

Company no.: 07611016

The Companies Act 2006

Company Limited by Guarantee and not having a Share Capital

**Articles of Association of
The Big Society Trust**

As amended by special resolution dated 18 May 2016

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Articles of Association of The Big Society Trust

PREAMBLE

1. Background

The Trust has been established to act as a shareholder in and the custodian of the social mission of Big Society Capital and to invest the dormant account monies which Big Society Trust receives under the Dormant Bank and Building Society Accounts Act 2008 in ordinary A shares of Big Society Capital and to protect the public interest in the use of such monies and to oversee the mission of Access by participating as its member.

INTERPRETATION

2. Defined terms

The interpretation of these Articles is governed by the provisions set out in the Schedule at the end of the Articles.

OBJECT AND POWERS

3. Object

The object of the Trust is to promote commerce in the service of the social good through the promotion and development of social investment and the social investment market in the United Kingdom

3.1 by acting as a shareholder in and providing oversight of Big Society Capital with the aim of ensuring that Big Society Capital remains true to its object, and

3.2 by acting as the sole company law member of Access.

4. Powers

To further its object, the Trust may:

4.1 request, receive and consider reports and information from Big Society Capital and Access;

4.2 co-operate with charities, voluntary bodies, public authorities and other bodies and exchange information with them in relation to the social investment market in the UK;

4.3 alone or with other organisations make representations to and seek to influence governmental and other bodies and institutions;

4.4 hire rooms for meetings of the Directors or of the Members or any committee of the Directors;

4.5 set aside funds as reserves against future expenditure;

- 4.6 open and operate bank accounts and other facilities for its internal purposes;
- 4.7 engage and pay consultants and professional or other advisers;
- 4.8 insure the property of the Trust, including any shares owned by it in Big Society Capital, against any foreseeable risk and take out other insurance policies as are considered necessary by the Directors to protect the Trust;
- 4.9 provide indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust, including without limitation any liability to make a contribution to the Trust's assets as specified in section 214 of the Insolvency Act 1986 (wrongful trading), provided that any such insurance shall not extend to the provision of any indemnity for a person in respect of:
 - 4.9.1 any act or omission which he or she knew to be a breach of trust or breach of duty or which was committed by him or her in reckless disregard to whether it was a breach of trust or breach of duty or not;
 - 4.9.2 any liability incurred by him or her in defending any criminal proceedings in which he or she is convicted of an offence arising out of any fraud or dishonesty, or wilful or reckless misconduct by him or her; or
 - 4.9.3 in relation to any liability to make a contribution to the Trust's assets as specified in section 214 of the Insolvency Act 1986, any liability to make such a contribution where the basis of the Director's liability is his or her knowledge prior to the insolvent liquidation of the Trust (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Trust would avoid going into insolvent liquidation; and
- 4.10 do all such other lawful things as shall further the Trust's object.

5. **Limitation on private benefits**

- 5.1 The income and property of the Trust shall be applied solely towards the promotion of its object.
- 5.2 Except as may be required under the general law, under no circumstances shall any part of the income or property of the Trust be paid, invested or transferred directly or indirectly on the instructions of Her Majesty's Government or any public authority or political party.
- 5.3 Except as provided below and subject to Article 5.5 no part of the income and property of the Trust may be paid or transferred directly or indirectly by way of benefit to the Members of the Trust and no Director or person Connected to a Director may receive any dividend, remuneration or other benefit in money or money's worth from the Trust. This shall not prevent any payment in good faith by the Trust of:
 - 5.3.1 reasonable and proper out-of-pocket expenses of Directors;
 - 5.3.2 payment under the indemnity at Article 7; and
 - 5.3.3 reasonable and proper premiums in respect of indemnity insurance effected in accordance with Article 4.9.

- 5.4 Subject to Article 5.5 the restrictions on benefits and remuneration conferred on Members of the Trust and on the Directors and persons Connected to the Directors by Article 5.3 and the exceptions to such restrictions in Articles 5.3.1 to 5.3.3 shall apply equally to benefits and remuneration conferred on Members of the Trust and on the Directors and persons Connected to the Directors by Big Society Capital, Access, or any other Subsidiary Companies of the Trust, provided that:
- 5.4.1 the chair of Big Society Capital shall be entitled to reasonable and proper remuneration from Big Society Capital for the service of acting as chair of Big Society Capital; and
- 5.4.2 the chair of Access shall be entitled to reasonable and proper remuneration from Access for the service of acting as chair of Access.
- 5.5 Nothing in this Article 5 shall prevent Big Society Capital, Access, or any other Subsidiary providing any benefit by way of finance or other support to a charity or other Social Sector Organisation of which a Director is a trustee, officer or employee.

