

Company No. 06410037

Charity No. 1121757

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

- of -

THE INDEPENDENT SCHOOLS' BURSARS ASSOCIATION

Incorporated on 26 October 2007
Articles adopted on 8 July 2021

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1. Interpretation

Unless the context otherwise requires, in these Articles:

"the Act" means the Companies Act 2006;

"the Acts" means the Act and every statute for the time being in force concerning companies (including orders, regulations or other subordinate legislation made under those Acts or statutes) so far as they apply to the Charity.

"AGM" means the Annual General Meeting of the Charity;

"Articles" means these articles of association;

"Associate School": means

(a) an independent school in the UK which is not separately constituted under its own governing document; and which is not otherwise eligible to be a Full Member;

(b) a charity or other organisation which operates one or more independent schools, none of which is situated within the UK;

(c) a charity or other organisation which runs one or more independent schools in the UK, but is not in full membership of any one of the associations that are constituent members of the Independent Schools Council;

(d) a charity or other organisation which runs more than one independent school in the UK under different Department of Education registration numbers, all of which are separately constituted under their own governing document;

- (e) any other school, charity or organisation approved by the Board; or
- (f) such other independent school which is the opinion of the Board is eligible for Membership.

"Authenticated Document" means a document sent (a) by hard copy that is signed by the person sending it, or (b) electronically in which the identity of the sender is confirmed in a manner specified by the Board (or where no such manner has been specified, which contains or is accompanied by a statement of the identity of the sender and the Board has no reason to doubt the truth of that statement);

"Authorised Representative" means an individual who is authorised by a Full Member or an Associate Member to act on its behalf at meetings of the Charity and whose name is given to the Secretary;

"Board" means the board of directors of the Charity;

"Board Adviser" means an individual who is entitled to attend meetings of the Board, but who is not a director of the Charity;

"Bursar" means the bursar of a school or the individual who undertakes the duties normally carried out by a bursar of a school and who is duly authorised to act on behalf of that school by its governing body;

"Chair" means the person elected to `chair the board under article 17.4.

"Charities Acts" means the Charities Acts 1992 to 2011 and every statute for the time being in force concerning charities (including orders, regulations or other subordinate legislation under those Acts or statutes), so far as they apply to the Charity;

"the Charity" means the Company governed by these Articles;

"Charity Trustee" has the meaning given by section 97(1) of the Charities Act 1993;

"the Commission" means the Charity Commission for England and Wales;

"Director" means a director of the Charity;

"Electronic Facility" includes (without limitation) website addresses and conference call systems and any device, system, procedure, method or other facility providing an electronic means of attendance at and/or participation in a general meeting of the Company decided by the board under these articles and specified in the notice of that meeting.

"Eligible School" means a charity or other organisation, including proprietorial schools, which:

- (a) is separately constituted under its own governing document;
- (b) is (or has a governing body or member of staff who is) in full membership of any one of the associations that are constituent members of the Independent Schools Council;
- (c) and such charity or organisation under (a) or (b) above either:
 - (i) runs or controls a single independent school in the UK (provided that where a charity or other body runs a pre-preparatory, preparatory and/or senior school under the same Department for Education registration number it shall be treated as running a single school); or
 - (ii) runs or controls more than one independent school in the UK under different Department for Education registration numbers, save that, where each independent school that it runs would, but for this paragraph (c) itself be an Eligible School, the charity or other organisation in question shall only be an Eligible School if it operates at least one of those schools directly; or
 - (iii) runs or controls any other school, charity or organisation approved by the Board; or
 - (iv) such other independent school which in the opinion of the Board is eligible for Full Membership. This includes schools, such as state boarding schools, which combine an independent and a state-funded element.

"Financial Expert" means an individual, company or firm who is an authorised person or an exempted person within the meaning of the Financial Services and Markets Act 2000;

"Material Benefit" means a benefit which may or may not be financial but which has a monetary value;

"Member" refers to Full Members and Associate Members of the Charity, unless the context otherwise permits:

"Full Member" means an Eligible School, which shall be a member of the Charity for the purposes of the Act and which has the right to vote at general meetings.

"Associate Member" means a form of association with the Charity in respect of an Associate School, which is not a member for the purposes of the Act and which therefore does not have the right to vote at general meetings or to propose candidates for election to the Board.

