

South Bank Colleges

Articles of Association

Company Number 11495376

Adopted by Special Resolution on 8
January 2019

The Companies Act 2006
Company not having a share capital
Articles of Association
of
South Bank Colleges

1. Name

1.1. The name of the company is South Bank Colleges (**Charity**)

2. Registered office

2.1. The registered office of the Charity is in England and Wales.

3. Objects

3.1. The objects of the Charity (**Objects**) are:

3.1.1. The advancement of education for the public benefit by providing full time and part time courses of education at all levels including:

- (a) further education (as defined in section 2(3) of the Education Act 1996);
- (b) higher education (as defined in Schedule 6 of the Education Reform Act 1988); and
- (c) secondary education (as defined in sections 18(1)(aa) and 18(1)(ab) Further and Higher Education Act 1992).

4. Powers

4.1. The Charity has the power to do anything within the law which may promote or may help to promote the Objects or any of them including (but without limitation) the power:

- 4.1.1. to supply goods or services in connection with their provision of education;
- 4.1.2. to conduct educational institutions for the purpose of carrying on activities undertaken in the provision of secondary, further or higher education;
- 4.1.3. provide facilities of any description appearing to the Trustees to be necessary or desirable for the purposes of or in connection with carrying on any activities undertaken in the exercise of the Objects (including boarding accommodation and recreational facilities for students and staff and facilities to meet the needs of students having learning difficulties and the welfare of all students);
- 4.1.4. to enter into contracts, including in particular contracts for the employment of teachers and other staff for the purposes of or in connection with carrying on any activities undertaken in advancing the Objects and contracts with respect to the carrying on by the Charity of any such activities;
- 4.1.5. to form, participate in forming or invest in a company;
- 4.1.6. to award qualifications and other awards and to withdraw such qualifications or awards;

- 4.1.7. to provide vocational, technical, professional and adult education and apprenticeships;
- 4.1.8. to educate students in and encourage students to take part in enterprise and innovation;
- 4.1.9. to make rules and regulations for the conduct of students;
- 4.1.10. to hold seminars, conferences, lectures, tours and courses;
- 4.1.11. to promote or carry out research and to disseminate such research;
- 4.1.12. to provide advice;
- 4.1.13. to publish or distribute information in any form;
- 4.1.14. to co-operate with other institutions and to enter into joint ventures, collaborations and partnerships with charitable and non-charitable bodies and to award joint qualifications and awards;
- 4.1.15. to support, administer or set up charities (including a charitable incorporated organisation (within the meaning of Part 11 of the Charities Act 2011) and to act as trustee of any charitable funds, endowments or trusts;
- 4.1.16. to affiliate with and where appropriate merge with any charity having similar objects to the Objects, including to incorporate into the Charity any other institution and take over its property, rights, liabilities and staff;
- 4.1.17. to raise funds;
- 4.1.18. to borrow money, including entering into any derivative arrangement relating to that borrowing provided that the derivative arrangement is an integral part of managing the Charity's debt and not a speculative venture;
- 4.1.19. to give security for loans, grants and other obligations over the assets of the Charity including granting any mortgage, charge or other security in respect of any land or other property of the Charity (but only in accordance with any applicable restrictions imposed by the Charities Act 2011);
- 4.1.20. to acquire, rent or hire property of any kind;
- 4.1.21. to sell, let, license, mortgage or dispose of property of any kind (but only in accordance with any applicable restrictions imposed by the Charities Act 2011);
- 4.1.22. to make grants, awards, prizes or donations;
- 4.1.23. to make loans of money and give credit and to give guarantees or security for the performance of any obligations by any person or company;
- 4.1.24. to set aside funds for special purposes or as reserves against future expenditure, but only in accordance with a written policy on reserves;
- 4.1.25. to deposit or invest funds in any manner (but to invest only after taking such advice as the trustees consider is reasonably necessary from such person as is reasonably believed by the trustee to be qualified to give it by his or her ability in and practical experience of financial and other relevant matters);
- 4.1.26. to enter into any derivative arrangement in connection with any investment provided that the derivative arrangement is ancillary to the investment (being

entered into in order to manage the risk and / or transaction costs associated with the investment) and is not a speculative venture;

- 4.1.27. to delegate the management of investments to any person provided that:
- (a) the delegate is authorised to carry on investment business under the provisions of the Financial Services and Markets Act 2000;
 - (b) the investment policy is set out in writing by the Trustees;
 - (c) the performance of the investments is reviewed regularly with the Trustees;
 - (d) the investment policy and the delegation arrangements are reviewed at least once a year;
 - (e) all payments due to the delegate are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt by the delegate; and
 - (f) the delegate must not do anything outside the powers of the Trustees;
- 4.1.28. to arrange for the investments or other property of the Charity to be held in the name of a nominee (being a corporate body registered or having an established place of business in England and Wales) under the control of the Trustees or of any person to whom the management of investments is delegated and to pay any reasonable fee required;
- 4.1.29. to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;
- 4.1.30. to take out indemnity insurance to insure the Trustees against the costs of a successful defence to criminal proceedings brought against them as charity trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be in breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;
- 4.1.31. subject to Article 16, to employ paid or unpaid agents, staff or advisers;
- 4.1.32. to enter into contracts to provide services to or on behalf of other bodies;
- 4.1.33. to establish, support or acquire subsidiary companies;
- 4.1.34. to pay the costs of forming the Charity;
- 4.1.35. to open and operate bank accounts and banking facilities;
- 4.1.36. to solicit and accept fees, grants, donations, endowments, gifts, legacies and bequests of assets on any terms;
- 4.1.37. to enter into any licence or sponsorship agreement;
- 4.1.38. to enter into any contract or agreement (including any finance lease);
- 4.1.39. to carry on any trade in so far as the trade is;
- (a) exercised in the course of the actual carrying out of the Objects of the Charity; or
 - (b) ancillary to the carrying out of the Objects; or

