

The Companies Act 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

NEW

ARTICLES OF ASSOCIATION

of

Colleges Wales / Colegau Cymru Limited

Company Number: 02832103

(Adopted by special resolution on 12 May 2014)

INTERPRETATION AND APPLICATION OF THE MODEL ARTICLES

1.1 In these Articles:

“Accounting Officer”	means the accounting officer nominated on behalf of any College who may take office as trustee of the Charity pending the appointment of a new College Principal;
“Act”	means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;
“Articles”	means these Articles of Association of the Charity;
“Audit Committee”	means as referred to in Article 50;
“Board”	means the board of trustees of the Charity;
“Charity”	means the company intended to be regulated by these Articles;

"clear days"	in relation to the period of a notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"College Principal"	means either the principal, head, general secretary, chief executive officer or chief executive of a Member, as the case may be, depending upon whether the Member is a company or any other body of persons, corporate or incorporate;
"Chair"	means the Chair of the Charity appointed in accordance with Article 26 ;
"Chair of the Meeting"	means the Chair, Deputy Chair or, in their absence, such person as is appointed to act as chair of a meeting of the Board or any general meeting respectively in accordance with these Articles;
"Chairs of Governing Bodies"	means the chairs of Governing Bodies appointed to the Board either as trustees or as observers from time to time in accordance with Article 25(b) ;
"Companies"	shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established including, but not limited to, any Higher Education Corporations established under the Education Reform Act 1988;
"Conflict"	a situation in which a trustee has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;
"Deputy Chair"	the Deputy Chair of the Charity appointed in accordance with Article 27 .
"DFES"	Department for Education and Skills

(Wales);

“Eligible Member”

a further education college or further education establishment in Wales (whether further education corporations, wholly owned subsidiaries of universities or designated further education institutions in Wales) which is in receipt of recurrent funding from DFES, a list of whom (as at the date of adoption of these Articles) is annexed to these Articles;

“Eligible Trustee”

a trustee who would be entitled to vote on the matter at a meeting of trustees (but excluding in relation to the authorisation of a Conflict pursuant to **Article 54**, any trustee whose vote is not to be counted in respect of the particular matter);

“executed”

includes any mode of execution;

“Governing Body”

means the governing body of an Eligible Member and **“Governing Bodies”** means the Governing Bodies collectively of all Eligible Members;

“Member”

means an Eligible Member and **“Member”** shall be interpreted to include bodies of persons whether corporate or incorporate including but not limited to companies, in accordance with these Articles and the Act;

“Membership”

means the membership of a Member of the Charity;

“Memorandum”

means the memorandum of association of the Charity;

“Model Articles”

means the model articles for private companies limited by guarantee not having a share capital contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the

	date of adoption of these Articles;
“office”	means the registered office of the Charity;
“Quorum”	(A) with regard to meeting of the Board, the quorum may be fixed by the trustees but shall not be less than one third (1/3 rd) of their number or two (2) trustees, whichever is greater; (B) with regard to meetings of the Audit Committee, the quorum shall be two (2); and (C) with regard to general meetings of Members, eight (8) persons entitled to vote upon the business to be transacted, each being a Member or a duly authorised representative of a Member, or one tenth of to the total number of such persons for the time being, whichever is greater, shall constitute a quorum.
“seal”	means the common seal of the Charity if it has one;
“secretary”	means the secretary of the Charity or any other person appointed to perform the duties of the secretary of the Charity, including a joint, assistant or deputy secretary;
“term of service”	the term of service of a trustee in accordance with Article 32.2 ;
“trustees”	means the directors of the Charity (and “trustee” has a corresponding meaning);
“United Kingdom”	means Great Britain and Northern Ireland;

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings

in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Charity, except in so far as they are modified or excluded by these Articles.
- 1.8 Words importing the masculine gender only shall include the feminine and the neuter.

MEMBERS

- 2.1 The subscribers to the Memorandum and such other persons or organisations as are admitted to Membership in accordance with these Articles shall be Members of the Charity. No person shall be admitted a Member of the Charity unless his/her application for Membership is approved by the trustees.
- 2.2 Unless the trustees or the Charity in general meeting shall make other provision, the trustees may in their absolute discretion permit any Member of the Charity to retire, provided that after such retirement the number of Members is not less than two.
- 2.3 Every Eligible Member will have the right to apply to be a member of the Charity.