"Month" means calendar month;

"the Objects" means the Objects of the Charity as defined in Article 2;

"Person connected to a Director" means

- (a) a child, parent, grandchild, grandparent, brother or sister of a director;
- (b) the spouse or civil partner of a director or anyone falling within paragraph (a);
- (c) a person carrying on business in partnership with a director or with any person falling within paragraph (a) or (b);
- (d) an institution which is controlled by a director or by any person falling within paragraphs (a) (b) or (c) (or which is controlled by any two or more such persons when taken together);
- (e) a body corporate in which a director or any person within paragraphs (a) to (c) has a substantial interest (or in which two or more such persons, taken together, have a substantial interest);

"runs and controls" is taken to include the control exercised by one body (A) over another (B) by virtue of A holding a majority of the members' or shareholders' voting rights in B, where B operates as an independent school;

"Secretary" means the Secretary of the Charity;

"Vice-Chair" means a person elected as Vice-Chair under Article 17.5;

"year" means calendar year.

Expressions defined in the Acts have the same meaning in these Articles.

References to any Act of Parliament in these Articles are to that Act of Parliament as amended or re-enacted from time to time and to any subordinate legislation made under it.

The emboldening of a word or expression on the first occasion that it is used below indicates that a word or expression is as defined in this Article.

2. **Objects**

The objects of the Charity are the advancement of education by the promotion of efficient and effective financial management, administration and ancillary services at independent schools in so far as it is charitable to do so.

3. **Powers**

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

- 3.1 To promote or carry out research;
- 3.2 To provide advice and guidance;
- 3.3 To organise (or to make grants or loans towards the costs of others organising) meetings, lectures, conferences, broadcasts, exhibitions, seminars or courses of instruction;
- 3.4 To publish or distribute information;
- 3.5 To co-operate with other bodies;
- 3.6 To support, administer or set up other charities and undertake and execute charitable trusts;
- 3.7 To raise funds;
- 3.8 To take and accept any gift of money, property or other assets whether subject to any special trusts or not;
- 3.9 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the Charities Acts);
- 3.10 To acquire or hire property rights or privileges of any kind and to acquire, hire, construct, restore, improve, maintain and alter property of any kind;
- 3.11 To let or dispose of or turn to account property of any kind (but only in accordance with the restrictions imposed by the Charities Acts);
- 3.12 To make planning applications, applications for consent under bye-laws or building regulations or other similar applications;
- 3.13 To pay any rent and other outgoings and expenses and execute and do all such other instruments, acts and things as may be requisite in connection with the use, maintenance, upkeep, expansion, alteration or improvement of property of any kind;
- 3.14 To purchase lease or hire and operate and maintain any equipment necessary or convenient for the administration of the Charity;

- 3.15 To make grants or loans of money and to give guarantees;
- 3.16 To set aside funds for special purposes or as reserves against future expenditure;
- 3.17 To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts;
- 3.18 To deposit or invest funds in any manner (but to invest only after obtaining advice from a financial expert, unless the Board reasonably concludes that in all the circumstances it is unnecessary or inappropriate to do so, and having regard to the suitability of investments and the need for diversification);
- 3.19 To delegate the management of investments to a financial expert, but only on terms that:
 - (a) the investment policy is set down in writing for the financial expert by the Board;
 - (b) every transaction is reported promptly to the Board or committee of the Board;
 - (c) the performance of the investments is reviewed regularly with the Board;
 - (d) the Board is entitled to cancel the delegation arrangement at any time;
 - (e) the investment policy and the delegation arrangement are reviewed at least once a year;
 - (f) 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 Board on receipt;
 - (g) the financial expert must not do anything outside the powers of the Board;
- 3.20 To arrange for 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) acting under the control of the Board or of a financial expert acting under its instructions and to pay any reasonable fee required;
- 3.21 To insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;

- 3.22 To insure the members of the Board against the costs of a successful defence to a criminal prosecution 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 a breach of trust or breach of duty, unless the director concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;
- 3.23 Subject to Article 20, to employ paid or unpaid agents, staff or advisers;
- 3.24 To provide and contribute to superannuation or pension funds for the officers and employees of the Charity or any of them or otherwise to assist such officers and their dependents.
- 3.25 To enter into contracts to provide services to or on behalf of other bodies;
- 3.26 To arrange for the amalgamation or merger of the Charity with any charitable organisation the purposes of which in the opinion of the Board are similar to the purposes of the Charity either alone or as amalgamated;
- 3.27 To establish or acquire subsidiary companies to assist or act as agents for the Charity and which may carry out taxable trading;
- 3.28 To pay the reasonable and proper costs of forming and administering the Charity; and
- 3.29 To do anything else within the law which promotes or helps to promote the Objects.

