

Companies Acts 2006 Company
limited by guarantee without a
share capital

ARTICLES OF ASSOCIATION OF
Active Humber Ltd

1. Objects

- 1.1 The Objects of the Charity are to promote community participation in healthy recreation for the benefit of the inhabitants of the Humber Sub Region and in particular to provide, or to assist in providing, and to promote: -
- (1) public facilities, amenities, equipment, and services for healthy recreation.
 - (2) facilities and services for recreational, sporting, or other leisure time occupation in the interests of social welfare for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship, or social and economic circumstances, have need of such facilities and services.
 - (3) the improvement and preservation of good health and well-being through participation in healthy recreation.
 - (4) education, training, and coaching courses which promote physical health and fitness.
 - (5) Creating and helping to protect the places and spaces that make it easier for people to be active through the achievement of environmental and sustainability goals.
- 1.2 This provision may be amended by special resolution but only with the prior written consent of the Commission.

2. Powers

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

- 2.1 to provide advice or information and to arrange exhibitions, meetings, lectures, seminars, and training courses.
- 2.2 to make grants or loans.
- 2.3 to carry out research.
- 2.4 to support, administer or set up other charities.
- 2.5 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity.
- 2.6 to accept gifts and to raise funds (but not by means of taxable trading).
- 2.7 to borrow money.
- 2.8 to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act).
- 2.9 to acquire or hire property of any kind.
- 2.10 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act).
- 2.11 to set aside funds for special purposes or as reserves against future expenditure.
- 2.12 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification).
- 2.13 to delegate the management of investments to a financial expert, but only on terms that:
 - (1) the investment policy is set down in writing for the financial expert by the Trustees.
 - (2) timely reports of all transactions are provided to the Trustees.

- (3) the performance of the investments is reviewed regularly with the Trustees.
 - (4) the Trustees are entitled to cancel the delegation arrangement at any time.
 - (5) the investment policy and the delegation arrangement are reviewed at least once a year.
 - (6) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
 - (7) the financial expert must not do anything outside the powers of the Charity.
- 2.14 to arrange for investments or other property of the Charity to be held in the name of a nominee company acting under the direction of the Trustees or controlled by a financial expert acting under their instructions, and to pay any reasonable fee required.
- 2.15 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as custodian, and to pay any reasonable fee required.
- 2.16 to insure the property of the Charity against any foreseeable risk, to take out other insurance policies to protect the Charity when required and to obtain indemnity insurance to protect the Trustees as permitted by the Charities Act.
- 2.17 subject to Article 6.3, to employ paid or unpaid agents, staff, or advisers.
- 2.18 to enter into contracts to provide services to or on behalf of other bodies.
- 2.19 to co-operate or work with other bodies.
- 2.20 to establish or acquire subsidiary companies.
- 2.21 to do anything else within the law which promotes or helps to promote the Objects.

3. The Trustees

- 3.1 The Trustees as charity trustees have control of the Charity and its property and funds.

- 3.2 The Trustees are appointed by the Members in accordance with Article 9.10 or co-opted by the Trustees in accordance with Article 3.7. The first Trustees shall be those individuals who are registered as the first directors with Companies House on the incorporation of the Charity.
- 3.3 The Trustees when complete shall consist of at least three and (unless otherwise determined by ordinary resolution) not more than eleven individuals who are over the age of 18, all of whom must support the Objects. A Trustee may not act as a Trustee unless he/she has signed a written declaration of willingness to act as a company director and charity trustee of the Charity.
- 3.4 With effect from 2016 one third (or the number nearest one third) of the Trustees excluding those appointed pursuant to Article 3.3.(1) must retire each year, those longest in office retiring first and the choice between any of equal service being made by drawing lots. [A Trustee appointed pursuant to Article 3.3 (1) shall not be subject to retirement by rotation pursuant to this Article 3.5].
- 3.5 A retiring Trustee who is eligible under Article 3.4 may be reappointed.
- 3.6 A Trustee who has served two consecutive ~~three~~ four-year terms of office shall retire and shall not be capable of re-appointment under these articles.
- 3.7 A Trustee's term of office as such automatically terminates if he/she:
- (1) ceases to be a director of the Charity by virtue of any provision in the Companies Act.
 - (2) is disqualified under the Charities Act from acting as a charity trustee.
 - (3) is convicted of any offence under safeguarding legislation or otherwise banned from working with children.

(4) is incapable, whether mentally or physically, of managing his/her own affairs.

The Trustee must give a reason for their non-attendance prior to the commencement of the meeting. If three meetings are missed in a row even if apologies were given and accepted by the board, the board can remove the trustee from the board if it so wishes. The reason for non-attendance must be for a significant and valid reason in the view of the board.