6. **Limited liability**

- 6.1 The liability of the Members is limited.
- 6.2 Every Member undertakes to contribute a sum not exceeding £1 to the assets of the Trust if it is wound up during his or her Membership or within one year afterwards:
- 6.2.1 for payment of the debts and liabilities of the Trust contracted before he or she ceased to be a Member;
- 6.2.2 for the costs, charges and expenses of winding up; and
- 6.2.3 for the adjustment of the rights of the contributories among themselves.

7. **Indemnity**

Without prejudice to any indemnity to which a Director may otherwise be entitled, every Director shall be indemnified out of the assets of the Trust in relation to any liability incurred by him or her in that capacity but only to the extent permitted by the Companies Acts; and every other officer of the Trust may be indemnified out of the assets of the Trust in relation to any liability incurred by him or her in that capacity, but only to the extent permitted by the Companies Acts.

DIRECTORS

APPOINTMENT AND RETIREMENT OF DIRECTORS

8. **Appointment of Directors**

- 8.1 The Directors shall comprise:
- 8.1.1 a Financial Sector Appointee;
- 8.1.2 a Business Sector Appointee;

- 8.1.3 at any time, one of either of the Chief Executive of ACEVO or the Chief Executive of NCVO, with *ex officio* appointment to be rotated between the Chief Executive of ACEVO and the Chief Executive of NCVO in accordance with Articles 8.2 and 8.3;
- 8.1.4 the Chief Executive of Social Enterprise UK;
- 8.1.5 two Social Sector Appointees;
- 8.1.6 the chair of Big Society Capital;
- 8.1.7 the chair of Access; and
- 8.1.8 a Government Appointee.

Ex Officio Appointees

- 8.2 Subject to clause 8.4, the first Ex Officio Appointee under Article 8.1.3 shall be the Chief Executive of ACEVO.
- 8.3 Each appointee under Article 8.1.3 shall retire from office at the end of the second Annual Retirement Meeting following the commencement of his or her term of office.
- 8.4 Where the person to be appointed under Article 8.1.3 or 8.1.4 shall be unwilling or unable to act as a Director, the Directors shall seek to appoint another person in his or her place who the Directors consider to be a suitably senior representative of the organisation that such person represents and, if appointing such a replacement is not possible, the Directors shall appoint another senior representative of a social sector umbrella organisation in his or her place.
- 8.5 Where an Ex Officio Appointee shall cease to hold the office that qualified him or her for appointment as a Director, such person shall cease automatically to be a Director and shall notify the Trust immediately.

Sector Appointees

- 8.6 The Sector Appointees shall be appointed following an open recruitment process and in accordance with recruitment policies adopted by the Directors from time to time. Vacancies will be publicised on the website of Big Society Capital and within appropriate sector press. An Appointments Committee comprising the Chair and any two other Directors of the Trust shall review applications and candidates and shall recommend candidates to the Directors for appointment by majority vote.
- 8.7 Each Sector Appointee shall retire from office at the end of the third Annual Retirement Meeting following the commencement of his or her term of office.
- 8.8 Retiring Sector Appointees may be reappointed but a Sector Appointee who has served for three consecutive terms of office must take a break from office and may not be reappointed until the earlier of:
 - 8.8.1 the anniversary of the commencement of his or her break from office; and

- 8.8.2 the Annual Retirement Meeting following the Annual Retirement Meeting at which his or her break from office commenced.

Government Appointee

- 8.9 The Accounting Officer for the Cabinet Office shall have the right to appoint and replace the Government Appointee from time to time by notice in writing to the Trust.

Offices and Organisations

- 8.10 In the event that any one or more of the offices or organisations described in Article 8.1 are reconstituted, renamed, replaced by a new office or organisation or cease to exist, the Members shall by Special Members' Decision amend the Articles to reflect the most appropriate replacement office or organisation for the purpose of determining the ongoing composition of the board of Directors, in the interests of maintaining as similar as possible a balance and mix of representation on the board of Directors from the different constituencies and backgrounds represented in Article 8.1.

Alternate directors

- 8.11 The Government Appointee may appoint another Director as his or her alternate director to act on his or her behalf at meetings of the Directors.

