under the Charities Act 1993;

24.1.3 becomes incapable of managing and administering his own affairs because of mental disorder illness or injury;

24.1.4 is declared bankrupt or makes any arrangement or composition with his creditors;

24.1.5 is in the opinion of the Board guilty of conduct detrimental to the interests of the Company and the Board resolves by a 75% majority of the Directors present and voting that he should be removed provided that the Director concerned has first been given an opportunity to put his case and to justify why he should not be removed as a Director;

24.1.6 resigns by written notice to the Secretary;

24.1.7 is absent without good reason from three consecutive Board Meetings held no more frequently than once per month and the Board resolves (by a 75% majority of the Directors present and voting) that he should cease to be a Director;

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24.1.8 is or has been convicted of any offence which in the opinion of the Board is likely to bring the Company into disrepute and the conviction is unspent under the Rehabilitation of Offenders Act 1974 and the Board resolves (by a 75%majority of the Directors present and voting) that he should be removed provided that the Director concerned has first been given an opportunity to put his case and to justify why he should not be removed as a Director;

24.1.9 fails to sign a statement of his obligations under Article 23 within one month of his election or appointment and the Board resolves that he be removed;

24.1.10 if he comes to the end of his term of office under Article 22.5 unless he is re-appointed;

24.1.11 is detained in prison unless the Board resolves (by a 75% majority of the Directors present and voting) that he should continue as a Director;

24.1.12 becomes an employee of the Company;

24.1.13 is removed from office under Article 25; or

24.1.14 with the exception of Co-opted Directors, ceases to be a Company Member.

**25 COMPLAINTS ABOUT DIRECTORS**

25.1 If the Chair receives a written complaint identifying the complainant and alleging conduct by a Director which in that person's reasonable opinion is detrimental to the interests of the Company and suggests that there is a prima facie case for the complaint to be investigated in accordance with the provisions of this Article the Chair may suspend the Director concerned.

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- 25.2 Conduct detrimental to the interests of the Company includes:-
- 25.2.1 any breach of a Director's obligations as set out in the statement of obligations of Directors signed by that person under Article 23 or otherwise; and
  - 25.2.2 conviction for any offence which has or is likely to bring the Company into disrepute.
- 25.3 Where the Chair is absent or unable or unwilling to act as Chair in relation to the complaint or the complaint is about the Chair then the Vice-Chair may exercise the power to suspend a Director under Article 25.1 in the same circumstances as the Chair.
- 25.4 The Director whose conduct is complained of must immediately be notified in writing either by the Secretary or by the Chair or the Vice Chair of the complaint and of any suspension which if exercised under Article 25.1 or 25.3 will be effective from the date of the notice. During the period of any suspension the Director must not:-
- 25.4.1 participate in a Board Meeting;
  - 25.4.2 authorise or incur expenditure on behalf of the Company;
  - 25.4.3 make use of any property belonging to or in use by the Company in that person's capacity as a Director;
  - 25.4.4 hold himself out as a Director of the Company; or
  - 25.4.5 seek to commit the Company to any obligation.
- 25.5 On receipt of a complaint under Article 25.1 the Chair or the Vice-Chair must as soon as reasonably practicable put in place a fair system for hearing the

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complaint in question and for deciding what action (if any) is required to be taken in relation to the Director concerned.

25.6 As a minimum, the complaints procedure set up under Article 25.5 must:-

25.6.1 allow the Director who is the subject of the complaint reasonable opportunity to answer the complaint and justify why he should not be removed from office as a Director; and

25.6.2 provide to the Director concerned written reasons following the determination of the complaint explaining the conclusions reached and any action taken as a result.

25.7 The complaints procedure may conclude that:-

25.7.1 no further action is required and that any suspension be lifted;

25.7.2 the Director be removed from office as a Director; or

25.7.3 other action is required.

## **26 DIRECTORS' INTERESTS**

**26.1 Declaration of Interests**

26.1.1 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.

26.1.2 In accordance with the Act, the declaration may be made at a Board Meeting or by written notice.

26.1.3 If a declaration of interest proves to be or becomes inaccurate or incomplete a further declaration must be made.



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26.1.4 Any required declaration of interest must be made before the Company enters into the transaction or arrangement.

26.1.5 A declaration is not required in relation to an interest of which the Director is not aware or where the Director is not aware of the transaction or arrangement in question. For this purpose a Director is treated as being aware of matters of which he ought reasonably to be aware.

26.1.6 A Director need not declare an interest:-

26.1.6.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interests; or

26.1.6.2 if, and to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as being aware of anything of which they ought reasonably to be aware).

**26.2 Authorisation of direct conflicts of interests**

A Director may enter into a transaction or arrangement with the Company only if and to the extent that such an arrangement is authorised by Article 6.

