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**ARTICLES OF ASSOCIATION
A GUIDE FOR MAJOR EVENT SPVS**



Articles of Association – A guide for Major Event SPVs

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This guide should be read in conjunction with the following other documents;

- Major Event Governance Guidance
- Major Event SPV Guidance
- A Code for Sports Governance (the Code)

When stakeholders determine to deliver their event via a Special Purpose Vehicle (SPV) company, that company will require Articles of Association (AoA) as part of the incorporation procedure with Companies House. The Articles of Association is a document that specifies the regulations for a company's operations and defines the company's purpose. The document lays out how tasks are to be accomplished within the organization, including the process for appointing directors and handling of financial records.

This guide uses an example set of Articles to offer some explanation and guidance as to areas stakeholders may wish to consider when drawing up your AoA, taking into account some of the conditions which might be required under the Code. Where there is an article which directly addressed a requirement of the Code, this has been highlighted.

All companies will have differences and therefore there are no ‘one size fits all’ articles for Event SPVs. The example outlined here is for a Company Limited by Guarantee, and have been drawn up with compliance with the Code in mind, hence being determined a helpful example. Links to some other AoA published on Companies House website are also included.

As this guide simply serves as a pointer using an example, it is advised that you consult with a legal expert when creating Articles of Association as they are legal documents and require appropriate advice and action when determining them.



EXAMPLE ARTICLES OF ASSOCIATION

Company No xxxxx

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

[Insert Company Name]

Incorporated [insert date of incorporation]

This organisation is a Private Company Limited by Guarantee. There are other options for the type of company you choose (i.e. Limited by Shares), and discussion with your legal advisor is encouraged.



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Company No xxxx

THE COMPANIES ACT 2006

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

of

[Company name]

Incorporated [date]

1. EXCLUSION OF MODEL ARTICLES

None of the regulations contained in the Companies (Model Articles) Regulations 2008 apply to the Company and these articles alone are the articles of association of the Company.

Model articles are standard articles provided by Companies House. Generally, Event SPVs choose to adopt their own articles as the model articles tend not to be fit for purpose. Discussion with your legal advisor is encouraged on this point.

2. INTERPRETATION

2.1 In these articles, unless the context requires otherwise:-

"Act"	means the Companies Act 2006
"Articles"	means these articles of association
"Bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy
"Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company
"Director"	means a director of the Company, and includes any person occupying the position of director, by whatever name called
"Eligible Director"	means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of a particular matter)
"Event"	means the [Insert event name] and any officially-endorsed events organised in connection with it
"Funding"	means funding and/or resources from [insert funders names]



"HM Government/Minister"	means Her Majesty's Government / Minister for Sport
"Independent Chair"	has the meaning given in Article 0
"Independent Directors"	has the meaning given in Article 0
"Member"	means the sole member of the Company being [Insert organisation's name if Member applicable]
"Nominated Directors"	has the meaning given in 0
"Nominating Body"	has the meaning given in 0
"Objects"	means the objects of the Company set out in Article 5
"Organisation Agreement"	means the agreement between [IF and host organisation] dated [insert date] the hosting the Event
"Proxy Notice"	has the meaning given in Article 36
"Relevant Director"	has the meaning in Article 44
"Relevant Loss"	has the meaning in Article 44
"Taxes Acts"	means the Finance Act 2010 and references made therein to and the relevant tax legislation in force

Note that these Articles include a Sole Member – in this example this means it is a wholly owned subsidiary of the Member organisation. Where there is shared ownership they will likely be more than one member. For more detail please refer to the Major Events Governance Guidance and the Guide to setting up Major Event SPVs, as well as again, considering specific legal advice for your circumstances.

Names of all organisations should also be referenced in this list

- 2.2 References in these Articles to a document includes, unless otherwise specified any document sent or supplied in electronic form.
- 2.3 References in these Articles to "**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
- 2.4 Unless the context otherwise requires:-
 - 2.4.1 words importing the singular include the plural and vice versa;
 - 2.4.2 words importing any gender include all other genders; and
 - 2.4.3 words importing natural persons include corporations.
- 2.5 Words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles including the following words which are defined in the following sections of the Act:-



Word(s)/Expression	Section number in Act
electronic form	section 1168
hard copy form	section 1168
ordinary resolution	section 282
special resolution	section 283
working day	section 1173
connected	sections 252 to 256

- 2.6 A reference to an article by number is to the relevant article of these Articles.
- 2.7 Headings used in these Articles shall not affect their construction or interpretation.
- 2.8 References to any statute or section of a statute shall include reference to any statutory amendment, extension, modification or re-enactment of such statute or section of a statute.

