

THE COMPANIES ACT 2006 PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION OF

Draycote Water Sailing Club Limited (THE "CLUB")

APPROVED BY MEMBERS AT THE AGM 7TH NOVEMBER 2018

TO COME INTO OPERATION ON 1ST APRIL 2019

PART 1: INTERPRETATION AND LIMITATION OF LIABILITY

1. DEFINED TERMS

1.1. The regulations contained in the Model Articles for Private Companies Limited by Guarantee set out in Schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 3229/2008), shall not apply to the Club.

1.2. In these Articles, unless the context requires otherwise:

- Act** means the Companies Act 2006;
- AGM** means an annual general meeting of the Club;
- Articles** means these articles of association, and **Article** refers to a particular provision in them;
- Associate Member** means a member who is not a Club Member, and who therefore neither has voting rights at general meetings nor any other rights to which members of companies are entitled under the Articles or the Companies Acts; **Associate Membership** shall be interpreted accordingly;
- Boating** means sporting, recreational and other activities carried out in water-borne craft of any description powered by the wind or other means;
- CASC** means a Community Amateur Sports Club, as that term is defined by s658 Corporation Tax Act 2010;
- Club** means the company regulated by these Articles;

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Club Member	means each person who agreed to become a company member of the Club and whose name is entered in the Club's register of members, in accordance with section 112 of the Act, and Club Membership shall be interpreted accordingly;
Companies Acts	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Club;
director	means a director of the Club, and includes any person occupying the position of director, by whatever name called;
electronic form	has the meaning given in section 1168 of the Act;
Finance Acts	means the Corporation Tax Act 2010, the Finance Act 2012 and any other relevant legislation relating to CASCs;
Member	means all members of the Club, whether Club Members or Associate Members, and Membership shall be interpreted accordingly;
Officers	has the meaning given in Article 6.1;
ordinary resolution	means a resolution passed by a simple majority of the Club Members;
Regulations	means Regulations of the Club from time to time approved by the directors in accordance with Article 8.2;
Secretary	means the company secretary of the Club, if appointed;
special resolution	means a resolution of the Club Members passed by a majority of not less than 75%; and
writing	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.3. In these Articles, unless the context otherwise requires:

1.3.1. other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Club;

- 1.3.2. words in the singular shall include the plural and in the plural shall include the singular; and
- 1.3.3. a reference to one gender shall include a reference to the other genders.
- 1.4. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 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 any subordinate legislation from time to time made under it, and any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns.
- 1.7. 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.
- 1.8. In the event that these Articles conflict with, or clarify, the Memorandum of Association of the Club, then these Articles will apply.

2. LIABILITY OF CLUB MEMBERS

- 2.1. The liability of each Club Member is limited to £1, being the amount that each Club Member undertakes to contribute to the assets of the Club in the event of its being wound up while he is a Club Member or within one year after he ceases to be a Club Member, for:
 - 2.1.1. payment of the Club's debts and liabilities contracted before he ceases to be a Club Member;
 - 2.1.2. payment of the costs, charges and expenses of winding up; and
 - 2.1.3. adjustment of the rights of the contributories among themselves.

PART 2: OBJECTS & POWERS

3. OBJECTS

- 3.1. The Club is established for the following purposes:
 - 3.1.1. to promote and facilitate community participation in healthy recreation by the provision of facilities for the sport of Boating; and
 - 3.1.2. to provide training in Boating; and
 - 3.1.3. to organise Boating racing events; and
 - 3.1.4. to provide social and other facilities for Members as may from time to time be determined by the directors; and
 - 3.1.5. to maintain and improve the Club's facilities; and
 - 3.1.6. to do such things as may be considered desirable to promote the interests of boating and the Club generally.

4. POWERS

- 4.1. In pursuance of the objects set out in Article 3.1, the Club has the power to:
 - 4.1.1. maintain and conduct a Boating club;
 - 4.1.2. promote and hold, either alone or jointly with any other association, club or persons, meetings, competitions and regattas for the purpose of competitive Boating and to offer, give, or contribute towards prizes, medals, and awards;
 - 4.1.3. provide advice or information;
 - 4.1.4. co-operate with other bodies;
 - 4.1.5. accept gifts and raise funds;
 - 4.1.6. borrow money;
 - 4.1.7. give security for loans or other obligations;
 - 4.1.8. acquire or hire property of any kind;

- 4.1.9. let or dispose of property of any kind;
- 4.1.10. set aside funds for special purposes or as reserves against future expenditure;
- 4.1.11. deposit or invest its funds in any manner;
- 4.1.12. delegate the management of investments to a financial expert;
- 4.1.13. insure the property of the Club against any foreseeable risk and take out other insurance policies to protect the Club when required;
- 4.1.14. employ paid or unpaid agents, staff or advisers;
- 4.1.15. enter into contracts to provide services to or on behalf of other bodies;
- 4.1.16. establish or acquire subsidiary companies; and
- 4.1.17. do anything else within the law which promotes or helps to promote the objects set out in Article 3.1.