**26.3 Authorisation of indirect conflicts of interest**

26.3.1 Where, for whatever reason, a Director has any form of indirect interest in relation to a transaction or arrangement with the Company (which shall include a conflict of duty) and the transaction or arrangement is not authorised by virtue of any other provision in the Articles then it may be authorised by those Directors not having a conflict provided that:-

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26.3.1.1 the Director with the conflict (and any other interested Director) is not counted when considering whether or not there is a valid quorum for that part of the meeting and does not vote in relation to the matter giving rise to the conflict; and

26.3.1.2 the Directors who do not have a conflict in relation to the matter in question consider it is in the best interests of the Company to authorise the transaction.

26.3.2 The Directors who do not have a conflict in relation to the matter in question may, in their absolute discretion, determine that the Director with the conflict and/or any other interested Director should absent himself from the part of the meeting at which there is discussion concerning the transaction or arrangement giving rise to the conflict.

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## **PART E. BOARD MEETINGS**

### **27 FUNCTIONS OF THE BOARD**

27.1 The Board must direct the Company's affairs in such a way as to promote the Objects. Its functions include:

27.1.1 defining and ensuring compliance with the values and objectives of the Company;

27.1.2 establishing policies and plans to achieve those objectives;

27.1.3 approving each year's budget and accounts before publication;

27.1.4 establishing and overseeing a framework of delegation of its powers to Committees and employees under Article 32 with proper systems of control;

27.1.5 monitoring the Company's performance in relation to its plans budget controls and decisions;

27.1.6 appointing (and if necessary removing) Senior Officers;

27.1.7 satisfying itself that the Company's affairs are conducted in accordance with generally accepted standards of performance and propriety; and

27.1.8 ensuring appropriate advice is taken on the items listed in Article 27.1.1 to 27.1.7 and in particular on matters of legal compliance and financial viability.

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**28 POWERS OF THE BOARD**

- 28.1 Subject to the Act, the Memorandum and the Articles, the business of the Company is to be managed by the Board who may exercise all of the powers of the Company.
- 28.2 An alteration to the Memorandum or the Articles does not invalidate earlier acts of the Board which would have been valid without the alteration.
- 28.3 In performing their functions the Board must consider the interests of the Company's employees (if any) as well as those of Beneficiaries.

**29 BOARD MEETINGS**

- 29.1 Subject to the Articles, the Board may regulate Board Meetings as it wishes.
- 29.2 Board Meetings may be called by any Director or the Secretary.
- 29.3 The Secretary must give 7 days' notice of Board Meetings to each of the Directors and Senior Officers but it is not necessary to give notice of a Board Meeting to a Director or Senior Officer who is out of the United Kingdom.
- 29.4 A Board Meeting which is called on shorter notice than required under Article 29.3 is deemed to have been duly called if at least two Directors certify in writing that because of special circumstances it ought to be called as a matter of urgency.
- 29.5 Questions arising at a Board Meeting are to be decided by a majority of votes.
- 29.6 If there is an equality of votes the Chair is not entitled to a second or casting vote.
- 29.7 A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Board is unaware at the time does not

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invalidate decisions taken in good faith.

**30 QUORUM FOR BOARD MEETINGS**

30.1 At the first Board meeting the quorum is two Directors. Thereafter the quorum for Board Meetings is three or one third of the Directors (whichever is the greater) for the time being.

30.2 A Director may be part of the quorum at a Board Meeting if he can understand comment and vote on the proceedings through telephone, video conferencing or other communications equipment.

30.3 The Board may act despite vacancies in its number but if the number of Directors is less than three then the Board may act only to:

30.3.1 call a General Meeting; or

30.3.2 appoint Company Members under Article 10.

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

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

30.4.2 appoint Company Members under Article 10; or

30.4.3 call a General Meeting.

30.5 If at the adjourned meeting there are again insufficient Directors present within 15 minutes from the time of the adjourned General Meeting to constitute a quorum then those Directors who are present (provided that they number at least two) shall constitute a quorum for the purpose of allowing any business of the adjourned meeting to be conducted.

