

Company Number: 12372413

THE COMPANIES ACT 2006

A COMMUNITY INTEREST COMPANY LIMITED  
BY GUARANTEE AND NOT HAVING A SHARE  
CAPITAL

MEMORANDUM AND ARTICLES OF  
ASSOCIATION

Of

Esports Wales C.I.C.

Incorporated the 19th of December 2019

# THE COMPANIES ACT 2006

## A COMMUNITY INTEREST COMPANY LIMITED BY GUARANTEE AND NOT **HAVING A** **SHARE CAPITAL**

### ARTICLES OF ASSOCIATION OF

### **Esports Wales C.I.C.**

#### **Preliminary**

1. The Company shall be bound by the regulations contained in the Companies (Model Articles) Regulations 2008 schedule 2 except where modified by these Articles. In the case of any variation or inconsistency between these Articles and the Model Articles, these Articles shall prevail.

#### **Interpretation**

2. In these Articles: -

- i. "The Act" means the Companies Act 2006 including any statutory amendments or re-enactment thereof for the time in force;
- ii. "The Area" means Wales;
- iii. "Asset Locked Body" means (i) a community interest company, a charity or a Permitted Industrial & Provident Society, or (ii) a body established outside the United Kingdom that is equivalent to any of those;
- iv. "Community" is to be construed in accordance with section 35(5) of the Company's (Audit) Investigations and Community Enterprise) Act 2004;"
- v. "Charity" (except in the phrase, "Scottish Charity") the meaning given by Section 96 of the Charities Act 1993;
- vi. "Scottish Charity" has the meaning given by Section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990;
- vii. "Regulations" mean the Community Interest Company Regulations 2005;
- viii. "Regulator" means the Regulator of Community Interest Companies;
- ix. "Transfer" includes every description of disposition, payment, release or distribution and the creation or extinction of an estate or interest in, or right over, any property, or, in Scotland, a right, title or interest in or over any property;
- x. "Clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day on which it is to take effect;
- xi. "Employee" means a person who is employed by the Company (whether full or part time) including a director of the Company;
- xii. "Executed" includes any mode of execution;

xiii. "The Secretary" means the secretary of the Company (if any) or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

3. Unless the context otherwise requires, words or expressions defined in the Act, the 2004 Act or the Regulations have the same meaning in these Articles and all reference to legislative provisions are to legislation concerned as amended, repealed, enacted or replaced and in force from time to time.

## Community Interest Company

4. The Company is to be a Community Interest Company.

## Name

5. The name of the company is **EsportsWales C.I.C.**, hereinafter called "the company".

6. The registered office of the Company will be situated in Wales.

## Objects

7. The Company's object is to carry on activities which benefit the community and in particular (without limitation) to: -

- i. to act as the governing body for esports;
- ii. to act as the representative member for Wales in international affairs and to affiliate to and carry out functions delegated to it by the International Esports Federation and European Esports Federation.
- iii. promote, administer, and encourage the development of, and participation in esports.
- iv. to develop and implement a strategy for the development of esports including strategies for each of performance at international and national level; national competition; and increasing participation.
- v. to make and vary all such rules and regulations and to formulate and issue code of conduct for persons participating in esports.
- vi. to develop a commercial, marketing and public relations programme for esports
- vii. to develop a competition programme and co-ordinate competition fixtures across Wales;
- viii. to select the representative teams to represent Wales in international events;
- ix. to consult and co-operate with other organisations operating in esports in all matters relating to the administration, promotion and playing of esports.
- x. to develop and nurture relationships between the company and Sports Wales, the other esports, the relevant commonwealth games council and relevant government departments.
- xi. to take such action from time to time as the Board may consider desirable for the

benefit of esports and its participants, the members of the company.

- xii. to undertake and execute charitable trusts for the benefit of esports; and
- xiii. to do all such other things as shall be thought fit to further the interests of the company or to be incidental or conducive to the attainment of all or any of objects stated in this article 7.

## **Powers**

- 8. To further its objects the Company may do all such lawful things as may further the Company's objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds.