4. Membership

- 4.1 The number of Full Members of the Charity is unlimited.
- 4.2 The Charity must maintain a register of Full Members in accordance with section 113 of the Act.
- 4.3 Full Membership is open to any Eligible School which is interested in promoting the Objects and which:
 - (a) applies to the Charity in the form required by the Board;
 - (b) is approved by the Board;
 - (c) pays any joining fee and annual subscription; and
 - (d) consents in writing to become a Full Member.
- 4.4 Associate Membership is open to any Associate School which:
 - (a) applies to the Charity in the form required by the Board;

- (b) is approved by the Board;
 - (c) pays any joining fee and annual subscription; and
 - (d) consents in writing to become an Associate Member.
- 4.5 Associate Members shall not be members of the Charity for the purposes of the Act but Associate Members shall be entitled to all the privileges of Full Membership save that:
- (a) Associate Members may not exercise any of the rights of members under the Act, including for the avoidance of doubt, the right to speak or vote at general meetings but shall be entitled to attend such meetings;
 - (b) Associate Members may not make or second nominations to the Board;
 - (c) the authorised representative of an Associate Member may not be appointed as a director.
- 4.6 The Board may from time to time establish different classes of Membership, prescribe their respective privileges and duties and set the amounts of any joining fees and subscriptions.
- 4.7 Membership is terminated if the Member concerned:
- (a) gives written notice of resignation to the Charity;
 - (b) ceases to exist;
 - (c) is more than three months in arrears in paying the relevant subscription (but in such a case the Member may be reinstated on payment of the amount due);
 - (d) in the case of a Full Member, is removed by resolution of the Board on the ground that in their reasonable opinion the Full Member's continued membership is harmful to the Charity (but only after notifying the Full Member in writing and considering the matter in the light of any written representations which the Member concerned puts forward within 14 clear days after receiving notice).
- 4.8 Membership of the Charity is not transferable.
- 4.9 Without prejudice to section 323 of the Act, the authorised representative of a Member shall be its Bursar, or such other employee as is nominated by the Member.

- 4.10 In the event that a Member is unincorporated, its Bursar or other Authorised Representative shall hold its rights and interests in the Charity on its behalf.

5. Subscriptions

- 5.1 Each Full Member and Associate Member shall pay any joining fee and annual subscription as shall be from time to time set for each class of Member.
- 5.2 Annual subscriptions for each calendar year shall be paid on or before a date prescribed by the Board to a bank account nominated by the Board and notified to the Full Members and Associate Members.

6. Participation in general meetings

- 6.1 The board may make any arrangements which it decides are appropriate to allow those entitled to do so to attend and participate in any general meeting.
- 6.2 Unless the notice of meeting says otherwise or the Chair of the meeting decides otherwise, a general meeting will be treated as taking place where the Chair of the meeting is at the time of the meeting.
- 6.3 Two or more persons who may not be in the same place as each other, attend and participate in a general meeting if they are able to exercise their rights to speak and vote at that meeting. A person is able to exercise the right to speak at a general meeting if that person can communicate to all those attending the meeting while the meeting is taking place. A person is able to exercise the right to vote at a general meeting if that person can vote on resolutions put to the meeting (or, in relation to a poll, can vote within the required timeframe) and that person's vote can be taken into account in deciding whether or not such resolutions are passed at the same time as the votes of others attending the meeting.
- 6.4 When deciding whether a person is attending or participating in a meeting other than at a physical place, it is immaterial where that person is or how that person is able to communicate with others who are attending and participating.

7. Electronic facilities

- 7.1 The board may decide to let persons entitled to attend and participate in a general meeting do so by simultaneous attendance and participation by means of an electronic facility. Members present in person or by proxy by means of such electronic facility will be counted in the quorum for, and entitled to participate in, the general meeting.

- 7.2 Any general meeting at which electronic facilities are available will be duly constituted and its proceedings valid if the Chair is satisfied that facilities are available throughout the meeting to enable all members attending the meeting by whatever means to:
- (a) participate in the business for which the meeting has been called
 - (b) hear all the people who speak at the meeting and
 - (c) be heard by all other people attending and participating in the meeting.
- 7.3 If it appears to the Chair that the principal meeting place is inadequate to accommodate all members entitled and wishing to attend, the meeting shall be duly constituted and its proceedings valid provided that the Chair of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that a member who is unable to be accommodated is able to participate in the business for which the meeting has been convened, and to hear all persons who speak (whether by the use of microphones, loudspeakers, audio visual communications equipment, an electronic facility or otherwise) whether in the meeting place or elsewhere and to be heard by all other persons so present in the same manner. The notice of meeting does not have to give details of any arrangements under this article 7.3.
- 7.4 All persons seeking to attend and participate in a general meeting by way of an electronic facility are responsible for maintaining adequate facilities to enable them to do so. Subject to the right of the Chair to adjourn a general meeting under these articles, any inability of a person to attend or participate in a general meeting by means of an electronic facility shall not invalidate the proceedings of that meeting.
- 7.5 Nothing in these articles authorises or allows a general meeting to be held exclusively on an electronic basis.