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**31 CHAIR AND VICE-CHAIR**

- 31.1 The Company must have a Chair and may have a Vice-Chair elected by the Board. The Board must decide the period during which they are each to hold office and the precise point at which their term of office ends. Both the Chair and the (if appointed) Vice-Chair may be re-elected.
- 31.2 The Chair and the Vice-Chair may resign from their positions at any time (without necessarily resigning as Directors at the same time).
- 31.3 Where there is no Chair and no Vice-Chair the first item of business of a Board Meeting must be to elect a Chair or Vice-Chair or both.
- 31.4 The Chair and the Vice-Chair (if any) may be removed only at a Board Meeting called for the purpose at which a resolution with a majority in favour is passed. The Chair or the Vice-Chair (as the case may be) must be given an opportunity to say why he should not be removed.
- 31.5 The Chair is to chair all Board Meetings and General Meetings at which he is present unless he does not wish, or is not able, to do so.
- 31.6 If the Chair is not present within 5 minutes after the starting time of a Board Meeting or if the Chair is unwilling or unable to chair a Board Meeting, then the Vice-Chair (if any) must chair that Board Meeting unless he is unwilling or unable to do so.
- 31.7 If both the Chair and the Vice-Chair (if any) are not present within 5 minutes after the starting time of a Board Meeting or both are unwilling or unable to chair the meeting then the Board must elect one of the Directors who is present to chair the Board Meeting.
- 31.8 The functions of the Chair are:-

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- 31.8.1 to act as an ambassador for the Company and to represent the views of the Board to the general public and other organisations;
- 31.8.2 to ensure that Board Meetings and General Meetings are conducted efficiently;
- 31.8.3 to give all Directors an opportunity to express their views;
- 31.8.4 to establish a constructive working relationship with, and to provide support for, the Senior Officers;
- 31.8.5 where necessary (and in conjunction with the other Directors) to ensure that, where the post of any Senior Officer is or is due to become vacant, a replacement is found in a timely and orderly fashion;
- 31.8.6 to encourage the Board to delegate sufficient authority to its Committees to enable the business of the Company to be carried on effectively between Board Meetings;
- 31.8.7 to ensure that the Board monitors the use of delegated powers; and
- 31.8.8 to encourage the Board to take professional advice when it is needed and particularly before considering the dismissal of a Senior Officer.
- 31.9 The role of the Vice-Chair is to deputise for the Chair during any period of his absence and, for that period, his functions shall be the same as those of the Chair.
- 31.10 Except to the extent that the Articles provide otherwise neither the Chair nor the Vice-Chair has any authority beyond that of any other Director.

**32 COMMITTEES AND WORKING PARTIES**

- 32.1 The Board may:

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- 32.1.1 establish Committees consisting of those persons whom the Board decide from the Board;
- 32.1.2 delegate to a Committee any of its powers; and
- 32.1.3 revoke a delegation at any time.
- 32.2 The Board may establish Working Parties consisting of those persons whom the Board decide. A Working Party may not take decisions on behalf of the Board but may consider issues in depth with a view to making recommendations to the Board.
- 32.3 The members of a Committee or a Working Party are to be appointed by the Board but the Board may give a Committee or a Working Party the right to co-opt individuals to its membership. The Board is to determine the chair of each Committee or Working Party.
- 32.4 Each member of a Committee or Working Party (including the chair) is to hold office from the date of his appointment until the term of office for which he has been appointed expires or until he resigns or is removed by the Board from the Committee or Working Party.
- 32.5 The Board must determine the quorum for each Committee and Working Party it establishes.
- 32.6 The Board must specify the financial limits within which any Committee may function. A Working Party can have no authority to incur expenditure.
- 32.7 Every Committee or Working Party must report its proceedings and decisions to the Board as the Board determines.



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**33 OBSERVERS**

- 33.1 Subject to Article 33.4, the Board may allow individuals who are not Directors to attend Board Meetings as Observers on whatever terms they decide.
- 33.2 Observers may not vote but may take part in discussions with the prior consent of the Chair.
- 33.3 The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.
- 33.4 The Board must exclude an Observer from any Board Meeting at which a possible personal benefit to him is being considered.

**34 DIRECTORS' WRITTEN RESOLUTIONS**

- 34.1 A written resolution signed by a simple majority of the Directors entitled to receive notice of a Board Meeting (provided they would constitute a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.
- 34.2 A written resolution signed by a simple majority of the members of a Committee (provided they would constitute a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.
- 34.3 A resolution under Articles 34.1 or 34.2 may consist of several documents in similar form each signed by one or more of the Directors or Committee Members and will be treated as passed on the date of the last signature.

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## **PART F. OFFICERS**

### **35 THE SECRETARY**

- 35.1 A Secretary may but need not be appointed by the Board for such a term as the Board decides.
- 35.2 Where appointed, a Secretary may be removed by the Board at any time.
- 35.3 The duties of the Secretary include advising the Board on legal compliance.
- 35.4 No Director may occupy the salaried position of Secretary.

### **36 INDEMNITIES FOR OFFICERS AND EMPLOYEES**

- 36.1 The Company may indemnify any officer or employee (other than a Director) against any liability incurred by him in his capacity as such except when that liability is due to his own dishonesty or gross negligence.
- 36.2 Subject to the Act (in particular sections 232-238 or any section of any other statute amending or replacing sections 232-238) and Article 36.3, the Company may indemnify any Director against any liability incurred by him in his capacity as such.
- 36.3 The indemnity provided to a Director in accordance with Article 36.2 may not include any indemnity against liability:-
  - 36.3.1 to the Company or a company associated with it;
  - 36.3.2 for fines or penalties; or
  - 36.3.3 incurred as a result of his unsuccessful defence of criminal or civil proceedings.