## **Liability of Voting Members**

- 9. The liability of the voting members is limited.
- 10. Every voting member of the Company promises to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Company whilst they were a member, in the event of the same being wound up while they are a member or within one year after they cease to be a member.

## **Asset Lock**

- 11. The Company shall not transfer any of its assets other than for full consideration unless, subject to the condition in paragraph 12 being satisfied:
  - i. the transfer of assets is to any Asset Locked Body specified in the Memorandum or the Articles or with the consent of the Community Regulator to any other Asset Locked Body; and
  - ii. the transfer of assets is made for the benefit of the community other than by way of a transfer of assets to an Asset Locked Body.
- 12. The condition is that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum or the Articles.
- 13. If the Company is wound up under the Insolvency Act 1986; and all its liabilities have been satisfied, then any residual assets shall not be distributed among the members of the Company but shall be given or transferred to the Asset Locked Body specified in Article 14 below.
- 14. The following Asset Locked Body is specified as a potential recipient of the Company's assets under Articles 11 and 13.

Name: Sports Aid Cymru Wales

Registered Number: 07008455

Registered Office /Principal/ office address: Welsh Institute of Sport, Sophia Gardens, Cardiff, CF11 9SW

The relevant details of any asset locked body to which the client may wish to transfer assets other than for full consideration and to which they would wish any residual assets of the Company to be transferred if it is wound up. Nominated organisation must be incorporated.

## **Social Profit**

15. The Company is not established or conducted for private gain; any profits or assets are used principally for the benefit of the community.

## **Membership**

16. The first members of the Company shall be the Subscribers to the Memorandum of Association.
17. Such other persons as are admitted to membership in accordance with the Articles shall be Members of the Company.
18. No person shall be admitted as a member of the Company unless he/she/they are approved by the directors.
19. The Board of Directors may admit to membership;  
Any person who has attained the age of eighteen years and who is in agreement with the objects of the Company, without discrimination between persons by reference to wealth, politics, race, religion, sex or disability.
20. Every person who wishes to become a member shall deliver to the Company an application for membership in such form (and containing such information) as the directors require and executed by him/her/them.
21. Every application for membership shall be considered by the Board of Directors at its first meeting after the application was made or as soon afterwards as is practicable. Any applicant who is refused admission to membership may require that the question of their application be considered by the next General Meeting of the Company whose decision on the matter shall be final. When refusing any application for membership, the Board of Directors shall ensure that the applicant is aware of their right of appeal under the provisions of this Article.
22. Any acceptance of an application for membership shall be conditional on payment by the applicant of the full amount of the membership subscription. The Board of Directors will from time to time set the membership subscription rate for each class of membership. No applicant shall be entered in the Register of Members unless and until such subscription has been received by the Company, unless the Board decides to waive the subscription in any particular case.
23. A member which is a corporate body or association shall by resolution of its governing body appoint a deputy and an alternate, who shall during the continuance of their appointment be entitled to exercise in any General Meeting of the Company all such rights and powers as the body corporate or association would exercise if it were an individual person.

## **Categories of Membership**

24. Every member upon admission shall be allocated one of the following categories of membership at the absolute discretion of the Board of Directors;

- i. "Voting Member shall be members that have successfully submitted the necessary forms and payments to qualify as voting members."
- ii. Affiliate Members shall be members who live or have an interest within Wales and support the aims and the objectives of the company.

## **Register of Members**

25. The Company shall keep a Register of Members containing the name and address of every member, the date on which they became a member and the date on which they ceased to be a member. Every member shall either sign written consent to become a member or accept the registration of members. Members shall inform the Secretary of a change of address or update records on the Companies membership platform.

- i. No Person shall become a voting member unless –
  - i. That person has completed an application for membership in such form as required by the board.
  - ii. The Directors are satisfied that such a person is duly appointed representative of a relevant affiliated organisation and has paid the appropriate membership, subscription or admission fee determined by Directors from time to time.
- ii. The Directors shall admit as Voting Members nominations from eligible affiliated organisations as outlined by the company rules and byelaws.
- iii. The board may from time to time fix the levels of admission fees and annual subscriptions to be paid by the different categories of membership.

