

**Company Number: 00653859**

**HEALTH SCIENCES UNIVERSITY**

**A company limited by guarantee without share capital**

---

**ARTICLES OF ASSOCIATION**

---

As adopted by Special Resolution 19 July 2024

## **CONTENTS**

	<b>Page</b>
1 COMPANY NAME	3
2 INTERPRETATION	3
3 OBJECTS	4
4 POWERS	4
PART I: GOVERNORS AND THEIR PROCEEDINGS	5
5 POWERS AND RESPONSIBILITIES OF GOVERNORS	5
6 APPOINTMENT OF GOVERNORS AND TERMS OF OFFICE	6
7 DISQUALIFICATION AND REMOVAL OF GOVERNORS	6
8 PROCEEDINGS OF GOVERNORS	7
9 DECLARATION OF GOVERNORS' INTERESTS	7
10 VALIDITY OF GOVERNORS' DECISIONS	7
11 OFFICERS OF THE BOARD OF GOVERNORS	8
12 WRITTEN RESOLUTIONS OF GOVERNORS	8
13 DELEGATION	8
14 INDEMNITY	8
PART II: OFFICERS AND GOVERNANCE OF THE INSTITUTION	9
15 CHANCELLOR	9
16 THE VICE-CHANCELLOR	9
17 THE SECRETARY	9
18 ACADEMIC BOARD	9
19 STAFF	9
20 ACADEMIC FREEDOM	9
21 STUDENTS	9
22 FREEDOM OF SPEECH	10
PART III: COMPANY MEMBERS AND GENERAL MEETINGS	10
23 MEMBERS	10
24 LIABILITY OF MEMBERS	10
25 GENERAL MEETINGS	10

26	NOTICE OF GENERAL MEETINGS	10
27	PROCEEDINGS AT GENERAL MEETINGS	11
28	VOTING	11
29	PROXY NOTICES – GENERAL MEETINGS	11
30	WRITTEN RESOLUTIONS OF THE MEMBERS	11
31	VOTES OF MEMBERS	11
	PART IV: ADMINISTRATION	12
32	SEAL	12
33	MEANS OF COMMUNICATION TO BE USED	12
34	RULES	12
	PART V: APPLICATION OF INCOME AND PROPERTY AND DISSOLUTION	12
35	APPLICATION OF INCOME AND PROPERTY	12
36	DISSOLUTION	15

## ARTICLES OF ASSOCIATION

of

## HEALTH SCIENCES UNIVERSITY

Adopted by special resolution on 19 July 2024

### 1. COMPANY NAME

The company's name is Health Sciences University (the "**institution**").

### 2. INTERPRETATION

2.1 In the Articles:-

"Articles"	means these Articles of Association
"board"	means the board of the governors of the institution
"chair"	means the chair of the board appointed in accordance with Article 11.1
"clear days"	in relation to the period of a notice means a period excluding:-  (a) the day when the notice is given or deemed to be given and  (b) the day for which it is given or on which it is to take effect
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the institution
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form
"electronic form"	has the meaning given in section 1168 of the Companies Act 2006
"Fit and Proper Person"	shall have such meaning as determined by the Regulator from time to time
"governors"	means the governors of the institution. The governors are charity trustees as defined by section 177 of the Charities Act 2011 and are also directors of the institution for the purposes of company law
"independent governor"	means a governor of the institution who is neither a student nor a member of staff of the institution
"member"	means a member of the institution as set out in Article 23

<b>“Regulator”</b>	means the Office for Students, the non-departmental public body of the Department for Education, acting as the regulator and competition authority for higher education in England, or any successor body
<b>“Rules”</b>	means any rules, bye-laws or procedures prescribed by the board in order to regulate the conduct of its business or that of the institution
<b>"the seal"</b>	means the common seal of the institution
<b>"secretary"</b>	means any person appointed to perform the duties of the secretary of the institution and clerk to the board
<b>"senior post"</b>	means the Vice-Chancellor, the secretary and such other posts as determined by the board from time to time
<b>“Vice-Chancellor”</b>	means the chief executive and academic officer of the institution

- 2.2 Words importing the singular includes the plural and vice versa.
- 2.3 Unless the context otherwise requires words or expressions contained in the Articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when this constitution becomes binding on the institution.
- 2.4 Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

### 3. **OBJECTS**

The institution's objects ("Objects") are specifically restricted to the following:-

- 3.1 to advance learning and knowledge through teaching and research in health sciences, health and care professions, healthcare management and related disciplines;
- 3.2 to establish clinical facilities and services for the promotion and maintenance of health and care, and to support education and research in health sciences education and related disciplines;
- 3.3 to promote and support the advancement of health and care professions.

