

**Companies
Acts 1985 to 2006**

**Company limited by guarantee
and not having a share capital**

**ARTICLES
OF ASSOCIATION OF
ACTIONAID**

Name and Registered Office

1. The name of the company (referred to in these Articles as 'the Charity') is ActionAid.
2. The registered office of the Charity shall be situated in England.

Objects

3. The **Objects** for which the Charity is established are to promote in any part of the world:
 - 3.1. the relief of poverty and distress;
 - 3.2. the education of the public concerning the causes effects and means of alleviation of poverty and distress;and for such other ancillary **charitable** purposes as the **Trustees** may determine and in relation to the Objects to act with fairness, tolerance and respect for the inherent value of all human individuals and with an awareness of different cultural beliefs.
4. This provision may be amended by **special resolution** but only with the prior written consent of the **Commission**.

Powers

5. The Charity has the following powers, which may be exercised only in promoting the Objects:
 - 5.1. to provide advice or information;
 - 5.2. to carry out research;
 - 5.3. to establish or make provision for professorships, readerships, scholarships, exhibitions, bursaries, prizes, salaries and grants for individuals or charities engaged in teaching or research;
 - 5.4. to co-operate with other bodies;

- 5.5. to establish, support or administer other charitable organisations;
- 5.6. to acquire or merge with any other charity;
- 5.7. to enter a partnership or joint venture arrangement with any other organisation;
- 5.8. to undertake the liabilities of charitable organisations with which the Charity may cooperate or federate;
- 5.9. to accept gifts and to raise funds (but not by means of **taxable trading**);
- 5.10. to borrow money;
- 5.11. to give security for loans or other obligations (but only in accordance with the restrictions imposed by the **Charities Act**);
- 5.12. to acquire or hire property of any kind;
- 5.13. let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act);
- 5.14. to set aside funds for special purposes or as reserves against future expenditure;
- 5.15. to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);
- 5.16. 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 Trustees;
 - b. timely reports of all transactions are provided to the Trustees;
 - c. the performance of the investments is reviewed regularly with the Trustees;
 - d. the Trustees are 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 Trustees on receipt; and
 - g. the financial expert must not do anything outside the powers of the Charity;
- 5.17. to arrange for investments or other property of the Charity to be held in the name of a **nominee company** acting under the direction of the Trustees or controlled by a financial expert acting under their instructions, and to pay any reasonable fee required;
- 5.18. to deposit documents and physical assets with any company registered or having a place of business in England or Wales as **custodian**, and to pay any reasonable fee required;

- 5.19. to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;
- 5.20. subject to **Article 25**, to employ paid or unpaid agents, staff or advisers;
- 5.21. to enter into contracts to provide services to or on behalf of other bodies;
- 5.22. to establish or acquire subsidiary companies;
- 5.23. to do anything else within the law which promotes or helps to promote the Objects.

The Trustees

6. The Trustees as **charity trustees** have control of the Charity and its property and funds.
7. The subscribers to the **Memorandum** (being the first **Members**) are also the first Trustees. Subsequent Trustees shall be appointed by the Trustees.
8. The Trustees when complete shall consist of at least four and not more than 18 persons who being individuals:
 - 8.1. are aged 18 or over;
 - 8.2. are eligible under Article 9;
 - 8.3. would not be disqualified from acting under Articles 10, 11, and 12; and
 - 8.4. who must support the Objects.
9. A Trustee may not act as a Trustee unless he/she is a Member.
10. Subject to Article 11 the term of office of a Trustee shall be four years, renewable for a second term of four years up to a maximum of eight years. Subject to Article 11, a Trustee who has served for two consecutive terms of office must stand down for a period of at least one year before being eligible for reappointment as a Trustee.
11. In exceptional circumstances the Trustees may reappoint a Trustee for a third term of up to two years. No Trustee may serve more than ten years consecutively before standing down for a period of at least one year.
12. A Trustee's term of office as such automatically terminates if he/she:
 - 12.1. ceases to be a Member;
 - 12.2. is disqualified under the Charities Act from acting as a charity trustee;
 - 12.3. is incapable, whether mentally or physically, of managing his/her own affairs;
 - 12.4. is absent without permission from three consecutive meetings of the Trustees and is removed by decision of the other Trustees; or
 - 12.5. resigns by written notice to the Trustees (but only if at least two Trustees will remain in office); or

- 12.6. is removed by the Trustees. A decision to remove a Trustee is only valid if:
- a. the Trustee has been given at least 14 days' notice in writing that the resolution will be proposed and the reasons why it is to be proposed;
 - b. the Trustee or, at the option of the Trustee, his/her representative has been allowed to make representations.
13. A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions.
14. A Trustee may not appoint an alternate Trustee or anyone to act on his/her behalf.