(c) not taxable trading; and

4.1.40. to do anything incidental to the conduct of an educational institution providing secondary, further or higher education

5. Limited liability

5.1. The liability of the Member is limited to £1, being the amount the Member undertakes to contribute to the Charity's assets if the Charity shall be wound up while it is a Member, or within one year after it ceases to be a Member, for payment of the Charity's debts and liabilities contracted before it ceases to be a Member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves.

6. Membership

6.1. The Charity must maintain a register of Members.

6.2. London South Bank University ("**LSBU**") shall be the sole Member of the Charity.

6.3. The Member shall sign a written consent to become a Member.

6.4. Membership is terminated if the Member:

6.4.1. ceases to exist; or

6.4.2. makes an arrangement or composition with its creditors; and

in such circumstances (each of which is referred to in this article as "a relevant event"), the individuals then holding office as Trustees shall automatically become Members of the Charity immediately before the occurrence of the relevant event (and all references in these Articles to "the Member" shall be taken to be references to "the Members" or any one of them).

6.5. Membership of the Charity is not transferable.

7. General meetings

7.1. The Member is entitled to attend general meetings either by its authorised representative or by proxy in accordance with the provisions of the Act. General meetings are called on at least 14 clear days' written notice specifying the business to be discussed.

7.2. A general meeting may be called at any time by the Trustees and must be called in accordance with the terms of the Act within 21 days of a written request from the Member made in accordance with the provisions of the Act.

7.3. Quorum

7.3.1. Subject to Article 7.3.2 below, the Member present through its authorised representative shall constitute a quorum.

7.3.2. In the event that LSBU ceases to be the Member of the Charity in accordance with Article 6.4, the quorum shall be three.

7.4. Chair

7.4.1. The Chair or (if the Chair is unable or unwilling to do so) some other Trustee elected by those present shall preside as chair at a general meeting. The Chair may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time and from place to place as the Chair shall determine.

7.5. **Voting**

- 7.5.1. A resolution put to the vote of a meeting will be decided on a show of hands.
- 7.5.2. The Member present through its authorised representative or by proxy shall have one vote.
- 7.5.3. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid. Any such objection must be referred to the Chair of the meeting whose decision is final.

7.6. **Proxy notices**

- 7.6.1. Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
 - (a) states the name and address of the Member;
 - (b) identifies the person appointed to be the Member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is authenticated by or on behalf of the Member; and
 - (d) is delivered to the Charity in accordance with these Articles and any instructions contained in the notice of the relevant general meeting.
- 7.6.2. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 7.6.3. Unless a proxy notice indicates otherwise, it must be treated as:
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - (b) by appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates, as well as to the meeting itself.
- 7.6.4. The Member remains entitled to speak, attend or vote at a general meeting, even though a valid proxy notice has been delivered to the Charity by it or on its behalf.
- 7.6.5. An appointment under a proxy notice may be revoked by delivering to the Charity a notice in writing.
- 7.6.6. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 7.6.7. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

7.7. **Written resolutions**

- 7.7.1. A written resolution passed in accordance with the Act is as valid as a resolution actually passed at a general meeting (and for this purpose the written resolution may be set out in more than one document). A written resolution passed under this Article will lapse if not passed before the end of six calendar months beginning with the circulation date (as defined in section 290 of the Companies Act 2006).

7.8. **Authorised representatives**

7.8.1. The Member may by resolution of its Board of Governors authorise such person as it thinks fit to act as its authorised representative at any meeting of the Charity and the person so authorised shall be entitled to exercise the same powers on behalf of the Member as the Member would exercise if it were an individual member of the Charity.

8. **Accounting officer**

8.1. The Vice Chancellor of LSBU shall be the accounting officer.

9. **Trustees**

9.1. The Trustees are the charity trustees of the Charity and have control of the Charity and its property and funds, including in particular ensuring the effective and efficient use of resources, the solvency of the Charity and the safeguarding of its assets.

9.2. The Member may, by special resolution, direct the Trustees to take, or refrain from taking, specified action. No such special resolution invalidates anything which the Trustees have done before the passing of the resolution.

9.3. Subject to Article 9.6, the Board shall be composed of no fewer than five and no more than ten Trustees being:

9.3.1. the Vice Chancellor of LSBU from time to time (the "**LSBU Vice-Chancellor**");

9.3.2. up to four individuals who are not employees of LSBU (the "**LSBU Trustees**") nominated in writing by LSBU and appointed by the Board;

9.3.3. up to three individuals who are neither Governors nor staff of LSBU and are not staff or students of the Charity or any of the institutions operated by the Charity (the "**Independent Trustees**") appointed by the Board.