3. **LIABILITY OF THE MEMBER AND WINDING UP**

If you choose to establish your SPV with a sole Member then they may wish to discuss with your legal advisors the appropriate way to address liability. This clause will be different dependent on the type of company (i.e. Limited by Guarantee or by Shares) and the membership arrangements.

- 3.1 The liability of the Member is limited to £1. The Member must contribute £1 to the assets of the Company if it is wound up while he is a Member or within one year after he ceases to be a Member, for:-
- 3.1.1 payment of the debts and liabilities of the Company contracted before he ceased to be a Member; and
 - 3.1.2 the costs, charges and expenses of winding up; and
 - 3.1.3 for the adjustment of the rights of the contributories among themselves.
- 3.2 If upon a winding up or dissolution of the Company and after satisfaction of its debts, there remains any assets or property, such assets or property must be given or transferred to the Member.

4. **DIRECTORS' GENERAL AUTHORITY AND RESPONSIBILITIES**

Subject to Article 5, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

Code reference 1.1a

The Directors are responsible for setting the strategy of the Company to achieve the Objects.

Code reference 1.1b

The Directors shall maintain an up-to-date matrix detailing the skills, experience, independence and knowledge required of the board.

Code reference 1.10



The Independent Chair shall be responsible for maintaining an annual evaluation of the Director's performance against the matrix referred to in Article 0 and shall implement a plan (agreed with the Directors) to action any issues arising from the annual evaluation.

Code reference 1.10, 4.1, 4.3, 4.4, 4.5

The Company shall adopt a mandatory directors' code that, amongst other things, requires all directors to act at all times, with integrity, in a forthright and ethical manner and in accordance with their organisation's conflicts policy. The directors' code shall be reviewed and, if required, updated every four years.

Code reference: 4.4, 4.5

The Directors shall ensure that the Company maintains appropriate policies and procedures in respect of its key legal and regulatory obligations.

Code reference: 5.1

The Directors shall maintain a risk management and internal controls system of matters with the potential to negatively impact the Company. The Directors shall conduct an annual review of the effectiveness of the risk management and controls systems and report the results of the review in the Company's annual report.

Code reference: 5.7 & 5.8

5. COMPANY'S OBJECTS

These are examples of Objects that you may wish to consider including. Objects are likely to be determined via a discussion with all stakeholders/directors, and would be linked to the strategy agreed for the event.

- 5.1 The objects and purposes for which the Company is established are to carry on the following activities:-
- 5.1.1 to plan, organise, finance and stage a safe and successful Event through the co-ordination of national, regional and local financial and technical support;
 - 5.1.2 to manage the overall budget for the Event to ensure a safe and successful Event in compliance with the Organisation Agreement;
 - 5.1.3 to deliver a championships with high delivery standards, whilst minimising the overall call on public funding and without recourse to the event underwriter;
 - 5.1.4 to secure and manage commercial funding, both in cash and value in kind, in accordance with the Event budget;
 - 5.1.5 to agree the allocation of contingency funding (in line with the thresholds and conditions determined within any funding agreement from UK Sport);
 - 5.1.6 to co-ordinate and oversee non-facility based legacy programmes in connection with the Event;
 - 5.1.7 to use the Funding for the purpose of staging the Event; and
 - 5.1.8 to do all such other things as the Directors consider will further the interests of the Company or are incidental or conducive to the attainment of all or any of the Objects.

6. MEMBER'S RESERVE POWER

Reserved matters (examples of which are included within this article) are matters which the Member organisation (if one exists) may wish included to ensure they retain the right to reserve power over certain decisions or actions.



Whilst it is possible for Members to include reserve matters, these should only be consistent with the standard powers afforded to Members and should not be seen as a method of limiting the power of the board itself. See Article 26 for more detail on Membership.

