

Companies Act 2006

Company limited by guarantee and not having a share capital

ARTICLES OF ASSOCIATION OF FAIRSHARE EDUCATIONAL FOUNDATION

As adopted by special resolution dated 16 May 2019

1 Name

The name of the company is Fairshare Educational Foundation (“the Charity”).

2 Registered Office

The registered office of the Charity is to be in England and Wales.

3 Objects

The Charity’s objects (“Objects”) are:

- 3.1 To promote ethical and responsible investment for the public benefit so as to advance
 - 3.1.1 the relief of poverty;
 - 3.1.2 the protection of the environment;
 - 3.1.3 the promotion of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) by means of research into human rights issues and raising awareness of them particularly amongst companies and investors and promoting respect for human rights among individuals and corporations and eliminating or avoiding infringements;
 - 3.1.4 sustainable development (meaning “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”)
 - 3.1.5 compliance with the law and ethical standards of conduct; and
 - 3.1.6 such other purposes as may be effectively advanced by such promotion which are charitable in law;

provided always that the Charity shall have due regard to the legal and equitable duties and responsibilities of those to whom such promotion is directly or indirectly provided; and
- 3.2 To advance the education of the public in the principles and effects of ethical and responsible investment; and
- 3.3 To undertake and promote research relating to ethical and responsible investment and making the useful results publicly available.

4 Powers

The Charity may only in promoting the Objects:

- 4.1 provide or assist in the provision of conferences, courses of instruction, exhibitions, other educational events or activities;
- 4.2 publish or assist in the publication of written and/or aural materials in any media and format;
- 4.3 undertake or promote any studies, surveys or other research work;
- 4.4 alone or in co-operation with others seek to influence public opinion and make representations to and seek to influence governmental and other bodies regarding the development and implementation of ethical investment policies provided that all such activities shall be conducted on the basis of well-founded, reasoned argument and shall in all respects be confined to those which an English charity may properly undertake;
- 4.5 provide and assist in the provision of financial and material resources, advice and guidance;

- 4.6 co-operate with other bodies;
- 4.7 set-up, support, administer (or assist in such activities) or amalgamate with charities or other organisations with objects consistent with or complementary to its Objects;
- 4.8 raise funds by any lawful means;
- 4.9 borrow money and give security;
- 4.10 acquire, let, hire, equip and (subject to legal requirements) dispose of or charge property of any kind;
- 4.11 make grants or loans of money, take credit and security and give guarantees;
- 4.12 set aside funds for special purposes or as reserves against future expenditure;
- 4.13 invest funds not immediately required in or upon any investments, security, property or other lawful investment;
- 4.14 delegate the management of investments in accordance with the provisions in such respect of the Trustee Act 2000;
- 4.15 insure the property of the Charity against any foreseeable risk;
- 4.16 subject to Clause 5, employ paid or unpaid agents, staff or advisers;
- 4.17 enter into contracts to provide services;
- 4.18 trade in the course of carrying out the Objects, or in a manner reasonably incidental to promotion of the Objects, or in any other way not expected to give rise to taxable profits;
- 4.19 establish subsidiary companies to undertake any trade or other activity;
- 4.20 pay the costs of establishing the Charity;
- 4.21 provide indemnity insurance to cover the liability of Trustees:
 - 4.21.1 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 Charity;

to make contributions to the assets of the Charity in accordance with the provisions of section 214 of the Insolvency Act 1986;
 - 4.21.3 provided that any such insurance in respect of matters covered by 4.21.1 shall not extend to any liability:
 - a. resulting from conduct with the Trustees knew or must be assumed to have known, was not in the interest of the Charity, or in respect of which the Trustees did not care whether it was in the best interests of the Charity or not;
 - b. to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud, or dishonesty, or wilful or reckless misconduct of the Trustees;
 - c. to pay a fine;
- and provided that any such insurance in respect of matters covered by 4.21.2 shall not extend to any liability to make such a contribution where the basis of a Trustee's liability is his or her knowledge prior to the insolvent liquidation of the Charity (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Charity would avoid going into insolvent liquidation;
- 4.22 do anything else within the law which promotes or helps to promote the Objects.