## **Conditions of Membership**

All voting members shall be subject to Rules, Regulations and Byelaws.

26. Voting Members shall pay any admission fees and annual subscriptions set by the board.

27. Any voting member who is indebted to the company and is more than twelve months in arrears of any usual or extraordinary payment agreement shall be deemed to have resigned their membership of the company unless the board decides otherwise.

## **Cessation of Membership**

28. A member shall cease to be a member immediately that he/she/they:

- i. ceases to fulfil any of the qualifications for membership as specified by Article 19 and Article 24; or
- ii. resigns in writing to the Company and the resignation is accepted by the Board of Directors; or
- iii. is expelled by a Special Resolution carried at an Extraordinary
- iv. General Meeting called to consider the matter; or
- v. dies, if an individual person; or
- vi. is wound up or goes into liquidation if a corporate body or association; or

vii. being an employee ceases to be an Employee however that may occur; or

viii. Membership is terminated otherwise in accordance with the Articles.

29. Membership is not transferable to anyone else, and all such rights and privileges associated with membership shall cease upon the member ceasing to be a member.

Membership is terminated if:

i. The member dies or ceases to exist;

## **Affiliation**

30. Affiliated members/organisations shall not automatically be voting members.

31. Affiliation fees shall be set by the board of directors.

32. Affiliation terminates automatically when a person dies.

## **General Meetings**

33. The Company shall in each calendar year hold an Annual General Meeting and shall specify the meeting as such in the notices calling it providing that every Annual General Meeting except the first shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting.

34. The business of an Annual General Meeting shall include;

i. receipt of the reports of the Chairperson and Board of Directors of the Company;

ii. consideration of audited accounts (if any) presented by the Board of Directors;

iii. election of the board of directors;

iv. election of a Chairperson, being a member of the Board of Directors, who shall preside at all General Meetings and meetings of the Board of Directors;

v. decision on the application of any profits;

vi. appointment and the fixing of the remuneration of the Auditors (if any);

All other business transacted at an Annual General Meeting shall be deemed Special.

35. Ordinary General Meetings of the Company shall be held at annual intervals. But the Company in General Meeting may decide to hold a General Meeting more or less frequently.

36. The Board of Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, or any two members or ten percent of the membership, whichever is greater, may convene an Extraordinary General Meeting as provided by section 368 of the Act.

## **Notices**

37. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by giving at least fourteen clear days' notice. Any other General Meeting shall be called by giving at least fourteen clear days' notice. Meetings may be called at shorter notice if the consents under the Act are obtained.

38. Notice of every General Meeting shall be given in writing to every member of the Company and to the Auditors (if any) and shall be given personally, by sending it by post to them or their registered office or any address given by them for this purpose within the United Kingdom or by giving it using electronic communication to an address for the time being notified to the Company by the member.
39. The Notice shall specify the place and exact time of the meeting and the general nature of the business to be dealt with. In the case of an Annual General Meeting notice shall specify the meeting as such and in the case of an Extraordinary General Meeting the exact nature of the business to be raised at the meeting shall be specified.
40. Where notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting the notice and to have been effected at the expiration of forty-eight hours after notice has been posted. Where notice is sent by e mail, service of the notice shall be deemed to be effected by properly addressing and sending the notice and to have been effected at the expiry of 12 hours after the notice has been sent.
41. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate proceedings at that meeting.

## **Proceedings at General Meetings**

42. Every member and such other persons as received notice shall be entitled to attend and speak at a General Meeting.
43. A Person who is not a member of the Company shall not have any right to vote at a general meeting of the Company, but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the company's debentures.
44. No business shall be transacted at a General Meeting unless a quorum of members is present in person or proxy. 50% of the membership entitled to vote shall be the quorum.
45. If within half an hour from the time appointed for the meeting a quorum is not present or if at any time during the meeting members shall leave such that a quorum is no longer present the meeting shall stand adjourned until the same day in the next week at the same time and same place, or otherwise as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
46. The Chairperson or in their absence some other Director nominated by the Directors shall preside as Chair of the meeting, but if neither the Chairperson nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the members present shall elect one of their number to be Chairperson.
47. The Chairperson may with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and place to place but no business shall be transacted at an adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice shall be given as in the case of the original meeting specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
48. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands or other suitable signal unless a poll, is, before or upon the declaration of the result of the show of hands or other suitable signal, demanded by: -



- i. the Chairperson; or
- ii. by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting.