6.1 The Member may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

6.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

7. **DIRECTORS MAY DELEGATE**

7.1 The Directors may delegate any of the powers which are conferred on them under these Articles:-

7.1.1 to such person or committee;

7.1.2 by such means (including by power of attorney);

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions,

as they think fit.

Code reference: 1.24

7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

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

8. **COMMITTEES**

Code Reference: 1.23-1.26

As noted in article 7, directors may decide to delegate certain responsibilities to other committees or groups. Generally, delegation to committees does not detract from the Board's collective responsibility for delegated issues, but can help significantly with the Board's management of them.

The Code may also specify committees that are required to be established for the event, as in this example where an audit committee is to be established. This will be dependent on the tiering your SPV is categorised under and proportionate to the scale of the event. Further information on this can be found in section 4 of the Code.

Stakeholders may wish to establish committees whether specified by the Code or not.

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

8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.



The Directors shall establish an audit committee.

9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Code Reference: 1.8, 1.11

9.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 11.

9.2 Each Director shall have one vote at meetings.

If the Company only has one Director the general rule does not apply and any decisions taken by the sole Director must be authorised by a resolution of the Member.

9.3 All acts done by a meeting of Directors, or a committee of Directors or by any Director shall be valid notwithstanding the participation in any vote of a Director who:-

9.3.1 was not entitled to vote on the matter, whether by reason of conflict of interest or otherwise;

9.3.2 as a result of a defect in the appointment of such Director such Director had not been properly appointed; or

9.3.3 was disqualified from holding office; or

9.3.4 had been obliged by these Articles to vacate office or had previously retired,

if without the vote of that Director and that Director being counted in the quorum the decision has been made by a majority of the Directors at a quorate meeting.

10. CASTING VOTE

If the numbers of votes for and against a proposal are equal, the Independent Chair has a casting vote unless the Independent Chair is not to be counted as participating in the decision-making process for quorum or voting purposes.

Code reference 1.11

11. UNANIMOUS DECISIONS

11.1 A decision of the Directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

11.2 Such a decision may take the form of a resolution in writing, where each Director has one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.

11.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a Directors' meeting.

Code reference 1.11

Articles 9-11: Directors/Stakeholders may wish to discuss how decision making and voting is approached. This may depend on the make-up of the board, whether an independent chair has been appointed and how conflicts of interest are managed. You may wish to refer to points 1.3, 1.11 and 4.6 of the code for some direction in this area, and this area may find some code requirements applied.



12. **CALLING A DIRECTORS' MEETING**

- 12.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.
- 12.2 Directors' meetings should be held sufficiently regularly to enable the Directors to discharge their duties effectively and in any event not less than once a quarter.

Code reference: 1.22. Recommendations for frequency of Board Meetings can be found in the Major Event Governance Guidance.

12.3 Notice of any Directors' meeting must indicate:-

- 12.3.1 its proposed date and time;
- 12.3.2 where it is to take place; and
- 12.3.3 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.
- 12.4 At least seven clear days' notice of a Directors' meeting (or such lesser notice as a majority of the Directors may agree) must be given to each Director. Notice of a Directors' meeting must be given to each Director in writing.
- 12.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Code reference: 1.21

13. **PARTICIPATION IN DIRECTORS' MEETINGS**

- 13.1 Directors participate in a Directors' meeting, or part of a Directors' meeting, when:-
- 13.1.1 the meeting has been called and takes place in accordance with these Articles, and
- 13.1.2 the Directors can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

Code reference: 1.21

- 13.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 13.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

14. **QUORUM FOR DIRECTORS' MEETINGS**

Code reference: 1.11. Stakeholders/Directors are encouraged to discuss and agree what a quorum would constitute, dependent on the size and structure of their board. Consideration should be given to having a balance of nominated and independent representatives. Below is an example of how this has been approached.

- 14.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.



14.2 The quorum for Directors' meetings shall be as follows:

the Independent Chair;

two Independent Directors; and

two Nominated Directors.

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 call a general meeting so as to enable the Member to appoint further Directors.

15. CHAIRING OF DIRECTORS' MEETINGS

Code reference 1.16

15.1 The Independent Chair will chair the Directors' meetings.

15.2 If the Independent Chair is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the Directors must postpone the meeting until the Independent Chair is able to participate.