### 4. **POWERS**

The institution has power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular, the institution has power:-

- 4.1 to award degrees and other academic awards and to withdraw such awards;
- 4.2 to raise funds. In doing so, the institution must not undertake any substantial permanent trading activity and must comply with any relevant statutory regulations;
- 4.3 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;

- 4.4 to sell, lease or otherwise dispose of all or any part of the property belonging to the institution. In exercising this power, the institution must comply as appropriate with sections 117 and 122 of the Charities Act 2011;
- 4.5 to borrow money and in connection with such borrowing to charge the whole or any part of the property belonging to the institution as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation and for those purposes the institution may enter into any financial instrument which is ancillary or incidental to the exercise of such power. The institution must comply as appropriate with sections 124-126 of the Charities Act 2011 if it wishes to mortgage land;
- 4.6 to give guarantees;
- 4.7 to co-operate with other educational establishments, charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- 4.8 to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- 4.9 to establish or acquire subsidiary undertakings;
- 4.10 to act as trustee or manager for and in relation to endowments, legacies and gifts;
- 4.11 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity, educational establishment or other organisation, subject to obtaining appropriate permissions from the Regulator;
- 4.12 to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- 4.13 to employ and remunerate such staff as are necessary for carrying out the work of the institution. The institution may employ or remunerate a governor only to the extent it is permitted to do so by Article 35 and provided it complies with the conditions in that Article;
- 4.14 to:-
  - 4.14.1 deposit or invest funds;
  - 4.14.2 employ a professional fund-manager; and
  - 4.14.3 arrange for the investments or other property of the institution to be held in the name of a nominee,

in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000; and
- 4.15 to provide indemnity insurance for the governors in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

## **PART I: GOVERNORS AND THEIR PROCEEDINGS**

### **5. POWERS AND RESPONSIBILITIES OF GOVERNORS**

- 5.1 The governors shall manage the business of the institution and may exercise all the powers of the institution unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any special resolution.

- 5.2 The board of governors shall be responsible for:-
- 5.2.1 The determination of the educational character and mission of the institution and for oversight of all of its activities;
  - 5.2.2 The financial sustainability and viability of the institution including approving the annual budget and financial forecast and the annual financial statements;
  - 5.2.3 Upholding the Regulator's public interest governance principles and complying with its conditions of registration and any other requirements of the Regulator and the institution's other regulators;
  - 5.2.4 The appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts;
  - 5.2.5 Setting the framework for the pay and conditions of service of all other staff.

## 6. **APPOINTMENT OF GOVERNORS AND TERMS OF OFFICE**

- 6.1 The number of governors shall be a minimum of 12 and a maximum of 20 members who shall hold office for such terms as shall be prescribed from time to time in the Rules.
- 6.2 The board of governors shall consist of a majority of independent governors appointed by the board and shall also include:-
- 6.2.1 the Vice-Chancellor, ex officio;
  - 6.2.2 up to two members of the staff of the institution ("**Staff Governor**") appointed in accordance with the Rules; and
  - 6.2.3 up to two members of the student body of the institution ("**Student Governor**") elected annually by the students in accordance with the Rules.
- 6.3 The board shall determine the periods of office of the governors in the Rules provided such terms do not exceed 9 years in total or, in the case of an independent governor appointed to the position of chair of the board or deputy chair, 12 years in total.

## 7. **DISQUALIFICATION AND REMOVAL OF GOVERNORS**

A governor shall cease to hold office if they:-

- 7.1 cease to be a director by virtue of any provision in the Companies Acts or is prohibited by law from being a director;
- 7.2 are disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions);
- 7.3 in the case of the Vice-Chancellor, cease to hold that office;
- 7.4 in the case of the Staff Governor, cease to be employed by the institution;
- 7.5 in the case of the Student Governor, cease to be a registered student of the institution;
- 7.6 become incapable by reason of mental disorder, illness or injury of managing and administering their own affairs;
- 7.7 resign as a governor by notice to the institution (but only if at least 12 governors will remain in office when the notice of resignation is to take effect);

7.8 at the discretion of the board if they fail to attend two consecutive duly convened board meetings without permission of the board or if the board is satisfied that either the governor's conduct is prejudicial to the smooth running of the board or they are no longer a Fit and Proper Person; or

7.9 they are removed at a general meeting of the institution in accordance with the provisions of the Companies Acts.