GENERAL MEETINGS

- 3 The Charity shall hold an annual general meeting each year in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Charity and that of the next. The annual general meeting shall be held at such times and places as the trustees shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.

- 4 The trustees may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient trustees to call a general meeting, any trustee or any Member of the Charity may call a general meeting.

NOTICE OF GENERAL MEETINGS

- 5 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution appointing a person as a trustee shall be called by at least twenty-one (21) clear days' notice. All other extraordinary general meetings shall be called by at least fourteen (14) clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

- 5.1 in the case of an annual general meeting, by all the Members entitled to attend and vote; and
- 5.2 in the case of any other meeting by a majority in number of Members having a right to attend and vote, being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all the Members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

The notice shall be given to all the Members and to the trustees.

- 6 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 the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 7 No business shall be transacted at any meeting of the Members unless a Quorum is present.
- 8 If a Quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a Quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the trustees may determine.
- 9 The Chair or, in his/her absence, the Deputy Chair shall preside as Chairman of the Meeting, but if neither the Chair nor the Deputy Chair be present within fifteen (15) minutes after the time appointed for holding the meeting, the trustees present shall elect one of their number to be Chairman of the Meeting and, if there is only one trustee present and willing to act, he shall be Chairman of the Meeting.
- 10 If no trustee is willing to act as Chairman of the Meeting, or if no trustee is present within fifteen (15) minutes after the time appointed for holding the meeting, those

Members present and entitled to vote shall choose one of their number to be Chairman of the Meeting.

- 11 A trustee shall, notwithstanding that s/he is not a Member, be entitled to attend and speak at any general meeting.
- 12 The Chairman of the Meeting may, with the consent of a meeting at which a Quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice shall be given 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.
- 13 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the results of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
 - 13.1 by the Chairman of the Meeting; or
 - 13.2 by at least two (2) Members having the right to vote at the meeting; or
 - 13.3 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.
- 14 Unless a poll is duly demanded a declaration by the Chairman of the Meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 15 The demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the Chairman of the Meeting. The withdrawal of a demand for a poll shall not invalidate the result of a show of hands declared before the demand for the poll was made.
- 16 A poll shall be taken as the Chairman of the Meeting who directs and s/he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 17 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
- 18 A poll demanded on the election of a Chairman of the Meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the Chairman of the

Meeting directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent continuance of a meeting for the transaction of any business other than the question on which the poll is demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

- 19 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 other cases at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

- 20 Subject to **Article 17**, every Member shall have one vote.
- 21 No Member shall be entitled to vote at any general meetings unless all moneys then payable by him to the Charity have been paid.
- 22 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and binding.
- 23 A vote given or poll demanded by the duly authorised representative of a Member organisation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Charity at the office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
- 24 Any organisation which is a Member of the Charity may by resolution of its council or other governing body authorise such person as it thinks fit to act as its representatives at any meeting of the Charity, and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which s/he represents as the organisation could exercise if it were an individual Member of the Charity.

TRUSTEES AND OBSERVERS

- 25 Subject always to any additional appointments made pursuant to **Articles 39 and 40**, the Board shall be made up of:-
- (a) up to fifteen (15) College Principals, one of whom shall be Chair and one of whom may be appointed Deputy Chair by the Board subject to subsequent ratification at the next annual general meeting by the Members; and
- (b) up to two (2) Chairs of Governing Bodies.

(c) act independently and shall have a duty and obligation not to favour the interests of their Eligible Member or their Governing Body over and above the interests of the other Eligible Members or the other Governing Bodies;

25.1 Every Eligible Member will have the right, but not the obligation, to propose its College Principal (or, in his/her absence, its Appointed Representative) for the position of trustee of the Charity from time to time. Only a College Principal (or, in his/her absence, that College's Appointed Representative) may serve on the Board. The Members shall procure that their proposed appointees have been nominated prior to the annual general meeting at which such trustees take office.

25.2 Every Eligible Member will have the right, but not the obligation, to propose its Chair of Governing Body for the position of trustee or observer in accordance with **Article 25(b)**.

25.3 The Board shall determine by majority vote whether the Chairs of Governing Bodies shall take office as trustees or as observers only and the Board shall also determine the process for their nomination and election from time to time.