49. Unless a poll be so demanded a declaration by the Chairperson that a resolution has been carried or lost and an entry to that effect in the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favor of or against the resolution. The demand for a poll may be withdrawn.

50. If a poll is duly demanded, it shall be taken in such a manner as the Chairperson of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting which is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. A poll may be organised by way of a ballot or postal ballot by the Board of Directors who shall send out notice of the ballot with the Notice of the General Meeting.

51. Each member or proxy shall have one vote. A proxy has a right to speak at a General Meeting.

52. In the case of an equality of votes the Chair shall not have a second or casting vote.

## **Board of Directors**

53. The business of the Company shall be managed by a Board of Directors which shall be accountable to the members.

54. Invitations for nominations for the position of Director will be sent to all members with the notice of the Annual General Meeting. Completed nominations will be accepted up to seven days before the date of the meeting. All nominations require the signature of the nominated person and the signature of a proposer and seconder all of which shall be members of the Company.

55. The number of directors shall be not less than six and shall be subject to a maximum of fourteen.

The Directors shall be collectively referred to as the board.

The business of the company shall be managed by the Directors who shall consist of:

- i. up to six appointed directors, including Chair, the Finance Director, The CEO and other directors of which must be independent directors appointed by directors following open competition and appointment panel vetting.
- ii. Up to six directors are elected by voting members in accordance with Article 72 following open competition and appointment panel vetting.
- iii. up to two other directors as the board may be time to time in its sole discretion co-opt to the board following open competition and appointment panel vetting.
- iv. The directors shall appoint one of their numbers to be vice chair.

56. The directors may at any time co-opt any person to the Board of Directors whether or not they are a member of the Company, provided that the maximum number prescribed in Articles 55 is not exceeded and that no more than three such co-options shall be made between one Annual General Meeting and the next. All persons so co-opted shall retire at the Annual General Meeting following their co-option but shall be eligible to be re-appointed thereafter.

## **Proceedings of the Board of Directors**

57. The Board of Directors may meet together for business, adjourn and otherwise regulate their

meetings as they think fit.

58. Questions arising at a meeting of directors shall be decided by a majority of votes; in case of an equality of votes, the chairman shall have a second or casting vote.
59. A director who is also an alternate director shall be entitled in the absence of his appointed to a separate vote on behalf of his appointer in addition to his own vote.
60. Except as provided by Article 56 and this Article 57 in all proceedings of directors each director must not have more than one vote.
61. A Director may, and the Secretary shall on the instruction of the Board of Directors, summon a meeting of the Board of Directors at any reasonable time. A meeting of the Board of Directors may be held either in person or by suitable electronic means agreed by the Directors in which all Directors may communicate with all other Directors. The quorum necessary for the transaction of business of the Board of Directors shall be 2 Directors.
62. If the Board of Directors shall at any time be reduced in number to less than the minimum prescribed in Article 55, it may act as the Board of Directors for the purpose of filling up vacancies in their body or summoning a General Meeting of the Company, but no other purpose.
63. The Chairperson or in their absence some other director nominated by the Board of Directors shall preside as Chairperson of the meeting, but if neither the Chairperson nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting, the Board of Directors shall elect one of their number to be Chairperson.
64. The Board of Directors shall cause proper minutes to be made of the proceedings of all meetings of the Company, of the Board of Directors and any sub-committees and of all business transacted at such meetings. All such minutes shall be open to inspection by any member of the Company during the Company's normal working hours and by any other person authorised by the Company in General Meeting.
65. A resolution in writing signed by all Directors for the time being who are entitled to vote shall be valid and have the same effect as if it had been passed at a meeting of the Board of Directors and may consist of several documents in like form signed by one or more Directors.