PART 3: DIRECTORS

5. DIRECTORS

- 5.1. The directors are responsible for the management of the Club's business, for which purpose they may exercise all the powers of the Club.
- 5.2. The directors shall consist of the Officers of the Club and not less than 3 or more than 7 other Club Members.
- 5.3. Directors are Club Members aged 18 or over who are elected by the Club Members at the AGM each year or co-opted by the directors in the event of a vacancy.
- 5.4. All directors shall hold office from the conclusion of the AGM in which they are appointed (or the time they are co-opted) until the conclusion of the AGM the following year, unless their term of office is terminated according to Article 5.5. All directors shall be eligible to stand for re-election.
- 5.5. A director's term of office automatically terminates if he or she:

- 5.5.1. ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- 5.5.2. ceases to be a Club Member (but only if at least 5 directors will remain in office);
- 5.5.3. is absent from the meetings of the directors for a period of 6 calendar months without specific leave of absence from the other directors and is asked by a majority of the other directors to resign;
- 5.5.4. is incapable, whether mentally or physically, of managing his/her own affairs;
- 5.5.5. resigns by written notice to the directors (but only if at least 5 directors will remain in office); or
- 5.5.6. is removed by special resolution at a general meeting of the Club.

6. OFFICERS

- 6.1. The Officers of the Club are the Commodore, Vice-Commodore, Rear-Commodore Sail, Rear-Commodore House and Treasurer (the **Officers**), all of whom must be Club Members aged 18 or over and must also meet any other conditions and comply with duties and responsibilities set out in the Regulations.

7. DIRECTORS' PROCEEDINGS (*ALSO REFERRED TO AS 'GENERAL COMMITTEE MEETINGS'*)

- 7.1. The directors must hold at least 6 meetings each year.
- 7.2. The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than 5 and, unless otherwise fixed, it shall be 5.
- 7.3. A meeting of the directors may be held either in person or by suitable electronic means agreed by the directors in which all participants may communicate with all the other participants.
- 7.4. The Commodore or (if the Commodore is unable or unwilling to do so) some other director chosen by the directors' present presides at each meeting.
- 7.5. 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 directors (other than any conflicted director who has not been authorised to vote) is as valid as a resolution passed at a

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meeting. For this purpose the resolution may be contained in more than one document.

7.6. Every director has one vote on each issue and, in case of equality of votes, the chairman of the meeting has a casting vote.

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

8. DIRECTORS' POWERS

8.1. The directors may exercise any powers of the Club which are not reserved to the Club Members.

8.2. The directors shall have the power from time to time to make, alter and repeal such Regulations as they deem necessary or expedient or convenient for the proper conduct and management of the Club, provided that no Regulations shall be inconsistent with, or shall affect or repeal anything contained in, the Articles of the Club and that any Regulation may be set aside by a special resolution of a general meeting of the Club.

8.2.1. The directors shall adopt any such means as they deem sufficient to bring to the notice of members of the Club all such Regulations, alterations and repeals; and all such Regulations, so long as they shall be in force, shall be binding upon all Members.

8.2.2. When the directors agree a change in the applicable Fees for Club Members they shall be published at least 2 months before the date they are due to come into effect and any resolution by general meeting of the Club to set aside this change must take place before they are due to come into effect.

8.3. The directors may delegate any of their functions to committees appointed by them on such terms as they think fit. At least one member of every committee must be a director and all proceedings of committees, must be reported promptly to the directors.

8.4. Committees, to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

8.5. The directors may revoke any delegation, in whole or part, or alter its terms and conditions.

9. DIRECTORS' REMUNERATION AND EXPENSES

9.1. Directors may undertake any services for the Club that the directors decide. Directors are not entitled to remuneration for their role as directors.

9.2. Being a director does not prevent a director from undertaking a service for the Club, unconnected to their role as a director, provided that any fee is either demonstrably the going rate or has been subject to competitive tendering beforehand.

9.3. The Club may pay any reasonable expenses which the directors properly incur in connection with the discharge of their responsibilities in relation to the Club.

10. CONFLICTS OF INTEREST

10.1. The directors may, in accordance with the requirements set out in Article 10.2, authorise any situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Club which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest.