9.3.4. one student of the Charity or any institution operated by the Charity (the "**Student Trustee**") appointed or elected in accordance with standing orders made by the Trustees from time to time; and

9.3.5. one employee of the Charity or any institution operated by the Charity (the "**Staff Trustee**") appointed or elected in accordance with standing orders made by the Trustees from time to time.

9.4. The Board shall not unreasonably refuse to appoint a person nominated by the Member pursuant to Article 9.3.2 but for the avoidance of doubt may refuse to appoint such a person if any of the circumstances set out in Articles 9.13.1; 9.13.2; 9.13.6; or 9.13.7 apply. If the Board refuses to appoint a person nominated by the Member then the Member shall have the right to nominate an alternative nominee.

9.5. Subject to Article 9.6, the number of Trustees appointed pursuant to Articles 9.3.1 and 9.3.2 together shall at no time exceed the number of Trustees appointed pursuant to Articles 9.3.3, 9.3.4 and 9.3.5 together.

9.6. The first LSBU Trustees ("**First LSBU Trustees**") shall be appointed by the Member on the incorporation of the Charity. As soon as practicable following this appointment:

9.6.1. the Board (then comprising the Vice Chancellor and the First LSBU Trustees) shall appoint the first Independent Trustees ("**First Independent Trustees**"); and then

9.6.2. the Board (then comprising the Vice Chancellor, the First LSBU Trustees and the First

Independent Trustees) shall make provision for the appointment or election of the first Student Trustee and the first Staff Trustee.

- 9.7. Every Trustee shall sign a written consent to become a Trustee.
- 9.8. Subject to Article 9.10, the term of office for Trustees shall be four years and a Trustee shall be eligible for re-appointment by the Member for one further term of four years.
- 9.9. Subject to Article 9.10, after a Trustee has served two consecutive terms in office, he or she shall be eligible for reelection only after a year has elapsed since he or she retired as Trustee, unless the Board considers it would be in the best interests of the Charity for a Trustee to be eligible for reelection on his or her retirement for such number of further terms as the Trustees shall resolve.
- 9.10. Articles 9.8 and 9.9 shall not apply to the LSBU Vice-Chancellor, who may continue in office as a Trustee for so long as he or she remains Vice-Chancellor of LSBU.
- 9.11. The Board may at any time:
 - 9.11.1. remove an Independent Trustee; or
 - 9.11.2. remove a LSBU Trustee (with the prior written consent of LSBU, such consent not to be unreasonably withheld);provided that in doing so the Board acts in what it considers to be the best interests of the Charity.
- 9.12. Every Trustee will hold office until his or her term of office comes to an end or he or she vacates office in accordance with Article 9.13 or he or she is removed in accordance with Article 9.11.
- 9.13. A Trustee's term of office automatically terminates if he or she:
 - 9.13.1. is disqualified under the Charities Act 2011 from acting as a charity trustee;
 - 9.13.2. a registered medical practitioner who is treating that person gives a written opinion to the Trustees stating that that person has become physically or mentally incapable of acting as a Trustee and may remain so for more than three months;
 - 9.13.3. is absent from two consecutive meetings of the Board without the consent of the Trustees and the Trustees resolve that his or her office is vacated;
 - 9.13.4. is removed as a Trustee by the Member under the Act;
 - 9.13.5. resigns by written notice to the Trustees (but only if at least five Trustees will remain in office);
 - 9.13.6. becomes bankrupt, has an interim receiving order made against him or her, makes any arrangement or compounds with his or her creditors generally or applies to the court for an interim order in respect of a voluntary arrangement. or
 - 9.13.7. is convicted of an offence and the Trustees shall resolve that it is undesirable in the interests of the Charity that he or she remains a Trustee of the Charity;
- 9.14. A person who is disqualified from acting as charity trustee (in accordance with Article 9.13.1) shall be ineligible to be a Trustee, as shall a person who becomes an employee of the Charity (except for the Staff Trustee who may be an employee of the Charity).
- 9.15. 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 of the Board.

9.16. Chair

9.16.1. Subject to Article 9.16.3, the Member and the Board shall jointly appoint the Chair and Vice Chair of Trustees ("**Chair**" and "**Vice-Chair**") from among the Trustees (excluding the LSBU Vice Chancellor and the Student and Staff Trustees).

9.16.2. In acting jointly in accordance with Article 9.16.1, either the Board or the Member may propose a Chair and Vice Chair provided that both the Member and the Board must vote for their appointment.

9.16.3. The Chair shall not be an employee or Governor of the Member.

9.16.4. The Board may determine the term of office of the Chair and Vice-Chair and if the term is not determined it shall be one year.