## **Powers of the Board of Directors**

66. The business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company as may be exercised and done by the Company and as are not by the Act or by these Articles required to be exercised or done by the Company in General Meeting.
67. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board of Directors which would have been valid had that regulation not been made.
68. The Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
69. The Board of Directors may delegate any of its powers to sub-committees consisting of such members of the Company as it thinks fit. Any sub-committee so formed shall conform to any regulations that may be imposed on it by the Board of Directors.

70. The Directors of the Company will appoint two named Directors or a Director and the Secretary to sign on behalf of the Company any legal documents including leases where signatures are required in the execution of the Company's powers.

## **Appointment of Directors**

71. No powers to appoint directors of the Company may be given to persons who are not members of the Company which immediately after their exercise could result in the majority of the directors of the company having been appointed by persons who are not members of the Company.

72. Subject to the Articles, any voting member may nominate individuals to be an Elected director. Any nomination must be made in the form prescribed from time to time by the board and signed by the nominee. Any nomination must be seconded by another voting member.

Voting members may only nominate or second one candidate for each post and the form must be completed and returned to the Chief Executive Officer not later than such date as the board shall prescribe each year.

Based on the board's assessment of specific skills or other relevant legislative requirements the board may delegate the receipt of competency-board director nominations to an appointment panel formed in accordance with Article that will subsequently make representations to the board or annual General Meeting.

Should there be more than two candidates nominated for the same post. The nomination attracting the lowest votes is withdrawn and subsequent votes held with the lowest voted candidate being withdrawn at each vote until the over 50% majority is achieved by one candidate.

If there shall be more candidates for election than positions available, the vote must be conducted by secret ballot.

## **Removal of Directors**

73. No powers to remove directors of the Company may be given to persons who are not members of the Company which immediately after their exercise could result in either

- i. the majority of the remaining directors of the Company having been appointed by persons who are not members of the Company; or
- ii. the number of directors removed during the current financial year of the Company by persons who are not members of the Company exceeding the number of the remaining directors of the Company.

74. However, Articles 71 and 73 shall not prevent a director from appointing, or subsequently removing, an alternate director, if permitted to do so by the articles.

75. The office of a director shall be immediately vacated if he/she:

- i. ceases to be a Director by virtue of any provision of the Act or become prohibited by law from being a Director; or
- ii. becomes bankrupt or make any arrangement or composition with their creditors generally; or
- iii. is, or may be, suffering from mental disorder and either;
  - i. is admitted to hospital in pursuance of an application for admission for

- ii. an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for their detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to their property or affairs; or
- iv. resigns their office by notice to the Company; or
- v. shall for more than four consecutive meetings have been absent without permission of the Board of Directors from meetings of Directors held during that period and the Directors resolve that his/her office be vacated; or
- vi. is removed from office by resolution of the Company in General Meeting in accordance with Section 168 of the Act

## **Causal Vacancies and Honorary Appointments**

76. A casual vacancy arising among the offices of Chair, Finance Director, CEO or an Elected director, shall be filled in accordance with the procedure set out in Article 54 provided always that the person appointed to fill the vacancy shall hold office until such time as the person they replaced was due to retire but shall be eligible for reappointment in accordance with these articles.
77. Nominations for the position of President or Vice President must be made by voting member and seconded by another voting member. The nomination must be submitted on the Company's approved application form. The nomination must be received by the company at least six calendar weeks before the date of the Annual General Meeting in which the election is to take place. The company will confirm receipt of valid nominations in writing to the nominator as soon as reasonably practicable after such receipt.
78. The post holders will be entitled to receive notice of and attend General Meeting but may not by virtue of holding such office, be entitled to vote at General Meetings unless they are also Voting Members in their own right. Postholders should retire from their respective offices at the fourth Annual General Meeting following their appointment but shall be able to apply for re-election for more consecutive terms.

## **Remuneration of Directors**

79. The income and property of the Company shall be applied solely towards the promotion of the objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company, and no director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company:

Provided that nothing in this document shall prevent any payment in good faith by the Company and that any payment satisfies the Community Interest Test.