10.2. Any authorisation under Article 10.1 shall be effective only if:

10.2.1. the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors;

10.2.2. any requirement as to the quorum is met without counting the interested director; and

10.2.3. the matter was agreed to without the interested director voting or would have been agreed to if the interested director's vote had not been counted.

10.3. A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Club for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict of interests which has been authorised by the directors in accordance with these Articles or by the Club Members 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.

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- 10.4. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Club in which a director is interested, that director is not to be counted as participating in the decision making process for quorum or voting purposes, unless the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest.
- 10.5. Where the number of non-conflicted directors is less than the quorum for the purposes of approving a resolution authorising any situation or transaction constituting a conflict as anticipated by the Companies Acts, the quorum shall be all the disinterested directors.
- 10.6. When all the directors of the Club are conflicted, the Club shall pass the conflict to the Club Members for approval by ordinary resolution.

PART 4: MEMBERSHIP

11. APPLICATIONS FOR MEMBERSHIP

- 11.1. Membership is open to any individual interested in the sport of Boating. Membership is not transferable.
- 11.2. No person shall become a Member unless:
 - 11.2.1. that person has completed an application for Membership in a form approved by the directors from time to time; and
 - 11.2.2. the directors have approved the application.
- 11.3. Membership is also subject to any subscriptions or affiliation fees that may be set by the directors from time to time and are detailed in the Regulations.
- 11.4. The directors may establish different classes of Membership and decide who will be eligible for admission to them and what their rights and obligations will be.

12. TERMINATION OF MEMBERSHIP

- 12.1. A Member may withdraw from Membership by giving 7 days' notice to the Club in writing, but they will be responsible for payment of any outstanding dues for the full membership year.

- 12.2. A person's Membership terminates when that person dies or ceases to exist.
- 12.3. The directors may terminate the Membership of any Member without his consent by giving him written notice if, in the reasonable opinion of the directors:
- 12.3.1. he is guilty of conduct which has or is likely to have a serious adverse effect on the Club or bring the Club or any or all of the Members and directors into disrepute;
- 12.3.2. he has acted or has threatened to act in a manner which is contrary to the interests of the Club as a whole; or
- 12.3.3. he has failed to observe the terms of these Articles and any Regulations.
- 12.4. If the directors wish to consider terminating a person's Membership in accordance with Article 12.3, they must give notice to that Member and provide the Member with the opportunity to be heard in writing or in person as to why his Membership should not be terminated. The directors must consider any representations made by the Member before voting on the matter at a properly constituted and minuted meeting of the directors. The vote on a motion for expulsion shall be by ballot and the resolution shall only be carried if not less than three quarters of the directors present vote in favour of the motion. The directors shall inform the Member of their decision following such consideration and voting.
- 12.5. A Member whose Membership is terminated under Article 12.3 shall not be entitled to a refund of any subscription or membership fee and shall remain liable to pay to the Club any subscription or other sum owed by him.

13. GENERAL MEETINGS

- 13.1. Club Members are entitled to attend general meetings in person.
- 13.2. The Club must hold a general meeting as an AGM in each year in addition to any other general meetings in that year and must specify the meeting as the AGM in the notices calling it.
- 13.3. At the AGM Club Members must:
- 13.3.1. receive the accounts of the Club for the previous financial year;
- 13.3.2. receive a written report on the Club's activities;
- 13.3.3. elect directors to fill the vacancies arising; and

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- 13.3.4. appoint reporting accountants or auditors for the Club.
- 13.4. Club Members may also, from time to time discuss and determine any business put before them by the directors or set out in a valid request by the Club Members to call a general meeting pursuant to Article 13.5.
- 13.5. A general meeting may be called by the directors at any time and must be called within 21 days of a written request from at least 30 or 20% of the Club Members (whichever is the less) or (where no general meeting has been held within the last year) at least 5% of the Club Members.
- 13.6. Any request for a general meeting made by Club Members must state the object of the meeting to be called, detail any proposals that will be put forward at the meeting and be signed by those requesting the meeting and deposited at the registered office of the Club.
- 13.7. 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 any resolutions are to be proposed) setting out the terms of the proposed resolutions.
- 13.8. There is a quorum at a general meeting if the number of Club Members present in person is at least 30.
- 13.8.1. If within half an hour from the time appointed for the meeting a quorum of Club Members is not present, the meeting, if convened on the request of Club Members shall be dissolved; in any other case it shall stand adjourned to the same day the following week at the same time and place; and if at the adjourned meeting a quorum of Club Members is not present within half an hour of the time appointed for the meeting, the Club Members present shall be a quorum.
- 13.9. The Commodore and, failing him, the Vice-Commodore or (if the Vice-Commodore is unable or unwilling to do so) some other director chosen by the directors present or (if no directors are able or willing to do so) a Club Member elected by the Club Members present shall preside at the general meeting.
- 13.10. Every Club Member aged 18 or over present in person has one vote on each issue. In case of equality of votes, the chairman of the meeting has a casting vote.