16. CONFLICTS OF INTERESTS

16.1 Each of the Directors shall, in exercising his functions in his capacity as a Director, act in the interests of the Company, and in particular must:-

Code Reference: 1.2. For nominated directors, it is important to understand that is their legal responsibility to act in the best interests of the Company (i.e. the Event), not of the organisation they represent. They should be treated as 'nominees' rather than 'representatives' so organisations with nominated directors should not instruct its nominees to take specific positions on the Board of the subsidiary. Managing conflicts of interest is key to this regard.

16.1.1 act in good faith in a way that would be most likely to promote the success of the Company to the benefit of the purposes of the Company;

16.1.2 seek, in good faith, to ensure that the Company acts in a manner which is consistent with and furthers its purposes;

16.1.3 act with such care and diligence as is reasonable to expect a person who is managing the affairs of another person, having regard in particular:-

(a) to any special knowledge or experience that he has or holds himself out as having, and

(b) if he acts in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession; and

16.1.4 ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the Act or any other law.

16.2 Where there are circumstances capable of giving rise to a conflict of interest between the Company and any person or entity responsible for the appointment of a Director or between the Company and a Director, the Director must:-

16.2.1 declare the conflicting interest to the Independent Chair;



- 16.2.2 put the interests of the Company first before that of the Director or the nominating entity responsible for the Director's appointment; or
- 16.2.3 where any other duty prevents the Director from putting the interests of the Company first or the Director is incapable of putting the interests of the Company first (as determined by the Independent Chair acting reasonably):-
- (a) be absent from the meeting for the deliberation or that matter (unless expressly invited to remain in order to provide information);
 - (b) not participate in any deliberation;
 - (c) not be counted in the quorum for that part of the meeting; and
 - (d) be absent during the vote and have no vote on the matter.
- 16.3 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 16.4 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question must, before the conclusion of the meeting, be referred to the Independent Chair whose ruling in relation to any Director other than the Independent Chair is to be final and conclusive.
- 16.5 If any question arises at a meeting of Directors or of a committee of Directors as to the right of the Independent Chair to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question must be decided by a decision of the Directors at that meeting, for which purpose the Independent Chair must not be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Code reference 4.6: Having an agreed process to manage conflicts of interest is important particularly if the SPV is a subsidiary and people nominated onto the Board of the subsidiary also hold a position with the parent body. There can be benefits to nominating people from the parent body onto the Boards of a subsidiary: this can help drive continuity across organisations within the wider group; provide reassurance to the parent body; provide a trusted conduit between the two organisations; and ensure there is immediate knowledge in the subsidiary that allows it to 'hit the ground running'. However, this arrangement does increase the risk of conflicts as the two organisations are legally separate. In these cases it is recommended that the person in question removes themselves from the decision-making process within both organisations in respect of decisions about the other organisation. As an alternative, the parent body may choose to nominate a person onto the subsidiary that is not formally connected to the parent. Some of the benefits listed above may be reduced, but so to may be the potential for conflict. This scenario may also apply in relation to funding partners who nominate representatives onto the Event Board, and highlights the importance of detailed consideration of board appointments.

17. **RECORDS OF DECISIONS TO BE KEPT**

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors. Where decisions of the Directors are taken by electronic means, such decisions must be recorded by the Directors in permanent form so that they may be read by the naked eye.

Code Reference 1.22

18. **DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.



19. NUMBER AND METHODS OF APPOINTING DIRECTORS

Code reference: 2.4

- 19.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director in accordance with this Article 19 as long as he or she has provided to the Company a declaration of good character.

Code reference: 2.10

- 19.2 The maximum number of Directors shall be [xx].

Code reference: 1.9, 1.19 The Code specifies no more than 12 Directors.

- 19.3 The Company shall be incorporated with one director, being [insert name] (the "**Original Director**").

This article is helpful if you wish to incorporate the company and then appoint further directors after incorporation. If the SPV is being established as a subsidiary, the 'Original Director' will usually be a representative of the parent body.