8. Postponement of general meetings

- 8.1 If the board, in its absolute discretion, considers that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting or by means of the electronic facility stated in that notice, it may postpone or move the general meeting to another date, time and/or place or change the electronic facility (or do any of these things).
- 8.2 The board shall take reasonable steps to ensure that notice of the date, time and place of the rearranged meeting is given to any member trying to attend the meeting at the original time and place.

- 8.3 Notice of the date, time and place of the rearranged meeting shall be placed on the Company's website. Notice of the business to be transacted at such rearranged meeting shall not be required.
- 8.4 If a meeting is rearranged in this way the appointment of a proxy will be valid if it is received as required by these articles not less than 48 hours before the time appointed for holding the rearranged meeting. The board may also postpone or move the rearranged meeting under this article.

9. Security arrangements

- 9.1 The board and, at any general meeting, the Chair, may make any arrangement and impose any requirement or restriction which it or they (as appropriate) consider appropriate to ensure the security and orderly conduct of a general meeting including, but not limited to, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items which may be taken into the meeting place. The board and, at any general meeting, the Chair may authorise some one or more persons who shall include a director or the secretary or the Chair of the meeting to refuse physical or electronic entry to, or to eject from (physically or electronically), such general meeting any person who refuses to comply with these arrangements, requirements or restrictions or who disrupts the proper and orderly conduct of the meeting.
- 9.2 Where a general meeting is held partly by means of an electronic facility, the board may make any arrangement and impose any requirement or restriction that is necessary to ensure the identification of those taking part by this means and the security of the electronic facility.

10. Orderly conduct

- 10.1 The Chair of the meeting shall take such action or give directions for such action to be taken as they think fit to promote the orderly conduct of the business of the meeting as laid down in the notice of meeting. The Chair's decision on points of order, matters of procedure or arising incidentally from the business of the meeting shall be final as shall be their determination, acting in good faith, whether any point or matter is of such a nature.
- 10.2 For the avoidance of doubt, no provision of these articles restricts or excludes any of the powers or rights of a Chair of a meeting which are given by the general law.

11. Power to adjourn

- 11.1 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 to another date, time and/or place or for an indefinite period and with such means of attendance and participation as they decide.

- 11.2 Without prejudice to any other power which they may have under these articles or which is given by the general law, the Chair may, without the need for the consent of the meeting, interrupt or adjourn any meeting to another date, time and/or place or for an indefinite period and with such means of attendance and participation as they decide if they are of the opinion that:
- (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting or
 - (b) the conduct of persons present prevents or is likely to prevent the proper and orderly conduct of the meeting or
 - (c) it has become necessary to ensure that the business of the meeting is properly considered and transacted or
 - (d) the facilities or security at the place of the meeting or the electronic facility provided for the meeting have become inadequate or are otherwise not sufficient to allow the meeting to be conducted as intended.

12. Proceedings at adjourned meeting

- 12.1 The only business which shall be transacted at any adjourned meeting is that which might properly have been transacted at the meeting from which the adjournment took place.
- 12.2 When a meeting is adjourned for an indefinite period the time and place and the means of attendance and participation for the adjourned meeting shall be fixed by the board.
- 12.3 Any meeting may be adjourned more than once.

13. Proceedings at general meetings

- 13.1 Full Members are entitled to attend general meetings through their authorised representative or by proxy. Except where otherwise provided by the Act, general meetings are called on at least 14 clear days' written notice specifying the business to be discussed.
- 13.2 A quorum at a general meeting shall be 50 Full Members (or if the number of Full Members of the Charity is less than 50, then half of the number of Full Members (rounded up to the nearest whole number)) present by their authorised representative or by proxy.
- 13.3 The Chair or (if the Chair is unable or unwilling to do so) a Vice-Chair or (if the Chair and Vice-Chairs are unable or unwilling to do so) some other authorised representative of a Full Member elected by those present presides at a general meeting.