Trustees' proceedings

15. The Trustees must hold at least four meetings each year.
16. A quorum at a meeting of the Trustees shall be at least four or one third of the Trustees (if greater).
17. A meeting of the Trustees may be held either in person or by suitable **electronic means** agreed by the Trustees in which all participants may communicate with all the other participants.
18. The **Chair** or (if the Chair is unable or unwilling to do so) some other Trustee chosen by the Trustees present presides at each meeting.
19. Any issue may be determined by a simple majority of the votes cast at a meeting, but a **Resolution in writing** agreed by all the Trustees (other than any Conflicted Trustee who has not been authorised to vote) is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than one document.
20. Every Trustee has one vote on each issue but, in case of equality of votes, the chair of the meeting has a second or casting vote.
21. A procedural defect of which the Trustees are unaware at the time does not invalidate decisions.

Trustees' Powers

22. The Trustees have the following powers in the administration of the Charity in their capacity as Trustees:
- 22.1. to appoint (and remove) any person (who may be a Trustee) to act as **Secretary** in accordance with the **Companies Act**;
 - 22.2. to appoint (and remove) a Chair, a Vice-Chair, a Treasurer and other honorary officers from among their number;
 - 22.3. to confer on any individual (with his/her consent) the honorary title of Patron, President or Vice-President of the Charity;

- 22.4. to delegate any of their functions to committees consisting of two or more individuals appointed by them. At least one member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees;
- 22.5. to exercise in their capacity as Trustees any powers of the Charity which are not reserved to them in their capacity as Members.

Benefits and Conflicts

- 23. The income and property of the Charity must be used only for promoting the Objects and no portion of them shall be transferred to the Members directly or indirectly by any means but subject to compliance with Article 27:
 - 23.1. Members (being Trustees) and **Connected Persons** may be paid interest at a reasonable rate not exceeding 2% less than the base rate of a bank selected by the Board on money lent to the Charity;
 - 23.2. Members (being Trustees) and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Charity; and
 - 23.3. Members (being Trustees) and Connected Persons may receive charitable benefits on the same terms as any other members of the beneficial class.
- 24. A Trustee must not receive any payment of money or other **material benefit** (whether directly or indirectly) from the Charity except:
 - 24.1. as mentioned in Articles 23 or 25;
 - 24.2. reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity;
 - 24.3. the benefit of **indemnity insurance** as permitted by the Charities Act;
 - 24.4. an indemnity in respect of any liabilities properly incurred in running the Charity including the costs of a successful defence to criminal proceedings);
 - 24.5. in exceptional cases, other payments or benefits (but only with the written consent of the Commission in advance and where required by the Companies Act the approval or affirmation of the Members).
- 25. No Trustee or Connected Person may be employed by the Charity except in accordance with Article 24.5, but any Trustee or Connected Person may enter into a contract with the Charity, as permitted by the Charities Act, to supply goods or services in return for a payment or other material benefit but only subject to section 67 of the Charities and Trustee Investment (Scotland) Act 2005 and only if:
 - 25.1. the goods or services are actually required by the Charity, and the Trustees decide that it is in the best interests of the Charity to enter into such a contract;
 - 25.2. the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article 27;