(5) In a Trustee seeking re-election for a second term of office they must have attended 70% or more of the main board meetings for them to be able to seek re-election.

(6) resigns by written notice to the Trustees (but only if at least two Trustees will remain in office); or

(7) is removed by the Members.

3.8 The Trustees may at any time co-opt any individual who is eligible under Article 3.4 as a Trustee to fill a vacancy in their number or (subject to the maximum number permitted by Article 3.4) as an additional Trustee, but a co-opted Trustee holds office only for one year.

3.9 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

4. Trustees' proceedings

4.1 The Trustees must hold at least three meetings each year.

4.2 A quorum at a meeting of the Trustees is at least three Trustees.

4.3 A meeting of the Trustees may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants but at least one meeting in each year must be held in person.

4.4 The Chair or (if the Chair is unable or unwilling to do so) the Vice-Chair (if any) or some other Trustee chosen by the Trustees present presides at each meeting.

4.5 Any issue may be determined by a simple majority of the votes cast at a meeting, but a resolution in writing agreed by all the Trustees (other than any Conflicted Trustee who has not been authorised to vote) is as valid as a resolution

passed at a meeting. For this purpose, the resolution may be contained in more than one document.

- 4.6 Every Trustee has one vote on each issue but, in case of an equality of votes, the chair of the meeting has a second or casting vote.
- 4.7 A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

5. Trustees' powers

The Trustees have the following powers in the administration of the Charity in their capacity as Trustees:

- 5.1 To appoint (and remove) any person (who may be a Trustee) to act as Secretary in accordance with the Companies Act.
- 5.2 To delegate any of their functions to sub-committees consisting of two or more individuals appointed by the Trustees who shall act in accordance with written terms of reference prepared by the Trustees. At least one member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees.
- 5.3 To make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct, management, and administration of the Charity. Such rules may regulate the following matters but are not restricted to them:
 - (1) the admission of Members of the Charity (including the admission of non-voting associates or supporters, or of organisations to Membership) and the rights and privileges of such Members, and any subscriptions and other fees or payments to be made by Members.

- (2) the conduct of Members of the Charity in relation to one another, and to the Charity's employees and volunteers.
- (3) the procedure at general meetings and meetings of the Trustees or of committees in so far as such procedure is not regulated by the Companies Act or by the Articles.
- (4) generally, all such matters as are commonly the subject matter of company rules.

5.4 To establish procedures to assist the resolution of disputes or differences within the Charity.

5.5 To exercise in their capacity as Trustees any powers of the Charity which are not reserved to the Members.

6. Benefits and Conflicts

6.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the Members but:

- (1) Members who are not Trustees or Connected Persons may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied.
- (2) Subject to compliance with Article 6.4, Members, Trustees and Connected Persons may be paid interest at a reasonable rate on money lent to the Charity.
- (3) Subject to compliance with Article 6.4, Members, Trustees and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Charity; and
- (4) Subject to compliance with Article 6.4, Members, Trustees and Connected Persons may receive charitable benefits on the same terms as any other beneficiaries of the Charity.

- 6.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:
- (1) as mentioned in Articles 6.1 or 6.3.
 - (2) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity.
 - (3) the benefit of indemnity insurance as permitted by the Charities Act.
 - (4) an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to civil or criminal proceedings).
 - (5) in exceptional cases, other payments, or benefits (but only with the written consent of the Commission in advance and where required by the Companies Act the approval or affirmation of the Members).
- 6.3 No Trustee or Connected Person may be employed by the Charity except in accordance with Article 6.2(5), but any Trustee or Connected Person may enter into a written contract with the Charity as permitted by the Charities Act, to supply goods or services in return for a payment or other material benefit but only if:
- (1) the goods or services are required by the Charity, and the Trustees decide that it is in the best interests of the Charity to enter into such a contract.
 - (2) the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article 6.4; and
 - (3) no more than one-half of the Trustees are subject to such a contract in any financial year.
- 6.4 Subject to Article 6.5, any Trustee who becomes a Conflicted Trustee in relation to any matter must:

- (1) declare the nature and extent of his or her interest before discussion begins on the matter.
- (2) withdraw from the meeting for that item after providing any information requested by the Trustees.
- (3) not be counted in the quorum for that part of the meeting; and
- (4) be absent during the vote and have no vote on the matter.