- 13.4 The Charity must hold an AGM in every year which all Full Members are entitled to attend. Each AGM must be held within 15 months of the previous AGM at a time and place to be determined by the Board.
- 13.5 At an AGM the Full Members:
- (a) receive the Board's report on the Charity's activities since the previous AGM;
 - (b) receive the accounts of the Charity for the previous financial year;
 - (c) appoint auditors for the Charity;
 - (d) accept the retirement of those members of the Board who wish to retire or who are retiring at the end of their term of office; and
 - (e) may determine any issues of policy or deal with any other business put before them provided that details of such other business were included on the notice of meeting.
- 13.6 A general meeting may be called at any time by the Board.
- 13.7 A general meeting must be called on a written request to the Board from at least 5% of the Full Members.
- 13.8 On receipt of a written request made under Article 13.7, the Board must call a general meeting within 21 days and the meeting must be held not more than 28 days after the date of the notice convening it.
- 13.9 In addition and without prejudice to the provisions of Section 168 of the Act, the Full Members may by ordinary resolution remove any member of the Board before the expiration of their period of office and may by ordinary resolution appoint another suitably qualified individual in their place.

14. Appointment of proxies

- 14.1 Any appointment of a proxy must be made by a notice in writing which:
- (a) states the name and address of the Full Member appointing the proxy;
 - (b) identifies the person appointed to be that Full Member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the Full Member appointing the proxy or is authenticated in such other manner as the Board may determine;

- (d) is delivered to the Board in accordance with Article 21;
 - (e) is received by the Board at least 48 hours (excluding non-working days) before the meeting to which it relates.
- 14.2 The Board may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- 14.3 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.
- 14.4 Unless a proxy notice indicates otherwise, it should be treated as:
- (a) allowing the person appointed under it as a proxy discretion on how to vote on any ancillary or procedural resolution put to the meeting;
 - (b) 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.
- 14.5 An appointment under a proxy notice may be revoked by notice in writing delivered to the Board, in accordance with Article 21, but such revocation will only take effect if the Board receives it before the start of the meeting to which it relates.

15. Voting at general meetings

- 15.1 A resolution at a general meeting shall be decided by a show of hands, unless a poll is demanded.
- 15.2 Except where otherwise provided by the Act, every issue is decided by a majority of the votes cast.
- 15.3 (a) On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more Full Members entitled to vote on the resolution has one vote. This is subject to Article 15.3(b).
- (b) On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if:
- (i) the proxy has been duly appointed by more than one Full Member entitled to vote on the resolution, and
 - (ii) the proxy has been instructed by one or more of those Full Members to vote for the resolution and by one or more other of those Full Members to vote against it.

- 15.4 A poll on a resolution may be demanded:
- (a) in advance of the general meeting where it is to be put to the vote; or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 15.5 A poll may be demanded by:
- (a) the Chair of the meeting;
 - (b) any director;
 - (c) five or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing at least 10% of the total voting rights of all the Full Members present at the meeting.
- 15.6 A demand for a poll may be withdrawn if the poll has not yet been taken and the Chair of the meeting consents to the withdrawal.
- 15.7 Subject to these Articles, polls at general meetings must be taken when, where and in such manner as the Chair of the meeting directs.
- 15.8 The Chair of the meeting may appoint scrutineers (who need not be Members) and decide how and when the result of the poll is to be declared.
- 15.9 A poll on the election of the Chair of the meeting, or a question of adjournment, must be taken immediately. Other polls must be taken within 30 days of their being demanded.
- 15.10 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- 15.11 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.

16. Written resolutions

- 16.1 Subject to Article 16.7, any resolution that may be passed validly at a general meeting of the Charity may be passed as a written resolution.

- 16.2 A written resolution may be proposed by the Board or by 5% or more of the Full Members (on written request to the Board).
- 16.3 The Board must circulate any proposed written resolution to all Full Members, together with:
- (a) any accompanying statement;
 - (b) guidance on how to signify agreement to the resolution; and
 - (c) the date by which the resolution must be passed if it is not to lapse.
- 16.4 A Full Member signifies agreement to a proposed written resolution when the Charity receives from them an Authenticated Document (whether in hard copy or electronic form) identifying the resolution to which it relates and their agreement to it.
- 16.5 Subject to Article 16.6, a written resolution is passed when:
- (a) in the case of an ordinary resolution, a simple majority of all the Full Members have signified their agreement to it; and
 - (b) in the case of a special resolution, at least 75% of all the Full Members have signified their agreement to it.
- 16.6 A proposed written resolution lapses if it is not passed before the end of 28 days beginning on the first day on which it was circulated.
- 16.7 The following may not be passed as a written resolution:
- (a) a resolution to remove a director before their period of office expires; and
 - (b) a resolution to remove an auditor before their period of office expires.