9. Disqualification and removal of Directors

A Director shall immediately cease to hold office if:

- 9.1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 9.2 a bankruptcy order is made against that person;
- 9.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 9.4 a registered medical practitioner who is treating that person gives a written opinion to the Trust stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 9.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 9.6 notification is received by the Trust from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least five Directors will remain in office when such resignation has taken effect);
- 9.7 he or she fails to attend three consecutive meetings of the Directors held on full notice, unless in a particular case the Directors consider that his or her non-attendance is the result of exceptional circumstances and they resolve that he or she should continue in office;

- 9.8 he or she is removed by a Special Decision of the Directors on the grounds that such person's continuing Directorship is detrimental to the Trust or its object; or
- 9.9 he or she ceases to be a Member of the Trust.

DIRECTORS' POWERS AND RESPONSIBILITIES

10. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Trust's business, for which purpose they may exercise all the powers of the Trust.

11. Chair

The Directors will appoint a Director to be the Chair of the Board for such term of office as they determine and may at any time remove him or her from that office except that none of the following Directors shall be eligible to be Chair or to chair any meeting of the Directors or of the Members.

- 11.1 the chair of Big Society Capital;
- 11.2 the chair of Access; and/or
- 11.3 the Government Appointee.

12. Board may delegate

- 12.1 Subject to the Articles, the Board may delegate any of its powers or functions to any committee.
- 12.2 Subject to the Articles, the Board may delegate the implementation of its decisions or day to day management of the affairs of the Trust to any person or committee as the Board think fit.
- 12.3 The Board may revoke or amend any delegation in whole or part at any time.

13. Committees

- 13.1 In the case of delegation to committees:
- 13.1.1 the composition of any committee shall be composed exclusively of Directors but otherwise shall be in the discretion of the Board and may include such of its number as the resolution may specify;
- 13.1.2 the deliberations of any committee must be reported regularly to the Board and any resolution passed or decision taken by any committee must be reported promptly to the Board and every committee must appoint a secretary for that purpose;
- 13.1.3 subject to the Articles, the Board may make such regulations and impose such terms and conditions and give such mandates to any committee as they may from time to time think fit; and

- 13.1.4 no committee shall knowingly incur expenditure or liability on behalf of the Trust except where authorised by the Board or in accordance with a budget which has been approved by the Board.
- 13.2 Subject to Article 13.3, the meetings and proceedings of any committee shall be governed by the Articles regulating the meetings and proceedings of the Directors so far as they apply and are not superseded by any regulations made by the Board,
- 13.3 Quorum for meetings of any committee may be fixed from time to time by a decision of the Directors and unless otherwise fixed by the Directors it is two or one-third of the number of total committee members, whichever is the greater.

DECISION-MAKING BY DIRECTORS

14. Directors to take decisions collectively

Subject to any applicable requirements of law, a decision of the Directors must be:

- 14.1 by decision of a majority of the Directors present and voting at a quorate Board meeting; or
- 14.2 where so required by these Articles, a Special Decision taken in accordance with Article 0;
or
- 14.3 where so required by these Articles, a Consensus Decision taken in accordance with Article 20.

15. Calling a Board meeting

- 15.1 Any one Director may (and the Secretary, if any, must at the request of any one Director) call a Board meeting.
- 15.2 A Board meeting must normally be called by at least 21 Clear Days' notice unless either:
- 15.2.1 all the Directors agree; or
- 15.2.2 urgent or otherwise exceptional circumstances require.
- 15.3 Notice of Board meetings must be given to each Director.
- 15.4 Every notice calling a Board meeting must specify:
- 15.4.1 the place, day and time of the meeting;
- 15.4.2 the general nature of the business to be considered at such meeting; and
- 15.4.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 15.5 Notice of Board meetings shall be in Writing.

16. Participation in Directors' meetings

- 16.1 Subject to the Articles, Directors participate in all or part of a Board meeting when:

- 16.1.1 the meeting has been called and takes place in accordance with the Articles; and
- 16.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 16.2 In determining whether Directors are participating in a Board meeting, it is irrelevant where any Director is or how they communicate with each other.
- 16.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting takes place wherever any of them is located.
- 16.4 The chief executives from time to time of Big Society Capital and Access shall be invited to attend meetings of the Directors as observers provided that either or both, as the case may be, shall absent themselves from meetings if and when requested by the Chair or following a request from any other Director.

17. **Quorum for Board meetings**

- 17.1 At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 17.2 The quorum for Board meetings shall be five Directors.
- 17.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision to appoint further Directors.

18. **Chairing of Board meetings**

The Chair, if any, or in his or her absence another Director nominated by the Directors present shall preside as chair of each Board meeting.

19. **Casting vote**

The chair of the meeting shall have a casting vote.