10. Committees

10.1. The Board may appoint any committee consisting of two or more individuals appointed by the Board.

10.2. The Board may delegate to any committee any of its functions (including any powers or discretions) for such time and on such terms of reference as it thinks fit (including any requirement that a resolution of the committee shall not be effective unless a majority of those present when it is passed are Trustees or it is ratified by the Board) provided that:

10.2.1. all proceedings of every committee must be reported promptly to the Trustees; and

10.2.2. every committee must act in accordance with the terms of reference on which any function is delegated to it (but, subject to that, the proceedings of the committee will be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying).

10.3. The Board may at any time revoke any delegation in whole or part or alter its terms.

11. Delegation

11.1. Subject to these Articles and in addition to the ability to delegate under Article 10, the Board may delegate any of the powers conferred on it by these Articles to such person, by such means, to such an extent, in relation to such matters and on such terms of reference as the Trustees think fit and, if the Board so specifies, any such delegation may authorise future delegation of the Trustees' powers by any person to whom they are delegated.

12. Proceedings of the Board

12.1. The Trustees must hold at least one meeting of the Board each year. Any Trustee may call a meeting of the Board by giving notice of the meeting to the Trustees or by authorising the Clerk to give such notice provided that:

12.1.1. such notice must indicate the proposed date, time and location of the meeting and, 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;

12.1.2. such notice must be given to each Trustee, but need not be in writing; and

12.1.3. such notice need not be given to Trustees who waive their entitlement to notice of that meeting by giving notice to that effect to the Charity not more than seven days after the date on which the meeting is held (and where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any

business conducted at it).

12.2. Quorum

12.2.1. The quorum necessary at a meeting of the Board shall be three (of which at least one shall be an Independent Trustee).

12.2.2. If the total number of Trustees for the time being is less than the minimum number required by Article 9.3 or the quorum required, the Trustees must not take any decision other than a decision to:

- (a) call a general meeting to enable the Member to appoint further Trustees;
- (b) appoint an administrator, administrative or other receiver or a licensed insolvency practitioner in any other role relating to the Charity recognised by the relevant insolvency, company, property or charity legislation as from time to time in force;

provided always that in all other respects, the provisions of these Articles in relation to the calling of meetings of the Board shall be complied with.

12.3. A meeting of the Board may be held either in person or by suitable electronic means agreed by the Trustees in which all Trustees participating in the meeting may communicate with all the other participants. 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.

12.4. The Chair or (if the Chair is unable or unwilling to do so) the Vice-Chair (if able and willing or, if not,) some other Trustee chosen by the Trustees present will preside as chair at each meeting.

12.5. Subject to Article 12.7.1, every decision of the Trustees shall be by a simple majority of the votes cast at a meeting.

12.6. Every Trustee has one vote on each issue except for the Chair of the meeting, who in the event of an equality of votes has a second or casting vote (unless the Chair of the meeting is in accordance with these Articles not to be counted as participating in the decision-making process for quorum or voting purposes).

12.7. Decisions without a meeting

12.7.1. The Trustees may take a decision without holding a Trustees' meeting by a 75% majority of the Trustees indicating to each other by any means, including without limitation by electronic means, that they share a common view on a matter. Such decisions may, but need not, take the form of a resolution in writing, copies of which have been signed by at least 75% of the Trustees or to which at least 75% of the Trustees have otherwise indicated agreement in writing. For the avoidance of doubt, references in this Article 12.7.1 to a 75% majority of Trustees shall exclude any Trustee who is ineligible to vote as a result of a Conflict of Interest in accordance with Articles 18 to 21. A decision made in accordance with this Article 12.7.1 shall be as valid and effectual as if it has been passed at a meeting duly convened and held, provided the following conditions are complied with:

- (a) approval from at least 75% of the Trustees must be received by the Chair, or if the Chair is unable or unwilling to do so, some other Trustee nominated in advance by the Trustees for that purpose (**Recipient**);
- (b) following receipt of the response from 75% of the Trustees, the Recipient

shall communicate to all of the Trustees by any means whether the resolution has been formally approved by the Trustees in accordance with this Article 12.7.1;

- (c) the date of the decision shall be the date of the communication from the Recipient confirming formal approval; and
- (d) the Recipient prepares a minute of the decision and circulates it to the Trustees and the Clerk.

12.8. A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

13. Powers of Trustees

13.1. The Trustees have the following powers in the administration of the Charity:

13.1.1. to appoint a treasurer, patron and other honorary offices;

13.1.2. to make standing orders, rules and regulations consistent with these Articles and the Act to govern:

- (a) proceedings at general meetings;
- (b) proceedings at meetings of the Board and of committees; and
- (c) the administration of the Charity;

13.1.3. to exercise any powers of the Charity which are not reserved to a general meeting.

14. Clerk

14.1. The Trustees shall appoint a competent person to act as Clerk.

14.2. A Trustee is ineligible to serve as Clerk.

14.3. The Trustees may in their absolute discretion remove the Clerk, in which case they shall appoint another competent person.

14.4. The Clerk shall be company secretary of the Charity for the purposes of the Act.

14.5. The Clerk shall be responsible for the following functions:

14.5.1. advising the Charity with regard to the operation of its powers;

14.5.2. advising the Charity with regard to procedural matters;

14.5.3. advising the Charity with regard to the conduct of its business;

14.5.4. advising the Charity with regard to matters of governance practice; and

14.5.5. any other functions delegated by the Board from time to time.