6.5 When any Trustee is a Conflicted Trustee, the Trustees who are not Conflicted Trustees, if they form a quorum without counting the Conflicted Trustee and are satisfied that it is in the best interests of the Charity to do so, may by resolution passed in the absence of the Conflicted Trustee authorise the Conflicted Trustee, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Trustee, to:

- (1) continue to participate in discussions leading to the making of a decision and/or to vote,
or
- (2) disclose to a third-party information confidential to the Charity, or
- (3) take any other action not otherwise authorised which does not involve the receipt by the Conflicted Trustee or a Connected Person of any payment or material benefit, or
- (4) refrain from taking any step required to remove the conflict.

6.6 This provision may be amended by special resolution but, where the result would be to permit any material benefit to a Trustee or Connected Person, only with the prior written consent of the Commission.

7. Records and Accounts

- 7.1 The Trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies and the Commission of information required by law including:
- (1) annual returns.
 - (2) annual reports; and
 - (3) annual statements of account.
- 7.2 The Trustees must also keep records of:
- (1) all proceedings at meetings of the Trustees.
 - (2) all resolutions in writing.
 - (3) all reports of committees; and
 - (4) all professional advice obtained.
- 7.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours and may be made available for inspection by Members who are not Trustees if the Trustees so decide.
- 7.4 A copy of the Charity's constitution and latest available statement of account must be supplied on request to any Trustee. Copies of the latest accounts must also be supplied in accordance with the Charities Act to any other person who makes a written request and pays the Charity's reasonable costs.

8. Membership

- 8.1 The Charity must maintain a register of Members.
- 8.2 The Trustees for the time being of the Charity shall be the only persons entitled to become Members. The first Members are those who sign as the subscribers to the

Memorandum of Association filed with Companies House on incorporation of the Charity.

- 8.3 Every person who is appointed as a Trustee shall become a Member and shall sign a written consent to act as a Member.
- 8.4 Membership is not transferable.
- 8.5 The Trustees may establish one or more classes of non-voting associates with different rights and obligations.

9. General Meetings

- 9.1 Members are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is in writing in a form approved by the Trustees and issued by the Charity and which is notified to the Secretary before the commencement of the meeting).
- 9.2 General meetings are called on at least 14 clear days' written notice indicating the business to be discussed or (if a special resolution is to be proposed) at least 21 clear days' written notice setting out the terms of the proposed special resolution.
- 9.3 There is a quorum at a general meeting if the number of Members present in person or by proxy and entitled to vote is at least three.
- 9.4 Members present by proxy shall be counted in the quorum.
- 9.5 General meetings shall be chaired by the person who has been appointed to chair meetings of the Trustees.
- 9.6 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by ordinary resolution.
- 9.7 Every Member present in person or by proxy has one vote on each issue.
- 9.8 Except where otherwise provided by the Articles or the Companies Act, a

written resolution of the Members (whether an ordinary or a special resolution) is as valid as an equivalent resolution passed at a general meeting. For this purpose, the written resolution may be set out in more than one document.

- 9.9 The Charity shall hold an AGM each year to receive a full set of Audited accounts for the previous financial year, receive the Charities annual report and deal with appropriate governance matters.
- 9.10 Members must annually:
- (1) receive the accounts of the Charity for the previous financial year.
 - (2) receive a written report on the Charity's activities.
 - (3) be informed of the retirement of those Trustees who wish to retire.
 - (4) elect Trustees to fill the vacancies arising.
 - (5) appoint reporting accountants or auditors for the Charity.
- 9.11 A general meeting may be called by the Trustees at any time and must be called within 21 days of a written request from at least 5% of the Membership.
- 9.12 A technical defect in the appointment of a Member of which the Members are unaware at the time does not invalidate a decision taken at a general meeting or by a written resolution.
- 9.13 A Member being an organization may appoint any individual it considers appropriate to act as its authorised representative at a general meeting of the Company provided that such individual may not be a Director of the Company. Any such appointment shall be made, or may be revoked, by written notice to the Secretary
- 9.14 The authorised representative will be entitled to exercise all rights of Membership on behalf of the Member to attend, speak and vote at any general meeting and to sign any written resolution pursuant to Article 9.8.

- 9.15 The Charity shall not be required to consider whether the authorised representative has been properly appointed by the Member.

10 Termination of Membership

Membership is terminated if:

- (1) the Member dies.
- (2) the Member resigns by written notice to the Charity unless there would be less than two Members after the resignation.
- (3) the Member ceases to be a Trustee.

11. Honorary Officers

Members may also from time to time confer on any individual (with his/her consent) the honorary title of Patron, Ambassador, President or Vice-President of the Charity on such terms as the Members shall think fit. A person so appointed shall have the right to attend and speak (but not vote) at any general meeting of the Charity and to be given notice of it as if a Member and shall also have the right to receive accounts of the Charity when available to Members.

12. Limited Liability

The liability of Members is limited.