17. The Board

- 17.1 The members of the Board as the charity trustees have control of the Charity and its property and funds.
- 17.2 The Board shall consist of at least eight and not more than twelve authorised representatives of Full Members who are elected under article 17.6 below. In addition to these:

- (a) the Board may appoint up to two Non-Executive Directors subject to the following:
 - (i) they may be appointed for their special expertise or qualifications which the Board considers will be of benefit to the Charity;
 - (ii) their appointment shall be for an initial term of up to three years and shall then be subject to review by the Board, following which they may be reappointed by the Board for one further term of three years on the same basis.
- (b) the Board shall appoint a nominee of the Scottish Independent Schools' Bursars Association as a Director and Trustee of the Charity. Their appointment shall be for an initial term of three years and shall then be subject to review by the Board, following which they may be reappointed by the Board for one further term of three years.
- (c) the Board may co-opt and remove four persons each known as a "Board Adviser" who need not be authorised representatives of Full Members. Each Board Adviser shall be appointed subject to the following:
 - (i) they shall be appointed for their special expertise or qualifications which the Board considers will be of benefit to the Charity;
 - (ii) their appointment shall be for one year and shall then be subject to review by the Board, following which they may be reappointed by the Board for further terms of one year.
 - (iii) they shall not be entitled to vote at any Board meeting.

17.3 The Board may fill a casual vacancy in its membership by appointing an individual who is a representative of a Full Member to hold office as a Director until the next AGM when they shall retire and be eligible to stand for election by members under Articles 17.6 and 17.9.

17.4 The Chair shall be elected by the Board and, subject to Article 17.10, shall hold office for a term of one year, commencing at the conclusion of the AGM and terminating at the conclusion of the following AGM. Notwithstanding Article 17.7, a retiring Chair shall be eligible for re-election as Chair but may not hold office for more than three consecutive terms of one year. For the avoidance of doubt, the Chair may be elected and serve as Chair in accordance with this Article even though they have completed their two permitted terms of office as a director under Article 17.7. The Board may elect a Chair, who has completed their maximum term of office as a director, to serve one further year as Immediate Past

Chair, in which case they will be deemed to be one of the non-executive directors permitted by article 17.2(a)

- 17.5 There may be up to two Vice-Chairs, who shall be elected by the Board. They shall hold office for one year and be eligible for re-election for one further year. They may not hold office for more than two terms of one year and should stand down when their two permitted terms as a director come to an end in accordance with Article 17.7, if they are not elected as Chair under Article 17.4. Notwithstanding Article 17.7, the Board may elect a retiring Vice Chair for one further year (so long as the Vice Chair does not serve more than two terms as Vice Chair) even though they have completed their two permitted terms of office as a director under Article 17.7.
- 17.6 Directors shall be elected by ballot of the Full Members in such manner as the Board may resolve from time to time, which for the avoidance of doubt may include an electronic ballot (provided that if, at the time the ballot is due to open, the number of candidates standing for election is less than or equal to the number of vacancies, there shall be no requirement to hold a ballot and all of the candidates shall be deemed to have been elected).
- 17.7 Subject to Article 17.10, a director shall serve for an initial term of three years commencing at the conclusion of the AGM following their election by Full Members and terminating at the conclusion of the AGM three years afterwards. Notwithstanding Article 17.8, a retiring director shall be eligible for re-election for one further consecutive term of three years, but may not hold office for more than two consecutive terms unless elected as Chair or Vice-Chair,
- 17.8 Any director who retires or resigns from the Board shall not be eligible for re-election until a period of at least one year has elapsed from the date they retired or resigned.
- 17.9 Candidates for election as directors must be nominated by a Full Member and seconded by another Full Member. Unless the Full Members have resolved on another means of election under Article 17.6, nominations must be made and seconded in writing and lodged with the Secretary by no later than a date which is notified to Full Members and which is not less than six weeks before the AGM at which the results of the election are to be announced.
- 17.10 A director's term of office automatically terminates if they:
- (a) are disqualified under the Charities Acts from acting as a charity trustee or under the Acts from acting as a director;
 - (b) are incapable, whether mentally or physically, of managing their own affairs;

- (c) are absent from three consecutive meetings of the Board (or any committee of the Board on which they sit) in any 12-month period and a majority of the other directors resolve that they should be removed;
- (d) are the authorised representative of a school that ceases to be a Full Member (but such a person may be co-opted by resolution of the Board to serve as a Board Adviser until the conclusion of the following AGM);
- (e) cease to be employed by the Full Member at which they were employed at the time of their election but upon such person becoming employed by another Full Member within a maximum of four months from leaving the other Full Member and subject to the agreement of the governing body of that Full Member, such a person may remain on the Board for the rest of their term of office;
- (f) resign by written notice to the Board;
- (g) are served with a notice in writing that their appointment as a director shall terminate immediately, signed by at least three-quarters of the other directors;
- (h) are removed by ordinary resolution of the Full Members in accordance with the Act or under the provisions of Article 13.9.