5 Application of Charity assets

- 5.1 The assets of the Charity must be used only for promoting the Objects and to shall not be distributed to the Members except that:
 - 5.1.1 Members (who are not Trustees) may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied;
 - 5.1.2 Members (including Trustees) may be paid interest at a reasonable rate on money lent to the Charity;
 - 5.1.3 Members (including Trustees) may be paid a reasonable rent or hiring fee for property let or hired to the Charity.
- 5.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:
 - 5.2.1 as mentioned in Clauses 5.1.2, 5.1.3 or 5.3;
 - 5.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel expenses actually incurred in running the Charity);
 - 5.2.3 an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings);
 - 5.2.4 payment to any company in which a Trustee has no more than a 1 per cent shareholding;
 - 5.2.5 in exceptional cases approved by the Charity Commission, other payments or benefits.
- 5.3 Any Trustee (or any firm or company of which a Trustee has an interest) may enter into a contract with the Charity to supply goods or services in return for a payment or other material benefit but only if:
 - 5.3.1 the goods or services are actually required by the Charity;
 - 5.3.2 the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Clause 5.4;
 - 5.3.3 no more than one half of the Trustees are subject to such a contract in any financial year.
- 5.4 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee, the Trustee concerned must:
 - 5.4.1 declare an interest at or before discussion begins on the matter;
 - 5.4.2 withdraw from the meeting for that item unless expressly invited to remain in order to provide information;
 - 5.4.3 not be counted in the quorum for that part of the meeting;
 - 5.4.4 withdraw during the vote and have no vote on the matter.

6 Limited Liability

- 6.1 The liability of members is limited.
- 6.2 Every Member promises, if the Charity is dissolved while he, she or it remains a Member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Charity while the contributor was a Member.

7 Membership

- 7.1 Membership is open to any corporate or unincorporated organisation, that:
- 7.1.1 applies for Membership in the form required by the Trustees;
 - 7.1.2 is approved by the Trustees on the basis that its Membership may benefit promotion of the Objects;
 - 7.1.3 is willing to make a substantive contribution to furthering the Objects of the charity appropriate to their size and capability; and
 - 7.1.4 consents in writing to become a Member;
- 7.2 The Charity shall maintain a register of Members which shall contain statutory information and the name and address of each Member's principal Authorised Representative (for the time being).
- 7.3 The Trustees may establish different classes of Membership and prescribe their respective privileges and duties and set the amounts of any subscriptions.
- 7.4 Membership is terminated if the Member concerned:
- 7.4.1 gives written notice of resignation to the Charity;
 - 7.4.2 ceases to exist;
 - 7.4.3 is six months in arrears in paying any subscription (but in such a case the Member may be reinstated on payment of the amount due); or
 - 7.4.4 is removed from Membership by resolution of the Trustees on the ground that in their reasonable opinion the Member's continued Membership is harmful to the Charity (but only after notifying the Member in writing and considering the matter in the light of any written representations which the Member concerned puts forward within 14 clear days after receiving notice).
- 7.5 Membership of the Charity is not transferable.
- 7.6 The Trustees may establish non-voting classes of affiliate members, and rules for such affiliates.

8 General Meetings

- 8.1 Members are entitled to attend general meetings by an Authorised Representative. General meetings are called on at least 14 clear days written notice specifying the business to be discussed. Trustees will inform members at least 70 days in advance of the proposed date of the Annual General Meeting. The proceedings at a general 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 Charity.
- 8.1.1 Members are entitled to request that the Trustees call a general meeting by submitting a written notice signed by at least 5% of the members entitled to vote at such a meeting. On receipt of such a notice the Trustees will arrange a general meeting to take place within 28 days of the receipt of the request and give all members at least 14 clear days written notice of the date and venue of the meeting.
- 8.2 There is a quorum at a general meeting if the number of Members with a right to attend and vote at general meetings and represented by Authorised Representatives personally present is at least 4 (or ten per cent of the Members if greater).
- 8.2.1 If:
 - a. a quorum is not present within half an hour from the time appointed for the
 - b. meeting; or