## **8. PROCEEDINGS OF GOVERNORS**

8.1 The governors may regulate their proceedings as they think fit, subject to the provisions of the Articles. Detailed procedures for the conduct of meetings of the board and its committees shall be set out in Rules made by the board.

8.2 A meeting may be held by suitable electronic means in which each participant may communicate with all the other participants.

8.3 No decision may be made by a meeting of the governors unless a quorum is present at the time the decision is purported to be made. 'Present' includes being present by suitable electronic means.

8.4 Any meeting of governors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the governors.

8.5 The quorum shall be one-third of the total number of governors or such larger number as may be decided from time to time by the governors, of whom a majority must be independent governors.

8.6 A governor shall not be counted in the quorum present when any decision is made about a matter upon which that governor is not entitled to vote.

8.7 If the number of governors is less than the number fixed as the quorum, the continuing governors or governor may act only for the purpose of filling vacancies or of calling a general meeting.

## **9. DECLARATION OF GOVERNORS' INTERESTS**

9.1 A governor must declare the nature and extent of any interest, direct or indirect, which they have in a proposed transaction or arrangement with the institution or in any transaction or arrangement entered into by the institution which has not previously been declared. A governor must absent themselves from any discussions of the governors in which it is possible that a conflict will arise between their duty to act solely in the interests of the institution and any personal interest (including but not limited to any personal financial interest). A conflict may be authorised by the unconflicted governors in accordance with the Rules.

## **10. VALIDITY OF GOVERNORS' DECISIONS**

10.1 Subject to Article 10.2, all acts done by a meeting of the governors, or of a committee of the governors, shall be valid notwithstanding the participation in any vote of a governor:-

10.1.1 who was disqualified from holding office;

10.1.2 who had previously retired or who had been obliged by the Articles to vacate office;

10.1.3 who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if without:-

10.1.4 the vote of that governor; and



10.1.5 that governor being counted in the quorum,

the decision has been made by a majority of the governors at a quorate meeting.

- 10.2 Article 10.1 does not permit a governor or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the governors or of a committee of governors if, but for Article 10.1, the resolution would have been void, or if the governor has not complied with Article 9.

## **11. OFFICERS OF THE BOARD OF GOVERNORS**

- 11.1 The governors shall appoint a chair and may appoint such other officers (as defined by the board from time to time in and in accordance with the Rules). The governors may at any time revoke such appointments.

- 11.2 If no chair has been appointed or if the person appointed is unable to attend the meeting, the governors present may appoint one of their number to chair that meeting in accordance with the Rules.

## **12. WRITTEN RESOLUTIONS OF GOVERNORS**

- 12.1 A resolution in writing or in electronic form agreed by a simple majority of all the governors entitled to receive notice of a meeting of governors or of a committee of governors and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the governors or (as the case may be) a committee of governors duly convened and held.

- 12.2 The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more governors has signified their agreement.

## **13. DELEGATION**

- 13.1 Subject to the provisions of Article 13.5, the governors may delegate any of their powers to any person, committee or body.

- 13.2 The governors may impose conditions when delegating, including the conditions that:-

13.2.1 the relevant powers are to be exercised exclusively by the committee or person to whom they delegate (otherwise they shall be capable of further delegation); and

13.2.2 no expenditure may be incurred on behalf of the institution except in accordance with a budget previously agreed with the governors.

- 13.3 The governors may revoke or alter a delegation.

- 13.4 The membership of committees and their terms of reference shall be set out in the Rules.

- 13.5 The governors shall not, however, delegate the following:-

13.5.1 the approval of the institution's strategic plan;

13.5.2 the approval of the institution's financial forecasts, annual budget and the annual financial statements;

13.5.3 the appointment or dismissal of the Vice-Chancellor and secretary.

## **14. INDEMNITY**

The institution shall indemnify any governor against any liability incurred by him or her in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.