25.4 In the event that the Board determines that the Chairs of Governing Bodies shall be entitled to observer status only, rather than sitting as trustees on the Board, the Chairs of Governing Bodies shall:-

- (a) be entitled to receive notice of, attend and make representations at meetings of the Board;
- (b) otherwise be entitled to participate fully in meetings of the Board, except as specified in **Article 25.4(c)**;
- (c) act independently and shall have a duty and obligation not to favour the interests of their Eligible Member or their Governing Body over and above the interests of the other Eligible Members or the other Governing Bodies;
- (d) be entitled to be appointed to sub-committees of the Board and to act in accordance with **Articles 46 and 47**; and
- (e) not be entitled to cast a vote, to appoint a proxy or alternate or to request a poll vote at any meetings of the Board.

25.5 Nothing in these Articles shall prevent or prohibit the College Principal and the Chair of Governing Body of the same Eligible Member serving simultaneously as trustees or as trustee and observer respectively (as the case may be).

APPOINTMENT OF CHAIR AND DEPUTY CHAIR

26 On the date of every other annual general meeting, the Members will elect one of the trustees to act as Chair who will take office at the annual general meeting.

- 27 On or around the date of every other annual general meeting, the trustees may elect one of their number to act as Deputy Chair who will take office upon appointment by the trustees.
- 28 In the event that there is no Chair in office, the trustees may elect one of their number to act as Chair at any time they deem appropriate who shall take office upon appointment until the next annual general meeting where his/her appointment shall be ratified by the Members or s/he shall cease to act as Chair.
- 29 In the event that there is no Deputy Chair in office concurrently with a Chair, the trustees may elect one of their number to act as Deputy Chair at any time they deem appropriate who will take office upon appointment until the next annual general meeting where his/her appointment shall be ratified by the Members or s/he shall cease to act as Deputy Chair.
- 30 If a Chair or a Deputy Chair (as the case may be) is appointed by the trustees at any time except at the annual general meeting referred to in **Article 26** or **27** respectively, his/her appointment shall be ratified by the Members at the next annual general meeting failing which he shall cease to act as Chair or Deputy Chair and may be replaced by the trustees with an alternate Chair or Deputy Chair in accordance with **Articles 26** or **27** respectively.
- 31 Except in circumstances where the Chair or Deputy Chair is elected in accordance with **Articles 28** or **29** respectively where s/he has been appointed in between annual general meetings and where, as a consequence, they may de facto serve longer than two (2) years but less than three (3) years in office in such role, the Chair and the Deputy Chair shall hold such posts for a maximum of two (2) years and shall retire from such posts at the third (3rd) annual general meeting (starting from the annual general meeting at which they were elected) at which a new Chair or Deputy Chair (as the case may be) shall take office. The Chair and the Deputy Chair shall not be subject to retirement by rotation.

POWERS OF TRUSTEES

- 32 Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of the Charity shall be managed by the trustees who may exercise all the powers of the Charity. No alteration of the Memorandum or the Articles and no such direction shall invalidate any prior act of the trustees which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the trustees by the Articles and a meeting of trustees at which a Quorum is present may exercise all the powers exercisable by the trustees.
- 33 In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the Articles the trustees shall have the following powers, namely:

33.1 to expand the funds of the Charity in such manner as they shall consider most beneficial for the achievement of the objects and to invest in the name of the Charity such part of the funds as they may see fit and to direct the sale or transportation of any such investments and to expend the proceedings of any such sale in furtherance of the objects of the Charity;

33.2 to enter into contracts on behalf of the Charity.

APPOINTMENT AND RETIREMENT OF TRUSTEES

34 Subject to the provisions of the Act, the following provisions shall apply:

34.1 the trustees shall not be subject to retirement by rotation; and

34.2 the term of service of each trustee shall continue from the date of his/her appointment to the earlier of:-

34.2.1 the date on which s/he ceases to be a College Principal; or

34.2.2 the date on which s/he resigns his/her position as trustee by notice in writing to the Charity's registered office.

35 In the event that **Article 32.2.1** applies or a trustee ceases to be the Accounting Officer for his/her Eligible Member, the Member affected may nominate its Accounting Officer as a trustee pending the appointment of a replacement College Principal, such Accounting Officer to take office as an interim trustee from the date of service of notice in writing to the Charity to its registered office until the replacement College Principal takes up office and confirms in writing his/her wish to be appointed as a trustee in lieu of the interim trustee and such interim trustee shall assume all rights, entitlements, obligations, duties and liabilities as a trustee in lieu of and in the stead of the affected trustee. In the event that a trustee is reappointed as the Accounting Officer for his/her Eligible Member, s/he shall be entitled to require the interim trustee to step down and s/he may be reinstated as a trustee with the approval of the Board.