- c. during a meeting a quorum ceases to be present;
- the meeting shall be adjourned to such time and place as the Trustees shall determine.
- 8.2.2 The Trustees must reconvene the meeting and must give at least 7 clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
- 8.2.3 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the Members represented by an Authorised Representative present in person at that time shall constitute the quorum for that meeting.
- 8.3 The Chair or (if the Chair is unable or unwilling to do so) some other Trustee elected by those present will preside at a general meeting.
- 8.4 Authorised Representatives of Members must vote in person at the general meetings.
 - 8.4.1 Voting will normally be by a show of hands unless:
 - a. the number of candidates for the post of Trustee exceeds ten; or
 - b. a poll is demanded:
 - a. by the person chairing the meeting; or
 - b. by at least two members present in person.
- 8.5 Except where otherwise provided by the Companies Acts or these Articles, every issue is decided by a majority of the votes cast.
- 8.6 Except for the chair of the meeting, who has a casting vote, every Member present through an Authorised Representative has one vote on each issue.
- 8.7 A resolution in writing signed 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 a copy of the proposed resolution has been sent to every eligible Member. The signature of an Authorised Representative shall signify the agreement of the relevant Member. For this purpose the written resolution may be set out in more than one document and will be treated as passed on the date of the last signature.
- 8.8 The Charity must hold an Annual General Meeting in every year which all members are entitled to attend.
- 8.9 At an Annual General Meeting the Members:
 - 8.9.1 receive the accounts of the Charity for the previous financial year;
 - 8.9.2 receive the Trustees' report on the Charity's activities since the previous AGM;
 - 8.9.3 accept the retirement of Trustees;
 - 8.9.4 elect Trustees;
 - 8.9.5 appoint auditors for the Charity;
 - 8.9.6 may confer on any individual (with his or her consent) any honorific title of the Charity; and
 - 8.9.7 discuss and determine any issues of policy or deal with any other business put before them.

8.10 Any general meeting which is not an Annual General Meeting is an Extraordinary General Meeting (“EGM”).

8.11 An EGM may be called at any time by the Trustees.

9 The Trustees

9.1 The Trustees have control of the Charity and its property and funds.

9.2 There shall be at least three and not more than ten Trustees.

9.3 Trustees may be appointed at any time in the year by a resolution of the Board of Trustees, provided that the total number of Trustees following the appointment would not exceed ten.

9.4 Trustees, except as in 9.4.1 and 9.4.2, will serve for a maximum of six consecutive years from the date of first appointment or election. Having served a six-year term a Trustee is only eligible for re-appointment after a break of three years.

9.4.1 Any Trustee elected to the Chair who has, on the date of that election, served less than three consecutive years as a Trustee from the date of first appointment or election, will serve a maximum of six consecutive years as Chair from the date of appointment or election to the Chair. Having served a maximum six-year term as Chair a Trustee is only eligible for re-appointment as a Trustee after a break of three years.

9.4.2 Any Trustee elected to the Chair who has, on the date of that election, served three or more consecutive years as a Trustee from the date of first appointment or election, will serve a maximum of nine consecutive years as a Trustee from the date of first appointment or election. Having served a maximum nine-year term a Trustee is only eligible for re-appointment as a Trustee after a break of three years.

9.5 At each AGM all Trustees, willing and eligible to stand, will be put up for election by the Members and supply to the Charity a short (approximately 100 words) election manifesto for circulation to the Members along with notice of the AGM.

9.6 Members may propose individuals (who signify their willingness to stand) to be considered for election as Trustees at an AGM by giving notice in writing to the Charity 50 clear days before the meeting. Any candidates so proposed will need to be seconded by another Member and supply such information on the candidate as the Trustees require and include a short (approximately 100 words) election manifesto from the candidate.

9.7.1 In cases where there are 10 or fewer candidates each will be elected as long as they have more votes in favour than against them.

9.7.2 When there are more than 10 candidates Members will be asked to vote by poll for up to 10 candidates. The 10 with the greatest number of votes in favour will be elected.

9.7.3 In the event that candidates receive the same number of votes, those candidates will be elected in the following order until ten Trustees are elected:

a. existing Trustees;

b. those drawn by lot from the remaining names of candidates with equal votes by the chair of the meeting.

9.7.4 In the event that the Members do not vote in favour of at least 3 Trustees, the existing Chair (if eligible for election) and up to three Trustees (drawn by lots by the chair of the meeting) will be deemed to have been elected.

9.7.5 If the AGM is not quorate then all existing Trustees eligible for re-election will

continue in office until the meeting is reconvened.