20. **Consensus Decisions of the Board with or without a meeting**

A decision is taken as a Consensus Decision in accordance with this Article when, disregarding any

- 20.1 dissenting vote cast,
- 20.2 abstention, or
- 20.3 failure to vote

by the Government Appointee, all of the Directors eligible to vote on the matter indicate to each other by voting at a duly convened Board meeting that they share a common view on a matter, or so confirm by means of a resolution in Writing.

21. **Special Decisions of the Board with or without a meeting**

21.1 Except as provided in clause 21.2, a decision is taken as a Special Decision in accordance with this Article when at least 75% of the Directors eligible to vote on the matter indicate by voting at a duly convened Board meeting that they share a common view on a matter, or so confirm by means of a resolution in Writing.

21.2 Where any Special Decision relates to the adoption of a Governance Agreement as mentioned in clause 27.1, or the amendment of such a Governance Agreement in accordance with clause 27.2.2 insofar as such Special Decision shall relate to or affect policies for remuneration of the directors and staff of Big Society Capital and/or its subsidiaries, such matter shall require a Consensus Decision.

22. **Decision to remove directors of Big Society Capital**

22.1 Subject to Article 22.4, the Trust shall not seek to remove a director(s) of Big Society Capital unless, at a meeting of the Directors, a Special Decision is passed that the relevant director(s) be removed from office.

22.2 In the event that the Trust decides to remove a director(s) of Big Society Capital under Article 22.1, the Trust shall immediately provide Big Society Capital with a written statement setting out the reasons for its decision.

22.3 The Trust shall ensure that following the exercise of any right it has to remove a director(s) of Big Society Capital, Big Society Capital shall retain a sufficient number of directors to enable quorate board meetings to be held by it.

22.4 The Trust shall not seek to remove a director of Big Society Capital who has been appointed as a director by the Banks.

23. **Decision to remove directors of Access**

23.1 The Trust shall not seek to remove a director(s) of Access unless at a meeting of the Directors, a Special Decision is passed that the relevant director(s) be removed from office.

23.2 In the event that the Trust decides to remove a director(s) of Access under Article 23.1, the Trust shall immediately provide Access with a written statement setting out the reasons for its decision.

23.3 The Trust shall ensure that following the exercise of any right it has to remove a director(s) of Access, Access shall retain a sufficient number of directors to enable quorate board meetings to be held by it.

24. **Conflicts of interest**

Declaration of interests

24.1 Unless Article 24.2 applies, a Director must at any Board meeting declare the nature and extent of:

24.1.1 any direct or indirect interest which he or she has in a proposed transaction or arrangement with the Trust; and

24.1.2 any duty or any direct or indirect interest which he or she has which conflicts or may conflict with the interests of the Trust or his or her duties to the Trust.

24.2 There is no need to declare any interest or duty of which the other Directors are, or ought reasonably to be, already aware.

Participation in decision-making

24.3 If a Director's interest or duty cannot reasonably be regarded as likely to influence materially that Director's judgement in undertaking his or her duties in respect of the Trust, he or she shall be entitled to participate in the decision-making process at a Board meeting, to be counted in the quorum and to vote in relation to the matter. Any uncertainty about whether a Director's interest or duty is likely to give rise to a conflict shall be determined by a majority decision of the other Directors taking part in the decision-making process.

24.4 If a Director's interest or duty does influence materially that Director's judgement in undertaking his or her duties in respect of the Trust (or could reasonably be regarded as likely to do so), he or she may nevertheless participate in the decision-making process at a Board meeting and may be counted in the quorum and vote unless:

24.4.1 the decision could result in the Director or any person who is Connected with him or her receiving a benefit other than:

(a) reimbursement of expenses in accordance with Article 5.3.1;

(b) payment under the indemnity in accordance with Article 5.3.2; and

(c) the payment of premiums in respect of indemnity insurance effected in accordance with Article 5.3.3; or

24.4.2 any Director objects to such participation on the part of the Director in question,

in which case he or she must comply with Article 24.5.

24.5 If a Member with a conflict of interest or conflict of duties is required to comply with this Article 24.5, he or she must:

24.5.1 take part in the decision-making process at a Board meeting only to such extent as in the view of the other Directors is necessary to inform the debate;

24.5.2 not be counted in the quorum for that part of the process; and

24.5.3 withdraw during the vote and have no vote on the matter.