36 No person other than a trustee appointed pursuant to these Articles shall be appointed a trustee at any general meeting unless:

36.1 s/he is a College Principal for an Eligible Member who is recommended by the trustees; or

36.2 not less than fourteen (14) nor more than thirty-five (35) clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting has been given to the Charity of the intention to propose that person for appointment stating the particulars which would, if s/he were so appointed, be required to be included in the Charity's register of trustees together with a notice executed by that person of his/her willingness to be appointed.

37 No person may be appointed as a trustee:

37.1 unless s/he has attained the age of 18 years; or

37.2 in circumstances such that, had s/he already been a trustee, s/he would have been disqualified from acting under the provisions of **Article 41**.

38 Not less than seven (7) nor more than twenty-eight (28) clear days before the date appointed for holding a general meeting notice shall be given to all persons who are entitled to receive notice of the meeting of any person who is recommended by the trustees for appointment as a trustee at the meeting or in respect of whom notice has been duly given to the Charity by an Eligible Member of the intention to propose him at the meeting for appointment as a trustee. The notice shall give the particulars of that person which would, if s/he were so appointed, be required to be included in the Charity's register of trustees.

39 Subject as aforesaid, the Charity may by ordinary resolution appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee. A trustee so appointed shall hold office until the next following annual general meeting. If his/her appointment is not ratified by the Members at such annual general meeting, s/he shall vacate office at the conclusion thereof.

40 The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee provided that the appointment does not cause the number of trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of trustees. A trustee so appointed shall hold office until the next following annual general meeting. If his/her appointment is not ratified by the Members at such annual general meeting, s/he shall vacate office at the conclusion thereof.

DISQUALIFICATION AND REMOVAL OF TRUSTEES

41 A trustee shall cease to hold office if s/he:

41.1 ceases to be a trustee by virtue of any provision in the Act or is disqualified from acting as a trustee by virtue of section 45 of the Charities Act 1992 (or any statutory re-enactment or modification of that provision);

41.2 becomes, in the opinion of the Board, incapable by reason of mental disorder, illness or injury of managing and administering his/her own affairs;

41.3 resigns his/her office by notice to the Charity (but only if at least two trustees will remain in office when the notice of resignation is to take effect);

41.4 is disqualified as a director;

41.5 is bankrupt or makes any composition or arrangement with his/her creditors;
or

41.6 is absent without the permission of the trustees from all their meetings held within a period of six (6) months and the trustees resolve that his/her office be vacated.

PROCEEDINGS OF TRUSTEES

- 42 Subject to the provisions of the Articles, the trustees may regulate their proceedings as they think fit. A trustee may, and the secretary at the request of a trustee shall, call a meeting of the trustees. It shall not be necessary to give notice of a meeting to a trustee who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the Meeting shall have a second or casting vote.
- 43 The quorum for the transaction of the business of the Board shall be the Quorum.
- 44 The trustees may act notwithstanding any vacancies in their number, but, if the number of trustees is less than the number fixed as the Quorum, the continuing trustees or trustee may act only for the purpose of filling vacancies or of calling a general meeting.
- 45 The Chair or, in his/her absence, the Deputy Chair (if appointed) present shall chair meetings of the trustees. In the absence of both the Chair and the Deputy Chair, the trustees may appoint one of their number to be the Chairman of the Meeting.
- 46 The trustees may appoint one (1) or more sub-committees consisting of three (3) or more trustees for the purpose of making any inquiry or supervising or performing any function or duty which in the opinion of the trustees would be more conveniently undertaken or carried out by a sub-committee: provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the trustees.
- 47 Subject always to **Article 46**, the trustees may appoint a sub-committee consisting of three (3) or more trustees (including the Chair and the Deputy Chair (if appointed)) together with the Charity's Chief Executive and Deputy Chief Executive (from time to time) to expedite business between board meetings on behalf of the Charity. The remit of this committee may (at the direction of the Board) include:-
- 47.1 the power to meet when appropriate between meetings of the Board;
 - 47.2 the power to implement decisions made by the Board;
 - 47.3 the power to progress matters that occur between meetings of the Board and, where appropriate, to demonstrate leadership to the Board on some policy matters affecting the further education sector in Wales; and
 - 47.4 a remit to report any decisions for approval or any deliberations for comment to the next meeting of the Board.
- 48 All acts done by a meeting of trustees, or of a committee of trustees, shall notwithstanding that it be afterwards discovered that there was a defect in the appointment of any trustee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a trustee and had been entitled to vote.