- 19.4 The following additional Directors shall be appointed by resolution of the Member:

- a person nominated by the Member as an independent chairman following an open recruitment process (the "**Independent Chair**") who will be responsible for the leadership of the board of Directors;

Code reference 1.16, 1.18, 1.23, 2.6

- four persons nominated by the Member as independent Directors following an open recruitment process (the "**Independent Directors**"), one of whom will be nominated by the Directors as a Senior Independent Director;

Code reference: 1.19, 1.20, 1.23, 2.8

'Independent' - a person is independent if they are free from any close connection to the organisation and if, from the perspective of an objective outsider, they would be viewed as independent. A person may still be deemed to be 'independent' even if they are a member of the organisation and/or play the sport. Examples of a 'close connection' include:

(a) They are or have within the last four years been actively involved in the organisation's affairs, e.g. as a representative of a specific interest group within the organisation such as a sporting discipline, a region or a home country;

(b) They are or have within the last four years been an employee of the organisation; or

(c) They have close family ties with any of the organisation's directors or senior employees.

Nominations – Whilst these articles don't include a reference to a nominations committee, this may be a committee stakeholders may want to consider, or may be requested as a code requirement.

- one Director nominated by each of the following parties (each a "**Nominating Body**") (i.e. five Directors in total):

[e.g. HM Government/Minister];

[e.g. UK Sport];

[e.g. Local Authority];

[e.g. NGB]; and

[e.g. other stakeholder].

(together the "**Nominated Directors**").



Code Reference: 1.5

'Nominated directors' means directors whose appointment to the Board arises from provisions in the articles of association of the organisation permitting the election or nomination of directors by the sport's membership or by particular stakeholders (e.g. geographical areas or sporting disciplines) within the sport. Nominated directors are not considered as independent and must be non-executive.

At the time the Directors are appointed in accordance with Article 19.4, the Original Director must retire unless he is appointed by [parent body] as its Nominated Director.

When nominating a Director in accordance with Articles 19.4 and 0, the nominating entity must have regard to an appropriate balance of skills, experience, independence and knowledge of the board.

Code reference: 1.8, 2.4, 2.8. The code expects the nominations and appointment procedure to be formal and transparent. Where there is not a nominations committee, the board would therefore be responsible for accurately documenting the process, otherwise this fall to the responsibility of the nominations committee under code ref: 2.8.

A person appointed as a Director in accordance with this Article 19 (excluding pursuant to Article 0) must not have been a Director of the Company in the previous four years.

Code reference: 1.8, 1.14, 1.15

If a member of the executive management of the Company is appointed as a Director in accordance with this Article 19, that person may only be appointed in an ex officio capacity.

Code Reference: 1.12.

Ex Officio – a person holds a position (e.g. as a director or committee member) 'ex officio' if they do so by virtue of some other office they hold, and their position is therefore wholly dependent (and conditional) on them continuing to hold that office. For example, a chief executive officer who is on the Board in an ex officio capacity will automatically step down from the Board upon resignation as chief executive officer.

Any appointment of a Director pursuant to this Article 19 must be in writing and signed by or on behalf of the relevant Nominating Body or Member (as applicable) and served on the Company at its registered office, marked for the attention of the Secretary or the Directors. Any such appointment takes effect as at the time of such lodgement or delivery or at such later time as may be specified in such notice.

On appointment in accordance with this Article, a new Director shall be given a written statement of their responsibilities and receive a full, formal and tailored induction.

Code Reference: 2.11

A Director can only be removed from office in accordance with Article 21.

Code Reference: 1.13-1.15 Term Limits – Whilst no term limits are included within these articles, should a company's lifespan go beyond 12 years then term limits would then apply in accordance with the Code.

20. EVALUATION OF DIRECTORS

An external evaluation of the Directors shall be facilitated at least one year in advance of the Event.

Code reference: 4.2

21. TERMINATION OF DIRECTOR'S APPOINTMENT

A person ceases to be a Director as soon as:-

that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law; or



- a bankruptcy order is made against that person; or
- a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
- notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- if he is a Nominated Director, he is removed at the election of his corresponding Nominated Body; or
- if he is an Independent Director or the Independent Chair, he is removed by the Member.

If a Director's appointment is terminated in accordance with this Article 21, a replacement Director must be appointed in accordance with Article 0 by:

- in respect of Nominated Directors, the relevant Nominating Body; or
- in respect of Independent Directors or the Independent Chair, by the Member following an open recruitment process.