15. Executive Principal

15.1. The Accounting Officer shall have delegated authority from the Board to appoint, appraise, suspend and dismiss an Executive Principal who shall be the chief executive and (subject to the responsibilities of the Board) shall be responsible for the following functions:

15.1.1. making proposals to the Board about the strategic vision and academic strategy;

- 15.1.2. the determination of the institution's (or institutions') academic and other activities;
- 15.1.3. leadership of the staff of the institutions;
- 15.1.4. maintaining student discipline and, within the rules and procedures provided for within these Articles or in standing orders, suspending or expelling students on disciplinary grounds or expelling students for academic reasons; and
- 15.1.5. any other functions delegated by the Board from time to time.

16. Benefits to the Member and Trustees

- 16.1. Subject to Articles 16.2 and 16.3, the income and property of the Charity must only be applied to promote the Objects and no part of that income or property may be paid, transferred or applied by way of Benefit to the Member or any Trustee (and any reference to the Member or a Trustee in this Article includes references to any person who is Connected to that Member or Trustee).
- 16.2. In relation to the Member:
 - 16.2.1. the Member may enter into contracts with the Charity and receive reasonable payment for goods or services supplied;
 - 16.2.2. the Member may be paid interest at a reasonable rate on money lent to the Charity;
 - 16.2.3. the Member may be paid a reasonable rent or hiring fee for property let or hired to the Charity; and
 - 16.2.4. the Member may receive any Benefit in its capacity as a beneficiary of the Charity;
- 16.3. A Trustee may receive the following Benefits from the Charity:
 - 16.3.1. reasonable and proper premiums in respect of indemnity insurance provided in accordance with these Articles;
 - 16.3.2. reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) properly incurred in the management and administration of the Charity;
 - 16.3.3. an indemnity in accordance with these Articles;
 - 16.3.4. payment to any company in which a Trustee has no more than a 2% shareholding; and
 - 16.3.5. other payments or benefits permitted by charity law or with the prior consent of the Commission;
 - 16.3.6. interest at a reasonable rate on money lent to the Charity;
 - 16.3.7. a reasonable rent or hiring fee for property let or hired to the Charity;
 - 16.3.8. any Benefit provided to a Trustee in his or her capacity as a beneficiary of the Charity;
 - 16.3.9. in respect of the provision of goods or services in accordance with Article 16.5; and
 - 16.3.10.a Staff Trustee only may receive a benefit pursuant to a contract of employment with the Charity

provided that where any Benefit is provided by the Charity to any Trustee under Article 16.3, the Trustees must comply with the provisions of Article 18 (Declaration of Interests) to

Article 21 (Participation in decision-making).

- 16.4. For the avoidance of doubt, nothing in this Article 16 shall prevent the Charity, in furtherance of the Objects, from conferring a Benefit on another charity of which a Trustee or the Member is a charity trustee or member, provided that it does not confer any Benefit on that Trustee or Member.
- 16.5. Any Trustee may enter into a written contract with the Charity to supply goods or services to the Charity in return for a Benefit but only if:
- 16.5.1. the goods or services are actually required by the Charity;
 - 16.5.2. the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services supplied;
 - 16.5.3. the Trustee has declared his or her Interest in accordance with Article 17 and the Trustees have complied with the procedure in Article 20;
 - 16.5.4. fewer than half of the Trustees are subject to or affected by such a contract in any financial year (and this provision will apply to a Trustee if this Article 16.5 applies to a person who is Connected to that Trustee); and
 - 16.5.5. the services supplied are not services supplied by the Trustee in his / her capacity as a Trustee;
 - 16.5.6. the services supplied are not services supplied by the Trustee under a contract of employment; and
 - 16.5.7. the prior written consent of the Member has been obtained.
- 16.6. A Trustee or Member shall not receive a Benefit from any Subsidiary Company except in accordance with Article 16.2 for the Member or Article 16.3 for a Trustee (all of which apply as if references to the Charity were references to the Subsidiary Company and references to the Articles were to the articles of association of the Subsidiary Company).
- 16.7. Any change to this Article which is or would be a regulated alteration for the purposes of section 198 of the Charities Act 2011 must only be made with the prior written consent of the Commission.

17. Declaration of Interests

- 17.1. Every Trustee has a duty to declare to the Trustees the nature and extent of any Interest which he or she (or any Connected Person) has in any proposed or existing transaction or arrangement with the Charity or any situation or matter in relation to the Charity that is, or possibly may be, a Conflict of Interest.
- 17.2. In the case of any proposed transaction or arrangement with the Charity in which a Trustee (or any Connected Person) is Interested, he or she must declare the nature and extent of the Interest to the Trustees before the Charity enters into the transaction or arrangement.
- 17.3. In the case of any existing transaction or arrangement that has been entered into by the Charity or any situation or matter in relation to the Charity in which a Trustee (or any Connected Person) is Interested, he or she must declare the nature and extent of the Interest to the Trustees as soon as is reasonably practicable.
- 17.4. Any declaration must be made in accordance with the provisions of the Act:
- 17.4.1. at a meeting of the Board; or