Disapplication of conflict

24.6 Notwithstanding any other provision of these Articles, any general conflict of interest or conflict of duties arising as a result of the fact that:

24.6.1 the chair of Big Society Capital is both a Director of the Trust and a director of Big Society Capital, shall be disregarded and the chair of Big Society Capital shall be entitled to count in the quorum and vote on any matter affecting Big Society Capital provided that the matter in

question does not in the opinion of the Chair (or if the Chair is not present at the meeting, the Director chairing the meeting) directly concern the personal position or conduct of the chair of Big Society Capital, in which case the chair of Big Society Capital shall comply with Article 24.5;

- 24.6.2 the chair of Access is both a Director of the Trust and a director of Access, shall be disregarded and the chair of Access shall be entitled to count in the quorum and vote on any matter affecting Access provided that the matter in question does not in the opinion of the Chair (or if the Chair is not present at the meeting, the Director chairing the meeting) directly concern the personal position or conduct of the chair of Access, in which case the chair of Access shall comply with Article 24.5.
- 24.6.3 the Government Appointee may have employment or another connection with H.M. Government, shall be disregarded and such Director shall be entitled to count in the quorum and vote on any matter notwithstanding such conflict.

Continuing duties to the Trust

- 24.7 Where a Director has a conflict of interest or conflict of duties and the Director has complied with his or her obligations under these Articles in respect of that conflict:
- 24.7.1 the Director shall not be in breach of his or her duties to the Trust by withholding confidential information from the Trust if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her; and
- 24.7.2 the Director shall not be accountable to the Trust for any benefit expressly permitted under these Articles which he or she or any person Connected with him or her derives from any matter or from any office, employment or position.

25. Register of Directors' interests

The Directors must cause a register of Directors' interests to be kept.

26. Validity of Director actions

All acts done by a person acting as a Director shall, even if afterwards discovered that there was a defect in his or her appointment or that he or she was disqualified from holding office or had vacated office, be as valid as if such person had been duly appointed and was qualified and had continued to be a Director.

27. Discretion to make further rules and to amend the Articles of Big Society Capital

- 27.1 Subject to Article 21.2 the Board may by Special Decision approve on behalf of the Trust a Governance Agreement relating to:
- 27.1.1 remuneration of the directors and staff of Big Society Capital and its subsidiaries;
- 27.1.2 the recruitment of directors and senior staff of Big Society Capital;
- 27.1.3 the overall investment objectives of Big Society Capital; and

- 27.1.4 the responsible business principles to be adopted by the Trust and by Big Society Capital and its subsidiaries.
- 27.2 The Trust shall not:
- 27.2.1 exercise its votes as a shareholder of Big Society Capital:
- (a) to approve any amendment to the Articles of Association of Big Society Capital except where:
 - (i) in the case of a proposed amendment to the Articles of Association of Big Society Capital affecting Articles 3, 4, 26, 30, 37, 38, 39 and/or 60 of the Articles of Association of Big Society Capital (as they existed at the date of the adoption of these Articles of Association), such amendment is approved by a Consensus Decision; and
 - (ii) in all other cases, such amendment or exercise is approved by a Special Decision; or
 - (b) to remove a director of Big Society Capital except where approved by a Special Decision; or
- 27.2.2 approve any amendment to any policies of Big Society Capital contained in a Governance Agreement that has been signed by the Trust and Big Society Capital, where the terms of such Governance Agreement requires such amendment to be approved by a Special Decision, except where such amendment or exercise is approved by a Special Decision.
- 27.3 Subject to the Articles and the Companies Acts, the Board may make any rule which it thinks fit about how it takes decisions.

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

28. Directors as Members

28.1 The Directors from time to time shall be the only Members of the Trust.

28.2 A Director shall become a Member on becoming a Director.

29. Termination of membership

29.1 A Member shall cease to be a Member if he or she ceases to be a Director.

29.2 Membership is not transferable and shall cease on death.

DECISION-MAKING BY MEMBERS

30. Members' Meetings

30.1 The Directors may call a general meeting of the Members at any time.

30.2 Such meetings must be held in accordance with the provisions regarding such meetings in the Companies Acts and in accordance with this Article 30.

30.3 At a general meeting of the Members, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

30.4 The quorum for a meeting of Members shall be five Members.

31. **Members' Decisions**

31.1 Subject to any applicable requirements of law and the further provisions of these Articles (and in particular Article 33 (Entrenchment)) a decision of the Members must be:

31.1.1 by ordinary or special resolution in accordance with the Companies Acts; or

31.1.2 where so required by these Articles, a Special Members' Decision taken in accordance with Article 31.2; or

31.1.3 where so required by these Articles, a Consensus Members' Decision taken in accordance with Article 31.3.