## **PART II: OFFICERS AND GOVERNANCE OF THE INSTITUTION**

### **15. CHANCELLOR**

There may be a Chancellor of the institution who, if appointed by the Board, shall be entitled to confer degrees and other academic awards of the institution. The Board may also appoint one or more Pro-Chancellors who may deputise for the Chancellor or undertake such other roles as may be prescribed by the Board from time to time in the Rules.

### **16. THE VICE-CHANCELLOR**

Subject to the responsibilities of the board, the Vice-Chancellor shall be the chief executive of the institution and the accountable officer to the Regulator. The Vice-Chancellor shall have such responsibilities as are prescribed by the board from time to time in the Rules.

### **17. THE SECRETARY**

The board shall appoint or engage a secretary of the institution upon such terms as the board think fit. The secretary shall act as the clerk to the board.

### **18. ACADEMIC BOARD**

18.1 There shall be an academic board, the composition and terms of reference of which shall be prescribed in Rules made by the governors.

18.2 Subject to the provisions of the Articles, to the overall responsibility of the board and to the responsibilities of the Vice-Chancellor, the academic board shall oversee the teaching and research of the institution and be responsible for the academic quality and standards of the institution and its awards and the admission and regulation of students.

18.3 The governors shall receive and test assurance from the academic board that academic governance including the standard of the institution's awards, the student academic experience and student outcomes are adequate and effective. The academic board shall provide to the governors such academic assurance as it may require from time to time.

### **19. STAFF**

19.1 The board shall, after appropriate consultation with staff, make rules governing the conduct, suspension, discipline and dismissal of staff (including the holders of senior posts).

19.2 The board shall, after appropriate consultation with the staff, make rules enabling staff (including the holders of senior posts) to raise grievances about their employment.

### **20. ACADEMIC FREEDOM**

The board shall have regard to the need to ensure that academic staff of the institution have freedom within the law to question and test received wisdom, and to put forward new ideas and controversial and unpopular opinions, without placing themselves in jeopardy of losing their jobs or any privileges they may have at the institution or reducing the likelihood of their securing promotion or different jobs at the institution.

### **21. STUDENTS**

21.1 There shall be a students' union of the institution which shall conduct and manage its own affairs and funds in accordance with a constitution approved by the board and shall present audited accounts annually to the board. No amendment to or rescission of that constitution, in part or in whole, shall be valid unless and until approved by the board.

21.2 The board shall oversee the making of Rules governing the admission, suspension, discipline and expulsion of students, and for the consideration of student complaints and appeals.

## **22. FREEDOM OF SPEECH**

- 22.1 The institution shall take such steps as are reasonably practical to secure and promote freedom of speech within the law for its students, members and staff and for visiting speakers and other users of the premises.
- 22.2 The institution shall approve and regularly review a code of practice setting out the procedures to be followed by students and staff of the institution with respect to meetings and other activities held on the premises of the institution, and shall take such steps as are reasonably practicable to secure that the requirements of the code of practice are complied with.

## **PART III: COMPANY MEMBERS AND GENERAL MEETINGS**

### **23. MEMBERS**

- 23.1 The governors shall, for the duration of their terms of office as governors, be members of the institution. No other person or body shall be admitted as a member. The institution shall maintain a register of members. The membership and all rights of a member shall be personal and shall not be transferable.

### **24. LIABILITY OF MEMBERS**

- 24.1 The liability of the members is limited.
- 24.2 Every member of the institution promises, if the institution is dissolved while they are a member or within 12 months after they cease to be a member, to contribute such sum (not exceeding £2 (two pounds sterling)) as may be demanded of them towards the payment of the debts and liabilities of the institution incurred before they cease to be a member, and of the costs charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

### **25. GENERAL MEETINGS**

- 25.1 The governors may call a meeting of the members at any time. Such a meeting of members is known as a general meeting and requires certain formalities in order to be validly called and held. A general meeting shall be called when an ordinary resolution (passed by the approval of a simple majority of those present and voting) or special resolution (passed with the approval of 75% of those present and voting) of the institution is required pursuant to the Companies Act.

### **26. NOTICE OF GENERAL MEETINGS**

- 26.1 The minimum period of notice required to hold a general meeting is fourteen clear days.
- 26.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting, being a majority who together hold not less than 90% of the total voting rights.
- 26.3 The notice must specify the date time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006 and Article 29.
- 26.4 The notice must be given to all the members and the auditors.
- 26.5 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the institution.