- 25.3. no more than half of the Trustees are subject to such a contract in any financial year; and
26. Subject to compliance with Article 27, the Charity may enter into a contract for the supply of goods and services with a company in which a Trustee holds not more than 1% of the shareholding, or with the prior consent of the Charity Commission, more than 1% of the shareholding.
27. Subject to Article 28, any Trustee who becomes a **Conflicted Trustee** in relation to any matter must:
- 27.1. declare the nature and extent of his/her interest before discussion begins on the matter;
 - 27.2. withdraw from the meeting for that item after providing any information requested by the Trustees;
 - 27.3. not be counted in the quorum for that part of the meeting; and
 - 27.4. be absent during the vote and have no vote on the matter.
28. When any Trustee is a Conflicted Trustee, the Trustees who are not Conflicted Trustees, if they form a quorum without counting the Conflicted Trustee and are satisfied that it is in the best interests of the Charity to do so, may by resolution passed in the absence of the Conflicted Trustee authorise the Conflicted Trustee, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Trustee, to:
- 28.1. continue to participate in discussions leading to the making of a decision and/or to vote; or
 - 28.2. disclose to a third party information confidential to the Charity; or
 - 28.3. take any other action not otherwise authorised which does not involve the receipt by the Conflicted Trustee or a Connected Person of any payment or material benefit from the Charity; or
 - 28.4. refrain from taking any step required to remove the conflict.
29. This provision may be amended by special resolution but, where the result would be to permit any material benefit to a Trustee or Connected Person, only with the prior written consent of the Commission.

Records and Accounts

30. The Trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies and the Commission of information required by law including:
- 30.1. annual returns;
 - 30.2. annual reports; and
 - 30.3. annual statements of account.

31. The Trustees must also keep records of:
 - 31.1. all proceedings at meetings of the Trustees;
 - 31.2. all resolutions in writing;
 - 31.3. all reports of committees; and
 - 31.4. all professional advice obtained.
32. Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours.
33. A copy of the Charity's **constitution** and latest available statement of account must be supplied on request to any Trustee. Copies of the latest accounts must also be supplied in accordance with the Charities Act to any other person who makes a written request and pays the Charity's reasonable costs.

Membership

34. The Charity must maintain a register of Members.
35. The subscribers to the Memorandum are the first Members.
36. **Membership** is open only to the Trustees. The form and the procedure for applying for Membership is to be prescribed by the Trustees.
37. A Member's Membership is terminated if he/she:
 - 37.1. ceases to be a Trustee;
 - 37.2. dies; or
 - 37.3. resigns by written notice to the Charity (but only if, after the resignation, there would be at least two Members remaining).
38. Membership is not transferable.

General Meetings

39. Trustees in their capacity as Members are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is in writing and notified to the Charity before the commencement of the meeting).
40. General meetings are called on at least 14 and not more than 28 clear days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) setting out the terms of the proposed special resolution. The notice must also contain a statement setting out the right of Members to appoint a proxy.
41. There is a quorum at a general meeting if the number of Members present in person or by proxy is at least four or one third of the Members (if greater).

42. General meetings shall be chaired by the person who has been appointed to chair meetings of the Trustees. If there is no such person or he/she is not present within fifteen minutes of the time appointed for the meeting the Members present in person or by proxy the members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.
43. The Members present in person or by proxy at a meeting may resolve by **ordinary resolution** that the meeting shall be adjourned.
- 43.1. The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- 43.2. No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- 43.3. If a meeting is adjourned by a resolution of the Members for more than 14 days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.
44. Except where otherwise provided by the Articles or the Companies Act, every issue is decided by ordinary resolution.
45. Every Member present in person or by proxy has one vote on each issue.
46. Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:
- 46.1. by the person chairing the meeting;
- 46.2. by at least two Members present in person or by proxy and having the right to vote at the meeting; or
- 46.3. by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
47. The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
48. Except where otherwise provided by the Articles or the Companies Act, a **written resolution** (whether an ordinary or a special resolution) is as valid as an equivalent resolution passed at a general meeting provided that:
- 48.1. a copy of the proposed resolution has been sent to every eligible member;
- 48.2. a simple majority (or in the case of a special resolution a majority of not less than 75%) of members has signified its agreement to the resolution; and
- 48.3. it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date.

For this purpose the written resolution may comprise several copies to which one or more members have signified their agreement.