- 17.4.2. by notice in writing to the Trustees; or
- 17.4.3. by general notice to the Trustees.
- 17.5. A Trustee is not required to declare an Interest:
 - 17.5.1. where the Trustee is not aware of the Interest (but the Trustee is treated as being aware of matters of which he ought reasonably to be aware); or
 - 17.5.2. where the Trustee is not aware of the transaction or arrangement or situation or matter (but the Trustee is treated as being aware of matters of which he ought reasonably to be aware); or
 - 17.5.3. if, or to the extent that, the other Trustees are already aware of the Interest (or ought reasonably to be aware of the Interest).
- 17.6. The Charity shall maintain a register of all of the Interests declared by the Trustees in accordance with this Article. The Trustees may prepare (and from time to time review) a policy in relation to the declaration and management of Conflicts of Interest.
- 17.7. All Interests declared by the Trustees shall be promptly reported to the Member.

18. Conflicts of Interest

- 18.1. Subject to Articles 20 and 21, a Trustee has a duty under the Act to avoid a transaction or arrangement (including a transaction or arrangement with the Member), situation or matter in which he or she has, or may have, a Conflict of Interest. This duty applies to the exploitation of any property, information or opportunity (and it is immaterial whether the Charity could take advantage of the property, information or opportunity).

19. Disapplication in respect of Relevant Matters

- 19.1. Pursuant to s.181(3) of the Companies Act, the duty referred to in Article 18.1 does not apply to a Conflict of Interest which relates to a Relevant Matter, where the Trustee concerned:
 - 19.1.1. is not a Governor of the Member or, where relevant, a governor, director or trustee of any entity Controlled by the Member; or
 - 19.1.2. has not voted in respect of the Relevant Matter as a Governor of the Member or, where relevant, a governor, director or trustee of any entity Controlled by the Member.

20. Authorisation in respect of Relevant Matters

- 20.1. Where a Trustee of the Charity has or may have a Conflict of Interest in relation to a Relevant Matter which is not dis-applied by Article 19.1, the Relevant Matter Un-conflicted Trustees (and any of the Trustees who are able to act pursuant to Article 19.1) may authorise such Trustee to act, including by:
 - 20.1.1. participating in discussion in relation to the Relevant Matter at the relevant part of any meeting;
 - 20.1.2. receiving information in relation to the Relevant Matter;
 - 20.1.3. counting in the quorum for that part of any meeting during which the Relevant Matter is discussed; and
 - 20.1.4. voting on the Relevant Matter at the relevant part of any meeting;

provided that, in considering whether to give such authorisation, the Relevant Matter Un-

conflicted Trustees shall consider the matters referred to in Article 20.2.

- 20.2. The matters referred to in Article 20.1 are:
- 20.2.1. the nature and extent of the Conflict of Interest and whether it is a conflict of interest or a conflict of duties;
 - 20.2.2. the regulatory obligations in respect of accountability for public funds owed by the Member;
 - 20.2.3. the obligations of the Vice-Chancellor of the Member as Accountable Officer; and
 - 20.2.4. whether authorising the Trustee to act is in the best interests of the Charity.
- 20.3. Where a Trustee of the Charity has or may have a Conflict of Interest in relation to a Relevant Matter which is not authorised under Article 20.1 he or she must:
- 20.3.1. withdraw from that part of any meeting at which the relevant transaction, arrangement, situation or matter is to be discussed unless expressly invited to remain in order to provide information;
 - 20.3.2. not be counted in the quorum for that part of any meeting at which the relevant transaction, arrangement, situation or matter is discussed;
 - 20.3.3. withdraw during the vote and have no vote on the relevant transaction, arrangement, situation or matter; and
 - 20.3.4. not sign any written resolution in relation to the relevant transaction, arrangement, situation or matter (except where required to do so to confirm a resolution of the other Trustees).

21. Participation in decision-making in respect of other matters

- 21.1. This Article 21 applies where the matter in question is not a Relevant Matter. Subject to Article 21.2, if a Trustee's Interest cannot reasonably be regarded as likely to give rise to a Conflict of Interest with or in respect of the Charity, he or she may participate in the decision-making process, be counted in the quorum and vote in relation to the matter.
- 21.2. Any uncertainty about whether a Trustee's Interest can or cannot reasonably be regarded as likely to give rise to a Conflict of Interest with or in respect of the Charity shall be determined by a majority decision of those Trustees who are not so subject to the same Conflict of Interest (the "**un-conflicted Trustees**") and the relevant Trustee shall withdraw from that part of the meeting at which the determination is to be made and shall not be counted in the quorum or vote on the determination.
- 21.3. If a Trustee's Interest gives rise (or could reasonably be regarded as likely to give rise) to a Conflict of Interest with or in respect of the Charity, he or she may not participate in the decision-making process, be counted in the quorum and vote in relation to the transaction, arrangement, situation or matter, unless:
- 21.3.1. the Trustee will or may receive a Benefit permitted by Articles 16.3.1 to 16.3.5; or
 - 21.3.2. a majority of the un-conflicted Trustees decide that it would be in the best interests of the Charity to allow the conflicted Trustee to participate in the decision-making process, be counted in the quorum or vote in relation to the transaction, arrangement, situation or matter, taking into account the matters listed in Article 20.2;
- and in all other circumstances he or she must comply with Article 21.4.
- 21.4. If a Trustee with a Conflict of Interest or duty is required to comply with this Article 21.4, he

or she must:

- 21.4.1. withdraw from that part of any meeting at which the relevant transaction, arrangement, situation or matter is to be discussed unless expressly invited to remain in order to provide information;
 - 21.4.2. not be counted in the quorum for that part of any meeting at which the relevant transaction, arrangement, situation or matter is discussed;
 - 21.4.3. withdraw during the vote and have no vote on the relevant transaction, arrangement, situation or matter; and
 - 21.4.4. not sign any written resolution in relation to the relevant transaction, arrangement, situation or matter (except where required to do so to confirm a resolution of the other Trustees).
- 21.5. The un-conflicted Trustees may also exclude the Trustee from the receipt of information in relation to the relevant transaction, arrangement, situation or matter.
- 21.6. In this Article, references to a Trustee include references to any person who is Connected to that Trustee.

22. Records and accounts

- 22.1. The Trustees must comply with all applicable requirements of the Act and Charities Act 2011) as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies (and if applicable the Commission) of:
- 22.1.1. annual reports;
 - 22.1.2. annual returns (if applicable);
 - 22.1.3. annual confirmation statements; and
 - 22.1.4. annual statements of account.
- 22.2. The Trustees must keep proper records of:
- 22.2.1. all proceedings at general meetings;
 - 22.2.2. all proceedings at meetings of the Board (including a record of all unanimous or majority decisions taken by the Board for at least ten years from the date of the decision recorded);
 - 22.2.3. all reports of committees; and
 - 22.2.4. all professional advice obtained.
- 22.3. Accounting records relating to the Charity must be made available for inspection by any Trustee at any reasonable time during normal office hours.
- 22.4. A copy of the Charity's latest available statement of account must be supplied on request to any Trustee or Member, or to any other person who makes a written request and pays the Charity's reasonable costs, within two months of such request.

23. Notices

- 23.1. Notices, documents, resolutions or information under these Articles may be sent or supplied to Trustees by hand, or by post or by suitable electronic means.
- 23.2. A technical defect in the giving of notice of a meeting of which the Trustees are unaware at the time does not invalidate decisions taken at that meeting.

- 23.3. The Charity may deliver a notice or other document to the Member by:
- 23.3.1. delivering it personally to the Member;
 - 23.3.2. post or hand delivery to the Member's address shown in the register of Members;
 - 23.3.3. electronic mail to an address notified by the Member in writing; or
 - 23.3.4. by means of a website in accordance with Articles 23.4 and 23.5.
- 23.4. Notices, resolutions, documents or information may be sent or supplied to the Member by means of a website provided that the Member has consented to receive notices, resolutions, documents or information in that way. The Member will be deemed to have agreed to receive notices, resolutions, documents and information in this way where they have been asked individually by the Charity to agree to receive notices, resolutions, documents and information through a website and the Charity has not received a response within the period of 28 days beginning with the date on which the Charity's request was sent. The Member is not taken to have so agreed if the Charity's request did not state clearly what the effect of a failure to respond would be, or was sent less than 12 months after a previous request was made.
- 23.5. Where any notice, resolution, document or other information is to be sent or supplied by means of a website, the Member shall be notified in accordance with Articles 23.3.1, 23.3.2 or 23.3.3 of:
- 23.5.1. its presence on the website;
 - 23.5.2. the address of the website;
 - 23.5.3. the place on the website where it may be accessed; and
 - 23.5.4. how to access it.
- 23.6. Any notice, resolution, document or other information sent or supplied by means of a website shall be deemed to have been received by the Member when the notice, resolution, document or other information is first made available on the website or, if later, when the Member is deemed to have received the notification given under Article 23.5 in accordance with the relevant provisions of 23.7.
- 23.7. Subject to Article 23.6, any notice, resolution, document or other information sent or supplied to the Member in accordance with these Articles is to be treated for all purposes as having been received:
- 23.7.1. 24 hours after being sent by electronic means or delivered by hand to the relevant address;
 - 23.7.2. two clear days after being sent by first class post to that address;
 - 23.7.3. three clear days after being sent by second class or overseas post to that address;
 - 23.7.4. on being handed to the authorised representative of the Member personally; or, if earlier
 - 23.7.5. as soon as the Member acknowledges actual receipt.

24. Seal

- 24.1. The Charity may have a common seal and if it has such a seal the seal shall only be affixed pursuant to a resolution of the Board of Trustees and in the presence of one Trustee and the Clerk.

25. Indemnity

- 25.1. The Charity may indemnify any Trustee against any liability incurred by him or her in that capacity, to the extent permitted by the Act.