- 9.8 The acceptance of the resignation of a trustee may be deferred to ensure compliance with Article 9.2.
- 9.9 A Trustee's term of office automatically terminates if he or she:
- 9.9.1 is considered to be, by resolution of the Trustees, incapable, whether mentally or physically, of managing his or her own affairs;
 - 9.9.2 resigns by written notice to the Trustees (but only if at least three Trustees will remain in office);
 - 9.9.3 is removed by resolution passed at least fifty-one per cent of the Members present and voting at a general meeting after the meeting has heard the views of the Trustee concerned and considered the matter in the light of any such views;
 - 9.9.4 fails to attend three consecutive meetings, without reasonable excuse, and the Trustees resolve that for such reason the Trustee should be removed from office;
 - 9.9.5 ceases to be eligible to be a Trustee of the Charity by virtue of any provision of the Companies Acts or the Charities Act 1993.
- 9.10 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

10 Proceedings of Trustees

- 10.1 The Trustees must hold at least three meetings each year.
- 10.2 A quorum at a meeting of the Trustees is three Trustees.
- 10.3 A meeting of the Trustees may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants.
- 10.4 A Trustee may not appoint anyone to act on his or her behalf at a meeting of the Trustees.
- 10.5 The Chair, or (if the Chair is unable or unwilling to do so) some other Trustee chosen by the Trustees present, will preside at each meeting.
- 10.6 Every issue may be determined by a simple majority of the votes cast at a meeting but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting (and for this purpose the resolution may be contained in more than one document and will be treated as passed on the date of the last signature).
- 10.7 Except for the chair of the meeting, who has a second or casting vote, every Trustee has one vote on each issue.
- 10.8 A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

11 Powers of Trustees

- 11.1 The Trustees have the following powers in the administration of the Charity:
- 11.1.1 to appoint (and remove) any person to act as Secretary to the Charity in accordance with the Companies Acts;
 - 11.1.2 to appoint a Chair, Treasurer and other honorary officers from among their number;

11.1.3 to delegate any of their functions to individuals or committees consisting of two or more individuals appointed by them on the basis that all proceedings of committees must be reported promptly to the Trustees;

11.1.4 to make such reasonable and proper rule or bye laws as they deem necessary or expedient for the proper conduct and management of the Charity which are consistent with these Articles and the Companies Acts to govern proceedings at general meetings, Trustee meetings, meetings of committees and other matters;

11.1.5 to exercise any powers of the Charity which are not reserved to a general meeting.

12 Records & Accounts

12.1 The Trustees must comply with the requirements of the Companies Act 2006 and the Charity Commission as to keeping financial records, the audit or inspection of accounts and the preparation and transmission to the Registrar of Companies of:

12.1.1 annual reports;

12.1.2 annual returns;

12.1.3 annual statements of account;

12.2 The Trustees must keep proper records of:

12.2.1 all proceedings at general meetings;

12.2.2 all proceedings at meetings of the Trustees;

12.2.3 all reports of committees; and

12.2.4 all professional advice obtained.

12.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any reasonable time during normal office hours and may be made available for inspection by Members who are not Trustees if the Trustees so decide.

12.4 A copy of the Charity's latest available statement of account must be supplied on request to any Trustee or Member, or to any other person who makes a written request and pays the Charity's reasonable costs, within two months.

13 Notices

13.1 Notices under these Articles may be sent by hand, or by post or by suitable electronic means or (where applicable to Members generally) may be published in any suitable journal or newspaper or any newsletter distributed by the Charity.

13.2 The only address at which a member is entitled to receive notices is the address shown in the register of Members.

13.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

13.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address;

13.3.2 two clear days after being sent by first class post to that address;

13.3.3 three clear days after being sent by second class or overseas post to that address;

13.3.4 on the date of publication of a newspaper containing the notice;

13.3.5 on being handed to the Member's Authorised Representative of a Member personally; or, if earlier

13.3.6 as soon as the Member acknowledges actual receipt.

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

14 Indemnity

14.1 The Charity may indemnify a relevant Trustee against any liability incurred in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.

14.2 In this article, a 'relevant Trustee' means any Trustee or former Trustee of the Charity.

15 Declaration of Trustees' interests

15.1 A Trustee must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Charity or in any transaction or arrangement entered into by the Charity which has not previously been declared. A Trustee must absent himself or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Charity and any personal interest (including but not limited to any personal financial interest).