- 13.11. A resolution put to the vote shall be decided on a show of hands, unless a poll is, before or upon declaration of the result of the show of hands, demanded by the chairman or by at least 3 Club Members present in person.
- 13.12. Except where otherwise provided by these Articles or the Companies Acts, a written resolution (whether an ordinary or a special resolution) is as valid as an equivalent resolution passed at a general meeting. For this purpose, the written resolution may be set out in more than one document.
- 13.13. A technical defect in the appointment of a Club Member of which the Club Members are unaware at the time does not invalidate a decision taken at a general meeting or a written resolution of the Club Members.

PART 5: ADMINISTRATIVE ARRANGEMENTS

14. RECORDS AND ACCOUNTS

- 14.1. The directors must comply with the requirements of the Companies Acts as to keeping records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies of information required by law including:
- 14.1.1. annual returns;
 - 14.1.2. annual reports; and
 - 14.1.3. annual statements of account.
- 14.2. The directors must also keep records of:
- 14.2.1. all proceedings at meetings of the directors;
 - 14.2.2. all resolutions in writing;
 - 14.2.3. all reports of committees; and
 - 14.2.4. all professional advice obtained.

14.3. Accounting records relating to the Club must be made available for inspection by any director at any time during normal office hours and may be made available for inspection by Club Members who are not directors if the directors so decide.

14.4. A copy of the Club's Articles and Regulations and latest available statement of account must be supplied on request to any director.

15. INDEMNITY

15.1. Subject to Article 15.2, a director or former director of the Club may be indemnified out of the Club's assets against:

15.1.1. any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Club;

15.1.2. any liability incurred by that director in connection with the activities of the Club in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); or

15.1.3. any other liability incurred by that director as an officer of the Club.

15.2. This Article 15 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

16. COMMUNICATIONS

16.1. Notices and other documents to be served on Members or directors under these Articles or the Companies Acts may be served:

16.1.1. by hand;

16.1.2. by post;

16.1.3. by suitable electronic means; or

16.1.4. through publication in the Club's newsletter or on the Club's website.

16.2. The only address at which a Member is entitled to receive notices sent by post is an address in the U.K. shown in the register of Members.

- 16.3. Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
- 16.3.1. 24 hours after being sent by electronic means, posted on the Club's website or delivered by hand to the relevant address;
 - 16.3.2. two clear days after being sent by first class post to that address;
 - 16.3.3. three clear days after being sent by second class or overseas post to that address;
 - 16.3.4. immediately on being handed to the recipient personally; or, if earlier,
 - 16.3.5. as soon as the recipient acknowledges actual receipt.
- 16.4. A technical defect in service of which the directors are unaware at the time does not invalidate decisions taken at a meeting.

17. AMENDING THE ARTICLES

- 17.1. No amendments may be made to this Article 17 or to Articles 3, 18, or 19 without a unanimous resolution of the Club Members.
- 17.2. No amendments may be made to these Articles that may jeopardise the Club's status as a CASC without a unanimous resolution of the Club Members.
- 17.3. Subject to Articles 17.1. and 17.2. these Articles may be amended by special resolution of the Club Members.

18. PROFITS NOT TO BE DISTRIBUTED

- 18.1. The income and property of the Club shall be applied solely in promoting the objects of the Club as set out in Article 3.1.
- 18.2. No dividends or bonus may be paid or capital otherwise returned to the Members, provided that nothing in these Articles shall prevent any payment in good faith by the Club of:
 - 18.2.1. reasonable and proper remuneration to any Member, director or servant of the Club for any services rendered to the Club;

- 18.2.2. interest on money lent by any Member of the Club or director at a reasonable and proper rate per annum not above the published base lending rate of a clearing bank to be selected by the directors;
- 18.2.3. reasonable and proper rent for premises demised or let by any Member or director;
or
- 18.2.4. reasonable out-of-pocket expenses properly incurred by any director.

19. DISSOLUTION

- 19.1. If the Club is wound up or dissolved and after all its debts and liabilities have been satisfied there remains any property it shall not be paid to or distributed among the Members of the Club, but shall be given or transferred, at the sole discretion of the directors, to:
 - 19.1.1. a charity; and / or
 - 19.1.2. some other club that is a registered CASC with purposes similar to those of the Club; and / or
 - 19.1.3. the national governing body for the sport of yachting for use by that organisation for related community sports.