17.11 Notwithstanding Article 17.8 a director whose term of office is terminated under Articles 17.10(d) or 17.10(e) who is eligible for election as a director may stand for re-election at the AGM following the termination provided that their term of office shall be regarded as continuous for the purposes of Articles 17.4, 17.5 and 17.7.

17.12 A technical defect in the appointment of a director of which the Board is unaware at the time does not invalidate decisions taken at a meeting.

17.13 The Charity shall indemnify any director against any liability incurred by them in that capacity, to the extent permitted by sections 232 to 234 of the Act.

18. Proceedings of the Board

18.1 The Board must hold at least three meetings each year.

18.2 A quorum at a Board meeting is five directors.

18.3 A Board meeting may be held either in person or by suitable electronic means agreed by the Board (which for the avoidance of doubt shall include conference telephone or other similar communications equipment) in which all participants may communicate with all the other participants.

- 18.3 The Chair or (if the Chair is unable or unwilling to do so) the Vice Chair or (if the Chair and the Vice-Chair are unable or unwilling to do so) some other director chosen by those present presides at each meeting.
- 18.4 Every issue may be determined by a simple majority of the votes cast at a meeting but a written resolution signed by all of the directors is as valid as a resolution passed at a meeting (and for this purpose the resolution may be contained in more than one document and will be treated as passed on the date of the last signature).
- 18.5 Except for the Chair of the meeting, who in the case of a tied vote has a second or casting vote, every director has one vote on each issue.
- 18.6 An honorary officer appointed under Article 19.2 who is not a director shall be entitled to attend meetings of the Board but shall not be entitled to vote.
- 18.7 The Board may invite such other persons as it sees fit to attend its meetings, provided that such other persons shall not be entitled to vote.
- 18.8 A director must avoid a situation in which they have an interest or duty that conflicts or possibly may conflict with the interests of the Charity. This duty is not infringed if:
- (a) the situation cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (b) the situation is authorised by the Board in accordance with Article 18.10; or
 - (c) the situation relates to the purchase of trustee indemnity insurance in accordance with Article 17.13.
- 18.9 If a conflict of interests arises for a director, the unconflicted members of the Board may authorise such a conflict of interests provided that:
- (a) the procedure in Article 18.10 is followed;
 - (b) authorisation will not result in any direct or indirect material benefit being conferred on any director or any Person Connected to a director that would not be permitted by Article 20; and
 - (c) the unconflicted members of the Board consider it is in the best interests of the Charity to authorise the conflict of interest in the circumstances.

18.10 Whenever a director has an interest in a matter to be discussed at a Board meeting of the director concerned must:

- (a) declare their interest before discussion begins on the matter;
- (b) withdraw from the meeting for that item unless expressly invited by a majority of the unconflicted members of the Board to remain in order to provide information;
- (c) not be counted in the quorum for that part of the meeting;
- (d) withdraw during the vote and have no vote on the matter.

18.11 A procedural defect of which the Board is unaware at the time does not invalidate decisions taken at a meeting.

19. Powers of the Board

The Board may:

19.1 appoint (and remove) any individual to act as Secretary to the Charity in accordance with the Act;

19.2 appoint a treasurer and other honorary officers and to pay to them such honoraria as it sees fit (if any) provided that:

- (a) an honorary officer who is also a director shall not be paid an honorarium or receive any other benefit from the Charity other than in accordance with Article 20;
- (b) an honorary officer who is not a director shall have the right to attend board meetings as an observer but shall not have the right to vote; and
- (c) the number of directors must exceed the number of honorary officers;

19.3 delegate or entrust to and confer upon any individual holding executive office (including the chief executive officer) such of its powers, authorities and discretions (with power to sub-delegate) for such time, on such terms and subject to such conditions as it thinks fit. It may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

19.4 delegate any of its functions to committees consisting of two or more individuals appointed by them (but a majority of committee members must be directors and all proceedings of committees must be reported promptly to the Board);

- 19.5 make rules and regulations consistent with these Articles and the Act to govern proceedings at Board and committee meetings, the administration of the Charity (including the operation of bank accounts and the commitment of funds) and the use of its seal (if any);
- 19.6 resolve or to establish procedures to assist the resolution of disputes within the Charity;
- 19.7 to exercise any powers of the Charity which are not reserved to a general meeting;
- 19.8 if the total number of members of the Board shall at any time be reduced in number to less than the quorum prescribed by Article 18.2 it shall be lawful for it to act as the Board for the purposes of co-opting additional directors or calling a general meeting to appoint additional directors but not for any other purpose.