26. Dissolution

- 26.1. If the Charity is dissolved the assets (if any) remaining after provision has been made for all its liabilities must be applied by the Trustees in the following ways:
- 26.1.1. by transfer to one or more other bodies established for exclusively charitable purposes which the Member in its absolute discretion considers are within, the same as or similar to the Objects; and (subject thereto)
 - 26.1.2. directly for the Objects or charitable purposes within or similar to the Objects; and (subject thereto) at the discretion of the Member;
 - 26.1.3. in such other manner consistent with charitable status as the Commission may approve in writing in advance.
- 26.2. Nothing in these Articles shall authorise an application of the property of the Charity for purposes which are not charitable in accordance with section 7 of the Charities and Trustees Investment (Scotland) Act 2005 and / or section 2 of the Charities Act (Northern Ireland) 2008.
- 26.3. If the Charity is a registered charity, a final report and statement of account must be sent to the Commission.

27. Model articles

- 27.1. The model articles for private companies limited by guarantee contained in schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the Charity.

28. Copies of Articles

- 28.1. A copy of these Articles shall be given free of charge to every Trustee, and at a cost not exceeding the copying or free of charge to anyone else who requests them and a copy shall be available on request at the institution(s) during normal office hours.

29. Amendment of Articles

- 29.1. The Member may amend or replace these Articles by special resolution in accordance with the provisions of the Act, provided that no amendment, addition or alteration shall be made that would result in the Charity ceasing to be a charity and that the consent of the Charity Commission has been obtained where required by charity law.

30. Change of name

- 30.1. The Member may change the name of the Charity with the approval of the Secretary of State for Education.

31. Exempt status

- 31.1 LSBU shall be entitled to administer the Charity for the purposes of the Charities Act 2011 so that the Charity shall thereby be an exempt charity. Nothing in these Articles shall restrict or limit the ability of LSBU to so administer the Charity.

32. Interpretation

- 32.1. In these Articles:

the Act: means the Companies Act 2006 and any provisions of the Companies Act 1985 for the time being in force

these Articles: means these articles of association

authorised representative: means an individual who is authorised in writing by the Member to act on its behalf at meetings of the Charity and whose name is given to the Clerk

Benefit: means any payment of money or the provision or other application of any other direct or indirect benefit in money or money's worth

Board: means the board of trustees of the Charity

Chair: means the Chair of the Board appointed in accordance with Article 9.16

the Charity: means the company governed by these Articles

charity trustee: has the meaning prescribed by section 177 of the Charities Act 2011

clear day: means 24 hours from midnight following the relevant event

Clerk: means the clerk of the Charity and company secretary of the Charity appointed under article 14

the Commission: means the Charity Commission for England and Wales

Conflict of Interest: means any Interest of a Trustee (or any person Connected to a Trustee) that conflicts, or may conflict, with the interests of the Charity and includes a conflict of interest and duty and a conflict of duties

Connected Person: means any person falling within one of the following categories:

- (a) any spouse or civil partner of a Trustee;
- (b) any parent, child, brother, sister, grandparent or grandchild of a Trustee who is financially dependent on such Trustee or Member or on whom the Trustee or Member is financially dependent;
- (c) the spouse or civil partner of any person in (b);
- (d) any other person in a relationship with a Trustee which may reasonably be regarded as equivalent to that of a spouse or civil partner; or
- (e) any company, LLP or partnership of which a Trustee or Member is a paid director, member, partner or employee or a holder of more than 2% of the share capital or capital; and

any person who is a Connected Person in relation to any Trustee or Member is referred to in these Articles as **Connected** to that Trustee or Member

Controlled: means:

- (f) a company which would meet the definition of a Subsidiary Company if the reference to the Charity in that definition is read as a reference to the Member; or
- (g) any other entity in which the Member has the right to exercise more than 50% of the voting rights; or
- (h) any other entity in which the Member has a right to nominate more than 50% of the trustees, governors or directors.

Executive Principal: means the individual acting as principal of the further education college operated by the Charity from time to time and appointed by the accounting officer for the Charity and who has primary responsibility for the college's academic delivery and academic outcomes

Governor: means a governor of LSBU

Interest: means any direct or indirect interest (and includes any interest a Trustee or any person Connected to a Trustee may have as a consequence of any duty he or she may owe to any other person) and where a Trustee (or any person Connected to a Trustee) has any such interest in any matter or situation or transaction or arrangement the Trustee is **Interested** in it

LSBU: has the meaning given in Article 6.2

Member means, subject to Article 6.4, LSBU and **Membership** refers to LSBU for the purposes of, and as defined by, the Act and its membership of the Charity

month: means calendar month

Relevant Matter: means a transaction or arrangement between the Charity and the Member or any entity Controlled by the Member or any other situation or matter which relates to the relationship between the Charity and the Member or any entity Controlled by the Member

Relevant Matter Un-conflicted Trustee: means a director who is not subject to a Conflict of Interest in respect of a Relevant Matter

Subsidiary Company: means any company in which the Charity holds:

- (i) more than 50% of the shares; or
- (j) more than 50% of the voting rights attached to the shares; or
- (k) the right to appoint one or more of the directors.

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 each of the directors of the Charity under the Act (and **Trustees** means all of the directors)

written or in writing: refers to a legible document on paper (including a fax message) or in electronic form (including an email)

year: means calendar year.

- 32.2. Expressions defined in the Act have the same meaning.
- 32.3. References to an Act of Parliament are to the relevant Act as amended or re-enacted from time to time and to any subordinate legislation made under it.