- 49 A resolution in writing, signed by all the trustees entitled to receive notice of a meeting of trustees or of a committee of trustees, shall be as valid and effective as if it had been passed at a meeting of trustees or (as the case may be) a committee of trustees duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the trustees.
- 50 Any bank account in which any part of the assets of the Charity is deposited shall be operated by the trustees and shall indicate the name of the Charity. All cheques and orders for the payment of money from such account shall be signed by at least two trustees.

AUDIT COMMITTEE

- 51 The trustees shall establish a committee, to be known as the Audit Committee, which:-
- 51.1 may appoint one of their number to act as Chairman of the Meeting of the Audit Committee;
- 51.2 shall advise on matters relating to the Charity's audit arrangements and systems of internal control;
- 51.3 is to consist of at least three (3) persons which shall include:-
- 51.3.1 two (2) or more trustees of the Charity (other than those with executive responsibility for the management of the Charity); and
- 51.3.2 one (1) or more external appointees with relevant financial experience to serve on the Charity's Audit Committee but membership shall not be drawn exclusively from people with such a background;
- 51.4 may not include the Chair or the Deputy Chair;
- 51.5 shall meet the Quorum requirements; and
- 51.6 is to operate in accordance with the requirements of the Welsh Government.

TRUSTEES' EXPENSES

- 52 The trustees may be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of trustees or committees of trustees or general meetings or otherwise in connection with the discharge of their duties, but shall otherwise be paid no remuneration.

APPOINTMENT OF CHIEF EXECUTIVE AND EXECUTIVE OFFICERS

- 53 Subject to the provisions of the Act and to Clause 5 of the Memorandum, the trustees may appoint the Chief Executive, Deputy Chief Executive (if appointed) and Company Secretary for the Charity. Any such appointment may be made upon such terms as the trustees determine.

- 54 Except to the extent permitted by clause 5 of the Memorandum, no trustee shall take or hold any interest in property belonging to the Charity or receive remuneration or be interested otherwise than as a trustee in any other contract to which the Charity is a party.

DECLARATION OF INTERESTS

- 55 The trustees may, in accordance with the requirements set out in this Article, authorise any Conflict proposed to them by any trustee which would, if not authorised, involve a trustee (an **Interested Trustee**) breaching his/her duty under section 175 of the Act to avoid conflicts of interest.

- 56 Any authorisation under Article 55 shall be effective only if:

56.1 to the extent permitted by the Act, the matter in question shall have been proposed by any trustee for consideration in the same way that any other matter may be proposed to the trustees under the provisions of these Articles or in such other manner as the trustees may determine;

56.2 any requirement as to the Quorum for consideration of the relevant matter is met without counting the Interested Trustee; and

56.3 the matter was agreed to without the Interested Trustee voting or would have been agreed to if the Interested Trustee's vote had not been counted.

56.4 any authorisation of a Conflict under Article 55 may (whether at the time of giving the authorisation or subsequently):

56.4.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

56.4.2 provide that the Interested Trustee be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the trustees or otherwise) related to the Conflict;

56.4.3 provide that the Interested Trustee shall or shall not be an Eligible Trustee in respect of any future decision of the trustees in relation to any resolution related to the Conflict;

56.4.4 impose upon the Interested Trustee such other terms for the purposes of dealing with the Conflict as the trustees think fit;

56.4.5 provide that, where the Interested Trustee obtains, or has obtained (through his/her involvement in the Conflict and otherwise than through his/her position as a trustee of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