20. Benefits to Full Members and Directors

- 20.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the Full Members but:
 - (a) Full Members and authorised representatives of Full Members who are not directors may enter into contracts with or be employed by the Charity and receive reasonable payment for goods or services supplied;
 - (b) Full Members, authorised representatives of Full Members and directors may be paid interest at a reasonable rate on money lent to the Charity;
 - (c) Full Members, authorised representatives of Full Members and directors may be paid a reasonable rent or hiring fee for property let or hired to the Charity;
 - (d) Full Members, authorised representatives of Full Members and directors who are beneficiaries of the Charity may receive charitable benefits in that capacity.
- 20.2 A director must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:
 - (a) as mentioned in Articles 3.23, 20.1(b), 20.1(c), 20.1(d) or 20.3;
 - (b) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity;

- (c) an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings);
 - (d) payment to any company in which a director has no more than a 1% shareholding;
 - (e) in exceptional cases, other payments or benefits (but only with the written approval of the Commission in advance).
- 20.3 Any director (or any firm or company or school of which a director is a member or employee) may enter into a contract with the Charity to supply goods or services in return for a payment or other material benefit but only if:
- (a) the goods or services are actually required by the Charity;
 - (b) any conflict of interest is authorised by the Board in accordance with Article 18.10;
 - (c) 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 18.10;
 - (d) no more than one half of directors are party to such a contract in any financial year.
- 20.4 This Article may not be amended without the prior written consent of the Commission.

21. Notices

- 21.1 Notices under these Articles may be sent by hand, or by post or by suitable electronic means or (where applicable to Full Members generally) may be published in any suitable journal or national newspaper or any newsletter distributed by the Charity or by posting it on the Charity's website.
- 21.2 The only address at which a Full Member is entitled to receive notices is the address shown in the register of Full Members.
- 21.3 The Charity may only send a document or information to a Member by electronic mail or any other electronic means:
- (a) where the Member concerned has agreed (either generally or in relation to the specific document or information) that it may be sent in that form; and
 - (b) to the address specified for that purpose by the Member.

- 21.4 The Charity may send a document or information to a Member via a website if the Member concerned has not responded within 28 days of the Charity sending them a request asking them to agree to the Charity communicating with them in that manner, provided that:
- (a) the request stated clearly what the effect of failure to respond would be;
 - (b) when the request is sent to the Member, at least 12 months have passed since the Charity last requested the Member to agree to receive the same or a similar type of document or information via a website;
 - (c) the document or information concerned is made available in a form which enables the recipient to read it and retain a copy of it; and
 - (d) the Charity complies with the requirements of Articles 21.6 and 21.7.
- 21.5 When sending information or a document via a website, the Charity must notify each intended recipient of:
- (a) the presence of the document or information on the website;
 - (b) the address of the website;
 - (c) the place on the website where it may be accessed; and
 - (d) how to access the document or information.
- 21.6 Where information or a document is sent to Members via a website in accordance with this Article, the document or information must remain on the website:
- (a) in the case of notice of a general meeting, until after the general meeting has ended; and
 - (b) in all other cases, for 28 days beginning with the date on which the Charity sent notification under Article 21.5.
- 21.7 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
- (a) 24 hours after being sent by electronic mail or other electronic means or delivered by hand to the relevant address;

- (b) two clear days after being sent by first class post to the relevant address;
- (c) three clear days after being sent by second class or overseas post to the relevant address;
- (d) on the date on which the notice was posted on a website (or, if later, the date on which the Member was notified of the posting on the website in accordance with Article 21.5);
- (e) on being handed to the Member or its authorised representative personally; or, if earlier
- (f) as soon as the Member acknowledges actual receipt.

21.8 A technical defect in the giving of notice of which the Board are unaware at the time does not invalidate decisions taken at a meeting.

21.9 Members may validly send any notice or document to the Charity:

- (a) by post to
 - (i) the Charity's registered office; or
 - (ii) any other address specified by the Charity for such purposes;
- (b) to any email address or other address for the notice or document to be sent by electronic means provided by the Board for such purposes.

22. Limited liability

The liability of the Members is limited.

23. Guarantee

Every Full Member promises, if the Charity is dissolved while it remains a Full Member or within 12 months afterwards, to pay up to ten pounds towards the costs of dissolution and the liabilities incurred by the Charity while the contributor was a Full Member.

24. Dissolution

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

- (a) by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;
- (b) directly for the Objects or charitable purposes within or similar to the Objects;
- (c) in such other manner consistent with charitable status as the Commission approves in writing in advance.

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

END