13. Guarantee

Every Member promise, if the Charity is dissolved while he/she/it remains a Member or within one year after he/she/it ceases to be a member, to pay up to £1 towards:

- 13.1 payment of those debts and liabilities of the Charity incurred before he/she/it ceased to be a Member; and/or

13.2 payment of the costs, charges, and expenses of winding up; and/or

13.3 the adjustment of rights of contributors among themselves.

14. Communications

14.1 Notices and other documents to be served on Members or Trustees under the Articles or the Companies Act may be served:

- (1) by hand.
- (2) by post.
- (3) by suitable electronic means; or
- (4) through publication in the Charity's newsletter (if any) if posted to Members or on the Charity's website.

14.2 The only address at which a Member is entitled to receive notices sent by post is an address in the U.K. shown in the register of Members.

14.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

- (1) 24 hours after being sent by electronic means, posted on the Charity's website, or delivered by hand to the relevant address.
- (2) two clear days after being sent by first class post to that address.
- (3) three clear days after being sent by second class or overseas post to that address.
- (4) immediately on being handed to the recipient personally; or, if earlier,
- (5) as soon as the recipient acknowledges actual receipt.

14.4 A technical defect in service of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

15. Dissolution

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

- (1) by transfer to one or more other bodies established for exclusively charitable purposes which are within, the same as or similar to the Objects.
- (2) directly for the Objects or for charitable purposes which are within, the same as or similar to the Objects.
- (3) in such other manner consistent with charitable status as the Commission approves in writing in advance.

15.2 A final report and statement of account must be sent to the Commission.

15.3 This provision may be amended by special resolution but only with the prior written consent of the Commission.

16. Interpretation

16.1 The Articles are to be interpreted without reference to the model articles under the Companies Act, which do not apply to the Charity.

16.2 In the Articles, unless the context indicates another meaning:

‘AGM’ means an annual general meeting of the Charity.

‘the Articles’ means the Charity’s Articles of Association and ‘Article’ refers to a particular Article.

‘Chair’ means the chair of the Trustees.

‘the Charity’ means the company called Active Humber Limited governed by these Articles.

‘the Charities Act’ means the Charities Acts 1992 to 2011.

'charity trustee' has the meaning prescribed by the Charities Act.

'clear day' does not include the day on which notice is given or the day of the meeting or other event.

'the Commission' means the Charity Commission for England and Wales or anybody which replaces it.

'the Companies Act' means the Companies Acts 1985 to 2006.

'Conflicted Trustee' means a Trustee in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Trustee or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Charity, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity;

'Connected Person' means, in relation to a Trustee, a person with whom the Trustee shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the Trustee's family or household or a person or body who is a business associate of the Trustee, and (for the avoidance of doubt) does not include a company with which the Trustee's only connection is an interest consisting of no more than 1% of the voting rights;

'constitution' means the Memorandum and the Articles and any special resolutions relating to them.

'custodian' means a person or body who undertakes safe custody of assets or of documents or records relating to them.

'electronic means has the meaning given to it in the Companies Act and includes communications addressed to specified individuals by telephone, fax

or email or, in relation to meetings, by telephone conference call or video conference;

'financial expert' means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000; 'financial year' means the Charity's financial year;

'firm' includes a limited liability partnership.

'indemnity insurance' means insurance against personal liability incurred by any Trustee for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the act or omission amounts to a criminal offence or the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;

'material benefit' means a benefit, direct or indirect, which may not be financial but has a monetary value.

'Member' and 'Membership' refer to company Membership of the Charity carrying the right to vote.

'Memorandum' means the Charity's Memorandum of Association;

'month' means calendar month.

'nominee company' means a corporate body registered or having an established place of business in England and Wales which holds title to property for another.

'ordinary resolution' means a resolution agreed by a simple majority of the Members present and voting at a general meeting or in the case of a written resolution by Members who together hold a simple majority of the voting power. Where applicable,

'Members' in this definition means a class of Members.

'the Objects' means the Objects of the Charity as defined in Article 1; 'resolution in writing' means a written resolution of the Trustees; 'Secretary' means a company secretary.

'special resolution' means a resolution of which at least 21 days' notice has been given agreed by a 75% majority of the Members present and voting at a general meeting or in the case of a written resolution by Members who together hold 75% of the voting power. Where applicable, 'Members' in this definition means a class of Members; 'taxable trading' means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax; 'Trustee' means a director of the Charity and 'Trustees' means the directors; 'written' or 'in writing' refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper; 'written resolution' refers to an ordinary or a special resolution which is in writing;

'year' means calendar year.

- 16.3 Expressions not otherwise defined which are defined in the Companies Act have the same meaning.
- (1) References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.