Code reference: 2.2, 2.4

In the event that a replacement Director is not appointed in accordance with Article 0 within four weeks, the relevant Nominating Body shall lose the right to appoint a replacement Director and the position shall be filled by the other Nominating Bodies and Member by majority vote.

Changes made in accordance with this Article must be managed without undue disruption to the Company.

Code reference: 1.8

It is also worth noting that under code reference 2.7, boards must give consideration to succession planning for its Directors, however this would be more likely to be captured within a risk register process rather than in Articles.

22. **DIRECTORS' REMUNERATION**

Code reference: 2.13. The code calls for a formal approved procedure for determining remuneration, however it is for the SPV to decide on the specifics of this procedure - an example of how this is translated into articles is demonstrated here.

- 22.1 Subject to Article 23, and with the exception of the Independent Chair, no remuneration (in money or moneys worth) shall be payable by the Company to the Directors for acting as such.
- 22.2 The Member's remuneration panel shall set the remuneration of the Independent Chair.

23. **DIRECTORS' EXPENSES**

The Company may, in line with the expenses policy provided to the Directors on appointment, pay any reasonable expenses which the Directors properly incur in connection with their attendance at:-

- 23.1 meetings of Directors or committees of Directors; or
- 23.2 general meetings,



or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

24. COMPANY SECRETARY

The Company Secretary shall be [Insert name here].

The Company Secretary is often the law firm engaged to draw up the Articles. The company secretary's role is usually to ensure that the company complies with relevant legislation and regulation, and keeps board members informed of their legal responsibilities. This may include ensuring these articles are adhered to, and may also take responsibility for ensuring Code compliance, as well as filings for Companies House

25. ACCOUNTS AND FINANCIAL AFFAIRS OF THE COMPANY

25.1 The Directors shall adopt appropriate and proportionate finance policies and procedures which are reviewed and updated at least every two years. The Directors shall take all reasonable steps to ensure that these policies and procedures, where appropriate, are communicated to, and understood and followed by, its directors, staff and volunteers (where relevant).

Code reference: 5.3

25.2 For each financial year, the Directors shall:-

25.2.1 cause accounting records to be kept as required by the Act;

Code Reference: 5.4

25.2.2 cause a statement of account to be prepared as required by the Act;

Code Reference: 5.5

25.2.3 cause a report on the activities of the Company to be prepared;

give specific disclosure of income received from public investors and clearly account for the expenditure of such funding; and

25.2.4 cause the accounting records and statements of accounts to be published on the Member's website and preserved for a period of 6 years from the end of the financial year to which they relate.

The Directors' must monitor the financial position and performance of the Company against an annually approved budget and forecast of at least four financial years.

Code Reference: 5.6

26. MEMBERSHIP

26.1 [Insert name here] shall be the sole Member of the Company on incorporation and shall not be entitled to withdraw from its membership.

As mentioned in the introduction, sole membership is one option for the structure of a company, however other structures can be used.

26.2 Membership is not transferable.

26.3 No further members will be admitted.



The Member's membership will automatically terminate if the organisation ceases to exist, is wound up or otherwise dissolved.

If the Member's membership terminates in accordance with Article 0, the Company will be wound up in accordance with Article 3.

27. ANNUAL GENERAL MEETING

The Company may, but is not required to, hold an Annual General Meeting each calendar year.

28. NOTICE OF GENERAL MEETINGS

At least seven clear days' written notice of a general meeting (or such lesser notice as the Member may agree) must be given to the Member.

The notice of a general meeting of the Company must state:-

the time and date of the meeting;

the place of the meeting; and

the general matters of the business to be transacted.

29. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

29.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

29.2 A person is able to exercise the right to vote at a general meeting when:-

29.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

29.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

29.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

29.4 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

30. QUORUM FOR GENERAL MEETINGS

No business is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The quorum at any general meeting of the Company shall be the Member present by proxy or by corporate representative.

31. CHAIRING GENERAL MEETINGS

31.1 The Independent Chair shall chair general meetings.

31.2 If the Independent Chair is unable or unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start the Member may appoint an alternate Director to chair



the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

31.3 The person chairing a meeting in accordance with this article is referred to as the "chairman of the meeting".

32. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS**

32.1 Directors may attend and speak at general meetings, whether or not they are Members.

32.2 The chairman of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

33. **ADJOURNMENT**

33.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

33.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

33.2.1 the meeting consents to an adjournment, or

33.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

33.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

33.4 When adjourning a general meeting, the chairman of the meeting must:-

33.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

33.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

33.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-

33.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

33.5.2 containing the same information which such notice is required to contain.