16 Benefits and payments to Trustees and connected persons

16.1 General Provisions

No Trustee or connected person may:

16.1.1 buy any goods or services from the Charity on terms preferential to those applicable to members of the public;

16.1.2 sell goods, services, or any interest in land to the Charity;

16.1.3 be employed by, or receive any remuneration (other than the reimbursement of reasonable expenses incurred in the performance of his or his duties) from the Charity;

16.1.4 receive any other financial benefit from the Charity;

unless the payment is permitted by sub-clauses 16.2.1 – 16.2.5 or authorised by the court or the Charity Commission.

In this article, a "financial benefit" means a benefit, direct or indirect, which is either money or has a monetary value.

16.2 Scope and powers permitting Trustees' or connected persons' benefits

16.2.1 A Trustee or connected person may receive a benefit from the Charity in the capacity of a beneficiary of the Charity provided that a majority of the Trustees do not benefit in this way.

16.2.2 A Trustee 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 Charity where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011.

16.2.3 A Trustee or connected person may receive interest on money lent to the Charity at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).

16.2.4 A Trustee or connected person may receive rent for premises let by the Trustee or connected person to the Charity. The amount of the rent and the other terms of the lease must be reasonable and proper. The Trustee

concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

16.2.5 A Trustee or connected person may take part in the normal trading and fundraising activities of the Charity on the same terms as members of the public.

In sub-clauses 16.1-16.2.5:

“Charity” includes any company in which the Charity:

- a. holds more than 50% of the shares; or
- b. controls more than 50% of the voting rights attached to the shares; or
- c. has the right to appoint one or more directors to the board of the company.

“connected person” includes any person with the definition in article 14

‘Interpretation’.

17 Conflicts of interests and conflicts of loyalties

17.1 If a conflict of interests arises for a Trustee because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted Trustees may authorise such a conflict of interests where the following conditions apply:

17.1.1 the conflicted Trustee is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

17.1.2 the conflicted Trustee does not vote on any such matter and is not to be counted when considering whether a quorum of Trustees is present at the meeting; and

17.1.3 the unconflicted Trustees consider it in the interests of the Charity to authorise the conflict of interests in the circumstances applying.

17.1.4 In this article a conflict of interest arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a Trustee or to a connected person.

18 Disputes

If a dispute arises between Members about the validity or propriety of anything done by the Members of the Charity under these Articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

19 Interpretation

19.1 In these Articles:

“AGM” means an annual general meeting of the Charity;

“Articles” means these articles of association;

“Authorised Representative” means an individual who is authorised by a Member to act on its behalf at meetings of the Charity and whose name is given to the Secretary. The individual may continue to represent the Member until written notice is received by the Charity. Any notice given to the Charity shall be conclusive evidence that the representative is entitled to represent the Member or that his or her authority has been revoked. The Charity shall not be required to consider whether the representative has been properly appointed by the organisation.

“Chair” means the chair of the Trustees;

“Charity” means the company intended to be regulated by these Articles;

“clear day” means 24 hours from midnight following the relevant event;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Charity.

“connected person” means:

- a. a child, parent, grandchild, grandparent, brother or sister of the Trustee;
- b. the spouse or civil partner of the Trustee or of any person falling within sub-clause (a) above;
- c. a person carrying on business in partnership with the Trustee or with any person falling within sub-clause (a) or (b) above;
- d. an institution which is controlled:
 - i. by the Trustee or any connected person falling within sub-clause (a), (b) or (c) above; or
 - ii. by two or more persons falling within sub-clause d(i), when taken together.
- e. a body corporate in which:
 - i. the Trustee or any connected person falling within sub-clauses (a) to (c) has a substantial interest; or
 - ii. two or more persons falling within sub-clause e(i) who, when taken together, have a substantial interest.

Sections 350-352 of the Charities Act 2011 apply for the purpose of interpreting the terms used in this definition of connected person.

“EGM” means an extraordinary general meeting of the Charity;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“material benefit” means a benefit which may not be financial but has a monetary value;

“Member” and “Membership” means a member or membership of the Charity;

“Month” means calendar month;

“Objects” means the Objects of the Charity as defined in Clause 3 of the Articles;

“Secretary” means the Company Secretary of the Charity, if applicable;

“Trustee(s)” means a Trustee(s) of the Charity as defined by section 177 of the Charities Act 2011;

“written” or “in writing” means a legible document on paper including a fax or email message;

“Year” means calendar year;

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

20 Dissolution

20.1 In the event of the dissolution of the Charity its remaining assets shall be disposed of as determined by the Trustees to some other charitable institution or institutions with similar objects to the Objects.