- 56.4.6 permit the Interested Trustee to absent himself from the discussion of matters relating to the Conflict at any meeting of the trustees and be excused from reviewing papers prepared by, or for, the trustees to the extent they relate to such matters.
- 56.5 Where the trustees authorise a Conflict, the Interested Trustee shall be obliged to conduct himself in accordance with any terms and conditions imposed by the trustees in relation to the Conflict.
- 56.6 The trustees may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Trustee prior to such revocation or variation in accordance with the terms of such authorisation.
- 56.7 A trustee is not required, by reason of being a trustee (or because of the fiduciary relationship established by reason of being a trustee), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the trustees in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 56.8 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his/her interest in accordance with the requirements of the Act, a trustee who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 56.8.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 56.8.2 shall be an Eligible Trustee for the purposes of any proposed decision of the trustees (or committee of trustees) in respect of such existing or proposed transaction or arrangement in which s/he is interested;
- 56.8.3 shall be entitled to vote at a meeting of trustees (or of a committee of the trustees) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which s/he is interested;
- 56.8.4 may act by herself/himself or his/her firm in a professional capacity for the Company (otherwise than as auditor) and s/he or his/her firm shall be entitled to remuneration for professional services as if s/he were not a trustee;
- 56.8.5 may be a trustee or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body

corporate in which the Company is otherwise (directly or indirectly) interested; and

56.8.6 shall not, save as s/he may otherwise agree, be accountable to the Company for any benefit which s/he (or a person connected with her/him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his/her duty under section 176 of the Act.

SECRETARY

56 Subject to the provisions of the Act, the secretary shall be appointed by the trustees for such term, and such remuneration (if not a trustee) and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

57 The trustees shall keep minutes in books kept for the purpose:

57.1 of all appointments of officers made by the trustees; and

57.2 of all proceedings at meetings of the Charity and of the trustees and of committees of trustees including the names of the trustees present at each such meeting.

THE SEAL

58 The seal shall only be used by the authority of the trustees or of a committee of trustees authorised by the trustees. The trustees may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a trustee and by the secretary or by a second trustee.

ACCOUNTS

59 Accounts shall be prepared in accordance with the provisions of Part VII of the Act.

ANNUAL REPORT

60 The trustees shall comply with their obligations under the Charities Act 1992 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual report and its transmission to the Commissioners.

ANNUAL RETURN

- 61 The trustees shall comply with their obligations under the Charities Act 1992 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual return and its transmission to the Commissioners.

NOTICES

- 62 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the trustees need not be in writing.
- 63 The Charity may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at his/her registered address or by leaving it at that address. A Member whose registered address is not within the United Kingdom and who gives to the Charity an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such Member shall be entitled to receive any notice from the Charity.
- 64 A Member present in person at any meeting of the Charity shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called.
- 65 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of forty-eight (48) hours after the envelope containing it was posted.

INDEMNITY

- 66 Subject to the provisions of the Act every trustee or other office or auditor of the Charity shall be indemnified out of the assets of the Charity against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour or in which s/he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charity.

RULES

- 67
- 67.1 The trustees may from time to time make such rules or bye laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Charity and for the purposes of prescribing classes of and conditions of Membership, and in particular but without prejudice to the generality of the foregoing, they may by such rules or bye laws regulate:
- 67.1.1 the admission and classification of Members of the Charity (including the admission of organisations to Membership) and the

rights and privileges of such Members, and the conditions of Membership and the terms on which Members may resign or have their Membership terminated and the entrance fees, subscriptions and other fees or payments to be made by Members;

67.1.2 the conduct of Members of the Charity in relation to one another, and to the Charity's servants;

67.1.3 the setting aside of the whole or any part or parts of the Charity's premises at any particular time or time or for any particular purpose or purposes;

67.1.4 the procedure at general meetings and meetings of the trustees and committees of the trustees in so far as such procedure is not regulated by the Articles;

67.1.5 generally, all such matters as are commonly the subject matter of company rules.

67.2 The Charity in general meeting shall have power to alter, add to or repeal the rules or bye laws and the trustees shall adopt such means as they think sufficient to bring to the notice of Members of the Charity all such rules or bye laws, which shall be binding on all Members of the Charity. Provided that no rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or the Articles.

Mark Jones

12th May 2014

ANNEX

LIST OF ELIGIBLE MEMBERS AS AT THE DATE OF ADOPTION OF THESE ARTICLES

- Bridgend College
- Cardiff and Vale College
- Coleg Ceredigion
- Grŵp Llandrillo Menai
- Coleg Gwent
- Coleg y Cymoedd
- Coleg Sir Gâr
- Coleg Cambria
- Gower College Swansea
- The College, Merthyr Tydfil
- NPTC Group
- Pembrokeshire College
- Saint David's Catholic College
- WEA Cymru
- YMCA Wales Community College