- i. of the usual professional charges for business done by any director who is a solicitor, accountant or other person engaged in a profession, or by any partner of theirs, 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 their appointment or remuneration, or that of their partner, is under discussion;
- ii. of reasonable and proper remuneration for any services rendered to the Company by any member, officer or servant of the Company who is not a director.
- iii. of interest on money lent by any member of the Company or director at a reasonable and proper rate per annum not exceeding a rate which is necessary to obtain and retain that capital to be selected by the directors;
- iv. iv of fees, remuneration or other benefit in money or money's worth to any company of which a director may also be a member holding not more than 1% of the issued capital of the company;

- v. of reasonable and proper rent for premises let by any member of the Company or a director;
- vi. to any director of reasonable out-of-pocket expenses;
- vii. of premiums for indemnity insurance.

## **Secretary and Other Executive Officers**

80. Subject to the provisions of the Act, the secretary and other executive officers shall be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary or executive officer so appointed may be removed by them.

## **Accounts**

81. The Board of Directors shall use proper books of account to be kept with respect to:

- i. All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place,
- ii. All sales and purchases of goods and/or services by the Company, and
- iii. The assets and liabilities of the Company.

82. Proper books shall be deemed to be kept if they give a true and fair record of the state of the Company's affairs and explain its transactions.

83. The books of account shall be kept at the registered office of the Company or at such other places as the Board of Directors think fit and shall always be open to the inspection of all members of the Company upon approval of the Board of Directors during normal working hours and by such other persons authorised by the Company in General Meeting.

84. The Board of Directors shall from time to time, in accordance with their statutory obligations cause to be prepared and laid before the Company in General Meeting such income and expenditure accounts, balance sheets and reports as are required by statute.

## **Application of Surplus**

85. The surplus funds of the Company shall be applied in the following ways, in such proportions and in such a manner as may be recommended by the Board of Directors and approved at the Annual General Meeting:

to create a general reserve for the continuation and development of the company.

## **Rules or Bye Laws**

86. The Board of Directors may from time to time make such Rules or Bye Laws as they may deem necessary for the proper conduct and management of the Company. The Company in General Meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions thereto and the Board of Directors shall adopt such means as they deem sufficient to bring to the notice of members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all members of the Company. Provided, nevertheless, that no Rule or Bye Law shall be inconsistent with or shall affect or repeal anything contained in the Memorandum or Articles of the Company.

## **Indemnity**

87. Every member, Director, Company Secretary, auditor (if any) and other officer for the time being of the Company may be indemnified out of the assets of the Company against any losses or liabilities incurred by him/her in or about the execution or discharge of the duties of her/his office subject to the provisions of the Act, except to the extent that such losses or liabilities shall be attributable to:
- i. fraud or other matters in respect of which the member concerned shall be convicted of a criminal offence; or
  - ii. negligence; or
  - iii. actions knowingly beyond the scope of a specific authority or limit thereon on the part of the person in question.

## **Amendment to Articles**

88. The provisions of these Articles of Association may only be amended by a Special Resolution. All amendments shall be registered with the Registrar of Companies and the Community Interest Company Regulator.

## **Social Audit**

89. A Social audit of the Company may, by resolution of the Company in the General Meeting, be undertaken annually of the Company's activities, in addition to any financial audit required by law. The role of such a social audit would be to attempt to identify the social costs and benefits of the Company's work, and to enable an assessment to be made more easily than may be made from financial accounts only of the Company's overall performance in relation to its objects.

Such a social audit may be drawn up by an independent assessor appointed by the Company in a General Meeting, or by the Board of Directors who may submit their report for verification or comments to an independent assessor.

A social audit may include an assessment of the internal collective working of the employees of the Company, including employees' views, internal democracy and decision making, wages, health and safety, skill sharing and education opportunities, or other matters concerning their overall personal or job satisfaction; an assessment of the Company's activities externally, including its effects on persons involved in the same or similar trade, on customers and suppliers, and on persons residing in areas where the Company is located.