## 27. **PROCEEDINGS AT GENERAL MEETINGS**

27.1 No business shall be transacted at any general meeting unless a quorum is present.

27.2 A quorum is one third of the total membership at the time, subject to a minimum of four, three of whom must be independent governors.

27.3 If:-

27.3.1 a quorum is not present within half an hour from the time appointed for the meeting;  
or

27.3.2 during a meeting a quorum ceases to be present;

the meeting shall be adjourned to such time and place as the governors shall determine.

The governors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.

27.4 General meetings shall be chaired by the person who has been appointed to chair meetings of the governors. If such person is not present at the meeting a governor nominated by the members shall chair the meeting.

## 28. **VOTING**

28.1 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. A poll may be demanded (and, if so demanded, shall be conducted) in accordance with the Rules.

28.2 The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.

28.3 In the event of a tie of votes, the person who is chairing the meeting shall have the casting vote.

## 29. **PROXY NOTICES – GENERAL MEETINGS**

29.1 Proxies may only validly be appointed by a member by a notice in writing (a "**proxy notice**") which complies with the requirements set out in the Rules.

## 30. **WRITTEN RESOLUTIONS OF THE MEMBERS**

30.1 A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:-

30.1.1 a copy of the proposed resolution has been sent to every eligible member;

30.1.2 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

30.1.3 it is received at the registered office within 28 days of the circulation date.

30.2 A resolution in writing may comprise several copies to which one or more members have signified their agreement.

## 31. **VOTES OF MEMBERS**

31.1 Every member shall have one vote.

- 31.2 Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.

#### **PART IV: ADMINISTRATION**

##### **32. SEAL**

The institution's seal must only be used by the authority of the governors or of a committee of governors. Any instrument to which the seal is to be affixed shall be signed by a governor and by the secretary or by a second governor.

##### **33. MEANS OF COMMUNICATION TO BE USED**

- 33.1 Subject to the Articles, anything sent or supplied by or to the institution under the Articles 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 or to the institution.

##### **34. RULES**

- 34.1 The governors may from time to time make and amend such reasonable and proper Rules as they may deem necessary or expedient for the proper conduct and management of their proceedings and of the institution.
- 34.2 No Rule shall be inconsistent with, or shall affect or repeal anything contained in, the Articles. In the event of any inconsistency, the Articles shall prevail.

#### **PART V: APPLICATION OF INCOME AND PROPERTY AND DISSOLUTION**

##### **35. APPLICATION OF INCOME AND PROPERTY**

- 35.1 The income and property of the institution shall be applied solely towards the promotion of the Objects.

35.1.1 A governor is entitled to be reimbursed from the property of the institution or may be paid out of such property reasonable expenses properly incurred by them when acting on behalf of the institution.

35.1.2 A governor may benefit from trustee indemnity insurance cover purchased at the institution's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

35.1.3 A governor may receive an indemnity from the institution in the circumstances specified in Article 14.

- 35.2 None of the income or property of the institution may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the institution. This does not prevent a member who is not also a governor receiving:-

35.2.1 a benefit from the institution in the capacity of a beneficiary of the institution; and

35.2.2 reasonable and proper remuneration for any goods or services supplied to the institution.

##### **35.3 Governors' benefits**

No governor or connected person may:-

- 35.3.1 buy any goods or services from the institution on terms preferential to those applicable to members of the public;

- 35.3.2 sell goods, services, or any interest in land to the institution;
  - 35.3.3 be employed by, or receive any remuneration from, the institution; and
  - 35.3.4 receive any other financial benefit from the institution,
- unless:-
- (a) the payment is permitted by Article 35.4 or
  - (b) the governors obtain the prior written approval of the Regulator and fully comply with procedures it prescribes.