31.2 A Special Members' Decision shall be a decision approved by at least 75% of the Members eligible to vote on the matter, voting at a duly convened general meeting of the Members or by means of a written resolution in accordance with these Articles.

31.3 A Consensus Members' Decision shall be a decision which, disregarding any:

31.3.1 dissenting vote cast,

31.3.2 abstention, or

31.3.3 failure to vote

by the Member who holds the position of Government Appointee, is approved by all the Members eligible to vote on the matter, voting at a duly convened general meeting of the Members or by means of a written resolution in accordance with these Articles.

WRITTEN RESOLUTIONS

32. **Written resolutions**

32.1 Subject to the Companies Acts and the further provisions of these Articles a written resolution agreed by:

32.1.1 members representing a simple majority; or

32.1.2 (in the case of a special resolution) members representing not less than 75%; or

32.1.3 such other requisite majority as required under these Articles and as set out at Article 31; of the total voting rights of eligible members shall be effective.

32.2 On a written resolution each Member shall have one vote.

- 32.3 A written resolution is not a special resolution unless it stated that it was proposed as a special resolution.
- 32.4 A Members' resolution under the Companies Acts removing a Director or auditor from office may not be passed as a written resolution.
- 32.5 A written resolution need not be evidenced by a single instrument but may be evidenced by several instruments in like form.

Circulation

- 32.6 The required majority of eligible Members must signify their agreement to the written resolution within the period of 28 days beginning with the Circulation Date.
- 32.7 Communications in relation to written resolutions must be sent to the Trust's auditors in accordance with the Companies Acts.

ENTRENCHMENT

33. Entrenchment

Special Members' Decisions

- 33.1 Save as is provided in this Article 33, these Articles may be amended by a Special Members' Decision.

Consensus Members' Decisions

- 33.2 The following Articles may be amended only by a Consensus Members' Decision:

3 (Object),

4 (Powers),

5 (Limitation on private benefits),

8 (Appointment of Directors),

9 (Disqualification and removal of Directors),

20 (Consensus Decisions of the Board with or without a meeting),

0 (Special Decisions of the Board with or without a meeting),

22.1 (which relates to a decision to remove directors of Big Society Capital),

24 (Conflicts of interest),

27.1 (which relates to approval of the Governance Agreement),

27.2 (which relates to the Trust's role in decisions relating to Big Society Capital and the Governance Agreement),

41 (Winding up the Trust), and

this Article 33 (Entrenchment).

- 33.3 In no circumstances shall the Trust transfer, assign or dispose of all or any part of its shareholding in Big Society Capital to any other person or permit any issue of shares in Big Society Capital to any other person, except where such transfer, assignment, disposal or permission has been approved by a Consensus Members' Decision.
- 33.4 In no circumstances shall the Trust transfer, assign or dispose of all or any part of its membership of Access to any other person or admit any other person to membership of Access, except where such transfer, assignment, disposal or permission has been approved by a Consensus Members' Decision.
- 33.5 For the avoidance of doubt and for the purposes of section 631 of the Companies Act 2006, if and to the extent that the Government Appointee's consent would be required to any future variation of his or her rights as member in the context of any proposed amendment of these Articles or otherwise, that consent is deemed to have been given by virtue of this Article 33.
- 33.6 The Trust shall comply with section 22 of the Companies Act 2006 in relation to the notification of any amendment made to the Articles under this Article 33.

ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS

34. Communications by the Trust

Methods of communication

- 34.1 Subject to the Articles and the Companies Acts, any Document or information (including any notice, report or accounts) sent or supplied by the Trust under the Articles or the Companies Acts may be sent or supplied in any way in which the Companies Act 2006 provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by the Trust, including without limitation:
- 34.1.1 in Hard Copy Form;
- 34.1.2 in Electronic Form; or
- 34.1.3 by making it available on a website.
- 34.2 Where a Document or information which is required or authorised to be sent or supplied by the Trust under the Companies Acts is sent or supplied in Electronic Form or by making it available on a website, the recipient must have agreed that it may be sent or supplied in that form or manner or be deemed to have so agreed under the Companies Acts (and not revoked that agreement). Where any other Document or information is sent or supplied in Electronic Form or made available on a website the Directors may decide what agreement (if any) is required from the recipient.
- 34.3 Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the

means which that Director has asked to be sent or supplied with such notices or Documents for the time being.