49. The Charity may (but need not) hold an annual general meeting in any year.
50. A general meeting may be called by the Trustees at any time and must be called within 21 days of a written request from one or more Trustees (being Members), at least 10% of the Membership or (where no general meeting has been held within the last year) at least 5% of the Membership.
51. A technical defect in the appointment of a Member of which the Members are unaware at the time does not invalidate a decision taken at a general meeting or a written resolution.

Limited Liability

52. The liability of Members is limited.

Guarantee

53. Every Member promises, if the Charity is dissolved while he/she remains a Member or within one year after he/she ceases to be a member, to pay up to £1 towards:
- 53.1. payment of those debts and liabilities of the Charity incurred before he/she ceased to be a Member;
 - 53.2. payment of the costs, charges and expenses of winding up; and
 - 53.3. the adjustment of rights of contributors among themselves.

Communications

54. Notices and other documents to be served on Members or Trustees under the Articles or the Companies Act may be served:
- 54.1. by hand;
 - 54.2. by post;
 - 54.3. by suitable electronic means; or
 - 54.4. through publication in the Charity's newsletter or on the Charity's website.
55. The only address at which a Member is entitled to receive notices sent by post is an address in the United Kingdom shown in the register of Members.
56. Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
- 56.1. 24 hours after being sent by electronic means, posted on the Charity's website or delivered by hand to the relevant address;
 - 56.2. two clear days after being sent by first class post to that address;
 - 56.3. three clear days after being sent by second class or overseas post to that address;

56.4. immediately on being handed to the recipient personally;

or, if earlier,

56.5. as soon as the recipient acknowledges actual receipt.

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

Dissolution

58. If the Charity is dissolved, the assets (if any) remaining after providing for all its liabilities must be transferred to one or more other charitable institutions having the same or similar Objects, provided that such institution prohibits the distribution of its income and property among its members to the extent at least as is imposed on the Charity under Article 23.

59. Subject to Article 58, if within three months of the passing of the Members' resolution initiating the winding-up of the Charity no institution has been identified in accordance with Article 58 the assets must be applied directly for the Objects or for charitable purposes which are within or similar to the Objects, or failing this in such other manner consistent with charitable status as the Commission approves in writing in advance.

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

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

Interpretation

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

63. In the Articles, unless the context indicates another meaning:

'the Articles' means the Charity's Articles of Association and 'Article' refers to a particular Article;

'Chair' means the chair of the Trustees;

'charitable' means charitable in accordance with the law of England and Wales provided that it shall not include any purpose which is not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005. For the avoidance of doubt, the system of law governing the constitution of the Charity is the law of England and Wales;

'the Charity' means the company governed by the Articles;

'the Charities Act' means the Charities Acts 1992 to 2011;

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

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

'the Commission' means the Charity Commission for England and Wales or any body which replaces it;

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

'Conflicted Trustee' means a Trustee in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Trustee or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Charity, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity, or has a conflict between his/her duty to act in the best interests of the Charity and his/her duties to a person who appointed him or her;

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

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

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

'electronic means' refers to communications addressed to specified individuals by telephone, fax or email or, in relation to meetings, by telephone conference call or video conference;

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

'financial year' means the Charity's financial year;

'firm' includes a limited liability partnership;

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

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

'Member' and 'Membership' refer to company Membership of the Charity;

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

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

'ordinary resolution' means a resolution agreed by a simple majority of the Members present and voting at a general meeting or in the case of a written resolution by Members who

together hold a simple majority of the voting power. Where applicable, 'Members' in this definition means a class of Members;

'the Objects' means the Objects of the Charity as defined in Article 3;

'Resolution in writing' means a written resolution of the Trustees;

'Secretary' means a company secretary;

'special resolution' means a resolution of which at least 14 days' notice has been given agreed by a 75% majority of the Members present and voting at a general meeting or in the case of a written resolution by Members who together hold 75% of the voting power. Where applicable, 'Members' in this definition means a class of Members;

'taxable trading' means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax;

'Trustee' means a director of the Charity and 'Trustees' means the directors;

'written' or 'in writing' refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper;

'written resolution' refers to an ordinary or a special resolution which is in writing;

'year' means a calendar year.

64. Expressions not otherwise defined which are defined in the Companies Act have the same meaning.

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