#### **35.4 Scope and powers permitting governors'/connected persons' benefits**

- 35.4.1 A governor or connected person may receive a benefit from the institution in the capacity of a beneficiary of the institution provided that a majority of the governors do not benefit in this way.
  - 35.4.2 The Vice-Chancellor, members of staff and students of the institution who are governors may be paid all remuneration and fees to which they would have been entitled if they were not governors provided always that no such person shall be entitled to vote upon any resolution providing for payment of or relating to such remuneration or relating to the conditions of service of any such officer or servant of the institution.
  - 35.4.3 A governor or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the institution where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011.
  - 35.4.4 Subject to Article 35.5 a governor or connected person may provide the institution with goods that are not supplied in connection with services provided to the institution by the governor or connected person.
  - 35.4.5 A governor or connected person may receive interest on money lent to the institution at a reasonable and proper rate which must be 2% (or more) per annum below the base rate of a clearing bank to be selected by the governors.
  - 35.4.6 A governor or connected person may receive rent for premises let by the governor or connected person to the institution if the amount of the rent and the other terms of the lease are reasonable and proper and provided that the governor concerned shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
  - 35.4.7 The governors may arrange for the purchase, out of the funds of the institution, of insurance designed to indemnify the governors in accordance with the terms of, and subject to the conditions in, section 189 of the Charities Act 2011.
  - 35.4.8 A governor or connected person may take part in the normal trading and fundraising activities of the institution on the same terms as members of the public.
- 35.5 The institution and its governors may only rely upon the authority provided by Article 35.4.4 if each of the following conditions is satisfied:-
- 35.5.1 the amount or maximum amount of the payment for the goods is set out in an agreement in writing between:-
    - (a) the institution or its governors (as the case may be); and

- (b) the governor or connected person supplying the goods ("the supplier") under which the supplier is to supply the goods in question to or on behalf of the institution;
- 35.5.2 the amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question;
- 35.5.3 the other governors are satisfied that it is in the best interests of the institution to contract with the supplier rather than with someone who is not a governor or connected person. In reaching that decision the governors must balance the advantage of contracting with a governor or connected person against the disadvantages of doing so;
- 35.5.4 the supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with them with regard to the supply of goods to the institution;
- 35.5.5 the supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of governors is present at the meeting;
- 35.5.6 the reason for their decision is recorded by the governors in the minute book; and
- 35.5.7 a majority of the governors then in office are not in receipt of remuneration or payments authorised by Article 35.3.
- 35.6 In Articles 35.1.1 - 35.4 "**institution**" shall include any company in which the institution:-
  - holds more than 50% of the shares; or
  - controls more than 50% of the voting rights attached to the shares; or
  - has the right to appoint one or more directors to the board of the company.
- 35.7 In Articles 35.3 - 35.5 "**connected person**" means:-
  - 35.7.1 a child, parent, grandchild, grandparent, brother or sister of the governor;
  - 35.7.2 the spouse or civil partner of the governor or of any person falling within paragraph 35.7.1 above;
  - 35.7.3 a person carrying on business in partnership with the governor or with any person falling within paragraph 35.7.1 or 35.7.2 above;
  - 35.7.4 an organisation which is controlled:-
    - (a) by the governor or any connected person falling within paragraph 35.7.1, 35.7.2, or 35.7.3 above; or
    - (b) by two or more persons falling within sub-paragraph 35.7.4(a), when taken together;
  - 35.7.5 a body corporate in which:-
    - (a) the governor or any connected person falling within paragraphs 35.7.1 to 35.7.3 has a substantial interest; or
    - (b) two or more persons falling within sub-paragraph 35.7.5(a) who, when taken together, have a substantial interest.

- 35.8 Sections 350-352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this Article.
36. **DISSOLUTION**
- 36.1 The members of the institution may at any time before, and in expectation of, its dissolution resolve that any net assets of the institution after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the institution be applied or transferred in any of the following ways:-
- 36.1.1 directly for the Objects;
  - 36.1.2 by transfer to any charity or charities for purposes similar to the Objects; or
  - 36.1.3 to any charity or charities for use for particular purposes that fall within the Objects.
- 36.2 Subject to any such resolution of the members of the institution, the governors of the institution may at any time before and in expectation of its dissolution resolve that any net assets of the institution after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the institution be applied or transferred:-
- 36.2.1 directly for the Objects;
  - 36.2.2 by transfer to any charity or charities for purposes similar to the Objects; or
  - 36.2.3 to any charity or charities for use for particular purposes that fall within the Objects.
- 36.3 In no circumstances shall the net assets of the institution be paid to or distributed among the members of the institution and if no resolution in accordance with Article 36.1 or 36.2 is passed by the members or the governors the net assets of the institution shall be applied for charitable purposes as directed by the Courts or the Regulator.