Deemed delivery

- 34.4 A Member present in person or by proxy at a meeting of the Trust shall be deemed to have received notice of the meeting and the purposes for which it was called.
- 34.5 Where any Document or information is sent or supplied by the Trust to the Members:
- 34.5.1 where it is sent by post it is deemed to have been received 48 hours (including Saturdays, Sundays, and Public Holidays) after it was posted;
- 34.5.2 where it is sent or supplied by Electronic Means, it is deemed to have been received on the same day that it was sent;
- 34.5.3 where it is sent or supplied by means of a website, it is deemed to have been received:
- (a) when the material was first made available on the website; or
 - (b) if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 34.6 Subject to the Companies Acts, a Director or any other person (other than in their capacity as a member) may agree with the Trust that notices or Documents sent to that person in a particular way are deemed to have been received within a specified time, and for the specified time to be less than 48 hours.

Failed delivery

- 34.7 Where any Document or information has been sent or supplied by the Trust by Electronic Means and the Trust receives notice that the message is undeliverable:
- 34.7.1 if the Document or information has been sent to a member and is notice of a general meeting of the Trust, the Trust is under no obligation to send a Hard Copy of the Document or information to the member's postal address as shown in the Trust's register of Members, but may in its discretion choose to do so;
- 34.7.2 in all other cases, the Trust shall send a Hard Copy of the Document or information to the member's postal address as shown in the Trust's register of Members (if any), or in the case of a recipient who is not a Member, to the last known postal address for that person (if any); and
- 34.7.3 the date of service or delivery of the Documents or information shall be the date on which the original electronic communication was sent, notwithstanding the subsequent sending of Hard Copies.

Exceptions

- 34.8 Copies of the Trust's annual accounts and reports need not be sent to a person for whom the Trust does not have a current Address.

34.9 Notices of general meetings need not be sent to a member who does not register an Address with the Trust, or who registers only a postal address outside the United Kingdom, or to a member for whom the Trust does not have a current Address.

35. **Communications to the Trust**

The provisions of the Companies Acts shall apply to communications to the Trust.

36. **Secretary**

A Secretary may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and may be removed by them. If there is no Secretary:

36.1 anything authorised or required to be given or sent to, or served on, the Trust by being sent to its Secretary may be given or sent to, or served on, the Trust itself, and if addressed to the Secretary shall be treated as addressed to the Trust; and

36.2 anything else required or authorised to be done by or to the Secretary of the Trust may be done by or to a Director or a person authorised generally or specifically in that behalf by the Directors.

37. **Irregularities**

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of:

37.1 any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice; or

37.2 any failure on the part of the Accounting Officer for the Cabinet Office to appoint a Government Appointee or any failure on the part of the Government Appointee or any alternate Director appointed by the Government Appointee to participate in any such proceedings, meetings, resolutions or decisions of the Trust.

38. **Minutes**

The Directors must cause minutes to be made:

38.1 of all appointments of officers made by the Directors;

38.2 of all resolutions of the Trust and of the Directors (including, without limitation, decisions of the Directors made without a meeting); and

38.3 of all proceedings at meetings of the Trust and of the Directors, including the names of the Directors present at each such meeting,

and any such minute, if purported to be signed (or in the case of minutes of Directors' meetings signed or authenticated) by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as against any Member or Director of the Trust, be sufficient evidence of the proceedings.

39. **Records and accounts**

The Directors shall comply with the requirements of the Companies Acts as to maintaining a Members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies of:

- 39.1 annual reports;
- 39.2 annual returns; and
- 39.3 annual statements of account.

40. **Exclusion of model articles**

Any model articles for a company limited by guarantee prescribed by law are hereby expressly excluded.

WINDING UP

41. **Winding up**

41.1 At any time before, and in expectation of, the winding up or dissolution of the Trust, the Directors may resolve that any net assets of the Trust after all its debts and liabilities have been paid, or provision made for them, shall on the dissolution or winding up of the Trust be applied or transferred in any of the following ways:

- 41.1.1 to Big Society Foundation;
- 41.1.2 directly for the object of the Trust; or
- 41.1.3 to any not for profit institution(s) with purposes similar to the object of the Trust.

41.2 In no circumstances shall the net assets of the Trust be paid to or distributed among the Members of the Trust under this Article 41.