33.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

34. **VOTING: GENERAL**

The Member shall have one vote at general meetings. A resolution put to the vote of a general meeting must be decided on a show of hands.



35. **ERRORS AND DISPUTES**

35.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

35.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

36. **CONTENT OF PROXY NOTICES**

36.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:-

36.1.1 states the name and address of the Member appointing the proxy;

36.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

36.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

36.1.4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

36.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

36.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

36.4 Unless a proxy notice indicates otherwise, it must be treated as:-

36.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

36.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

37. **DELIVERY OF PROXY NOTICES**

37.1 A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

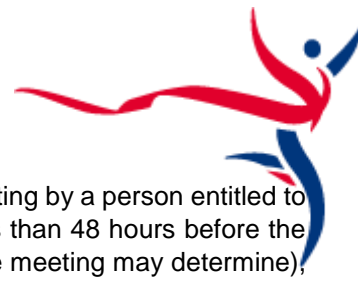
37.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

37.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

37.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

38. **AMENDMENTS TO RESOLUTIONS**

38.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-



- 38.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- 38.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 38.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
 - 38.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 38.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 38.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

39. **COMMUNICATION WITH STAKEHOLDERS**

Code Reference: 3.1-3.4. This section is addressed in the Code, however is an example of where treatment of these requirements will differ dependent on the Tiering and specific circumstances of the Event.

- 39.1 The Company shall publicly disclose information on its governance, structure, strategy, activities and financial position to enable stakeholders to have a good understanding of them.

The Company shall publish:

in the case of organisations which employ more than 50 staff, the total remuneration paid to its senior management team; and

the remuneration (if any) paid to each of its directors (except for members of the senior management team who are Ex Officio directors).

Any information disclosed shall be fair, accurate and presented in an understandable manner.

The Company shall develop a strategy for engaging with, and listening to, its stakeholders (including elite athletes where appropriate) which the Directors shall contribute to and review at least annually.

40. **NOTICES AND COMMUNICATION**

- 40.1 The Company may send, supply or give any document, information or notice to the Member by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the Member (provided that Member has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act.
- 40.2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 40.3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act.



40.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-

40.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

40.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

40.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

40.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

40.5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.

40.6 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

40.7 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

40.8 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 by which that Director has asked to be sent or supplied with such notices or documents for the time being.

41. **MEANS OF COMMUNICATION TO BE USED**

41.1 Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.

41.2 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 by which that Director has asked to be sent or supplied with such notices or documents for the time being.



41.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

42. **COMPANY SEALS**

42.1 Any common seal may only be used by the authority of the Directors.

42.2 The Directors may decide by what means and in what form any common seal is to be used.

42.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

42.4 For the purposes of this article, an authorised person is:-

42.4.1 any Director;

42.4.2 the company secretary (if any); or

42.4.3 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

43. **RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

The Member shall be entitled to inspect any of the Company's accounting records or documents upon reasonable notice to the Company.

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person except the Member is entitled to inspect any of the Company's accounting or other records or documents.

44. **INDEMNITY AND INSURANCE**

44.1 Subject to Article 44.2, but without prejudice to any indemnity to which he is otherwise entitled, a Relevant Director may be indemnified out of the Company's assets against:-

44.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company; and/or

44.1.2 any other liability incurred by that Director as an officer of the Company or an associated company.

44.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

44.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.

44.4 In this article:-

"Relevant Director" means any Director or former Director of the Company

"Relevant Loss" means any loss or liability which has been or may be incurred by a Relevant Director in connection with that Director's duties or powers in relation to the Company



END

For companies Limited by Shares, in addition to the articles in this example, there are likely to be articles relating to Financial Affairs, such as Shares and Distributions, Dividends and Capitalisation of Profits.

Articles of Association are published on the Companies House website, and we recommend this as further source of background when exploring your option regarding AoAs.

Links to the following companies' Articles of Association can be found here:

[Netball World Cup 2019 Limited](#)

[Rugby League World Cup 2021 Limited](#)

[Yorkshire 2019 Limited](#)