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36.4 The indemnity provided to a Director in accordance with Article 36.2 may include the provision of funds to cover his legal costs as they fall due on terms that the Director in question will repay the funds if he is unsuccessful in his defence of the criminal or civil proceedings to which these costs relate.

36.5 In respect to its auditor the Company may:-

36.5.1 purchase and maintain insurance for his benefit against any liability incurred by him in his capacity as such; and

36.5.2 indemnify him against any liability incurred in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under Section 1157 of the Act or any section of any other statute amending or replacing Section 1157 in which relief is granted to him by the Court.

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## **PART G. STATUTORY AND MISCELLANEOUS**

### **37 MINUTES**

- 37.1 The Board must arrange for minutes to be kept of all General Meetings.
- 37.2 The Board must arrange for minutes to be kept of all Board Meetings. The names of the Directors present must be included in the minutes.
- 37.3 Copies of the draft minutes of Board Meetings must be distributed to the Directors as soon as reasonably possible after the meeting and in any case must be provided fourteen days after the date of the Board meeting to which they relate.
- 37.4 Minutes must be approved as a correct record at the next General Meeting (as regards minutes of General Meetings) or Board Meeting (as regards minutes of Board Meetings). Once approved they must be signed by the person chairing the meeting at which they are approved.
- 37.5 The Board must keep minutes of all of the appointments made by the Board.

### **38 ACCOUNTS ANNUAL REPORT AND ANNUAL RETURN**

- 38.1 The Company must comply with the Act and the Directors must comply with their obligations as charity trustees under the Charities Act 1993 in:-
- 38.1.1 preparing and filing an annual Directors report and annual accounts and sending them to the Charity Commission; and
- 38.1.2 making an annual return to the Registrar of Companies and the Charity Commission and HMRC;

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38.2 The Company must comply with the Act relating to the audit or examination of accounts (to the extent that the law requires).

38.3 The annual Directors' report and accounts must contain:-

38.3.1 revenue accounts and balance sheet for the last accounting period;

38.3.2 the auditor's report on those accounts (if applicable); and

38.3.3 the Board's report on the affairs of the Company.

38.4 The accounting records of the Company must always be open to inspection by a Director.

**39 BANK AND BUILDING SOCIETY ACCOUNTS**

39.1 All bank and building society accounts must be operated by the Board and must include the name of the Company.

39.2 A cheque or order for the payment of money must be signed in accordance with the Board's instructions.

**40 EXECUTION OF DOCUMENTS**

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

41.1.1 two Directors; or

41.1.2 one Director and the Secretary (where appointed); or

41.1.3 one Director in the presence of a witness who attests the Director's signature.

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**41 NOTICES**

41.1 Notices under the Articles must be in writing except notices calling Board Meetings.

41.2 A Company Member present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.

41.3 The Company may give a notice to a Company Member, Director, Secretary or auditor either:

42.3.1 personally;

42.3.2 by sending it by post in a prepaid envelope;

42.3.3 by facsimile transmission;

42.3.4 by leaving it at his address; or

42.3.5 by email.

41.4 Notices under Article 41.3.2 to 41.3.5 may be sent:

42.4.1 to an address in the United Kingdom which that person has given the Company;

42.4.2 to the last known home or business address of the person to be served; or

42.4.3 to that person's address in the Company's register of Members.

41.5 Proof that an envelope containing a notice was properly addressed prepaid and posted is conclusive evidence that the notice was given 48 hours after it

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was posted.

- 41.6 Proof that a facsimile transmission was made is conclusive evidence that the notice was given at the time stated on the transmission report.
- 41.7 A copy of the notification from the system used by the Company to send emails that the email has been sent to the particular person will be conclusive evidence that the notice was sent and such notice will be deemed to have been delivered 24 hours after it was sent.
- 41.8 A notice may be served on the Company by delivering it or sending it to the Registered Office or by handing it to the Secretary.
- 41.9 The Board may make standing orders to define other acceptable methods of delivering notices.

**42 STANDING ORDERS**

- 42.1 Subject to Article 42.4:
  - 42.1.1 the Board may from time to time make standing orders for the proper conduct and management of the Company; and
  - 42.1.2 the Company in General Meeting may alter, add to or repeal the standing orders.
- 42.2 The Board must adopt such means as they think sufficient to bring the standing orders to the notice of Company Members.
- 42.3 Standing orders are binding on all Company Members and Directors.
- 42.4 No standing order may be inconsistent with or may affect or repeal anything in the Memorandum or the Articles.