SCHEDULE
INTERPRETATION

Defined terms

1. In the Articles, unless the context requires otherwise, the following terms shall have the following meanings:

Term	Meaning
1.1 "Access"	Access – The Foundation for Social Investment with registered charity number 1159699 and company number 9153909 and registered office at 8 - 10 New Fetter Lane, London, EC4A 1AZ;
1.2 "ACEVO"	the Association of Chief Executives of Voluntary Organisations with registered company number 03514635 and registered office at Regents Wharf, 8 All Saints Street, London, N1 9RL;
1.3 "Address"	includes a postal or physical address and a number or address used for the purposes of sending or receiving Documents or information by Electronic Means;
1.4 "Annual Retirement Meeting"	the meeting of the Directors at which the accounts of the Trust are adopted;
1.5 "Articles"	the articles of association of the Trust;
1.6 "Banks"	Barclays, HSBC, Lloyds Banking Group and Royal Bank of Scotland and their respective successors and assigns;
1.7 "Board"	the Directors acting as a board of directors;
1.8 "Big Society Capital"	Big Society Capital Limited with registered company number 07599565 and registered office at 8 - 10 New Fetter Lane, London, EC4A 1AZ;
1.9 "Big Society Foundation"	Big Society Foundation with company number 07927834 and registered office at 8 - 10 New Fetter Lane, London, England, EC4A 1AZ;
1.10 "Business Sector Appointee"	a person with significant experience and knowledge of business and commerce;
1.11 "Chair"	has the meaning given in Article 11;
1.12 "Circulation Date"	in relation to a written resolution, has the meaning given to it in the Companies Acts;

1.13	"Clear Days"	in relation to the period of a notice, that 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;
1.14	"Companies Acts"	the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Trust;
1.15	"Connected "	<p>in relation to a Director means any person falling within any of the following categories:</p> <p>(a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of the Director; or</p> <p>(b) the spouse or civil partner of any person in (a); or</p> <p>(c) any other person in a relationship with the Director which may reasonably be regarded as equivalent to such a relationship as is mentioned at (a) or (b); or</p> <p>(d) any company, partnership or firm of which the Director is a paid director, member, partner or employee, or shareholder holding more than 1% of the capital;</p>
1.16	"Consensus Decision"	a decision of the Board taken in accordance with Article 20;
1.17	"Consensus Members' Decision"	a decision of the Members taken in accordance with Article 31.3;
1.18	"Directors"	the company law directors of the Trust;
1.19	"Document"	includes summons, notice, order or other legal process and includes, unless otherwise specified, any document sent or supplied in Electronic Form;
1.20	"Electronic Form" and "Electronic Means"	have the meaning[s] respectively given to them in Section 1168 of the Companies Act 2006;
1.21	"Ex Officio Appointee"	any person appointed as a Director under any of clauses 8.1.3 or 8.1.4 or 8.4.
1.22	"Financial Sector Appointee"	a person with significant experience and knowledge of finance and the financial sector;
1.23	"Governance Agreement"	an agreement entered into between the Trust and Big Society Capital relating to the governance of the Trust

and Big Society Capital, as the same may be amended from time to time by agreement in writing between the parties;

- 1.24 **"Government Appointee"** a person who is a serving senior civil servant (SCS Payband 2 or above) and is appointed under Article 9.9;
- 1.25 **"Members"** the company law members of the Trust;
- 1.26 **"NCVO"** the National Council for Voluntary Organisations with registered company number 00198344 and registered office at Regent's Wharf, 8 All Saints Street, London N1 9RL;
- 1.27 **"Secretary"** the secretary of the Trust (if any);
- 1.28 **"Sector Appointee"** a Business Sector Appointee, Financial Sector Appointee or one of the Social Sector Appointees;
- 1.29 **"Social Enterprise UK"** a community interest company limited by guarantee registered in England and Wales under company number 4426564 with registered office at The Fire Station, 139 Tooley Street, London, SE1 2HZ;
- 1.30 **"Social Sector Appointee"** a person who is employed by or exercises governance functions in an organisation that exists wholly or mainly to provide benefits for society or the environment;
- 1.31 **"Social Sector Organisation"** a third sector organisation as defined in the Dormant Bank and Building Society Accounts Act 2008 (being an organisation that exists or operates wholly or mainly to provide benefits for society or the environment);
- 1.32 **"Special Decision"** a decision of the Directors taken in accordance with Articles 21.1 or 21.2 (as appropriate);
- 1.33 **"Special Members' Decision"** a decision of the Members taken in accordance with Article 31.2;
- 1.34 **"Subsidiary Company"** any company in which the Trust holds more than 50% of the shares, controls more than 50% of the voting rights, or has the right to appoint a majority of the board of the company;
- 1.35 **"Trust"** The Big Society Trust; and
- 1.36 **"Writing"** 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.

2. Subject to paragraph 3 of this Schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
3. Unless the context otherwise requires, words or expressions contained in the Articles which are not defined in paragraph 1 above bear the same meaning as in the Companies Act 2006 as at the date when the Articles became binding on the Trust.