

**COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION OF NLY Community Sport Ltd

1. INTERPRETATION

1.1 In these Articles:

'the 2006 Act' means the Companies Act 2006 as amended

'AGM' means an annual general meeting of the Company'

'these Articles' means these articles of association

'authorised representative' means an individual who is authorised by a member organisation to act on its behalf at meetings of the Company and whose name is given to the Secretary

'Chairperson' means the Chairperson of the Directors

'the Company' means the company governed by these Articles

'clear day' means 24 hours from midnight following the relevant event

'Director' means a director of the Company and 'Directors' has a corresponding meaning

'EGM' means an extraordinary general meeting of the Company

'financial expert' means an individual, company or firm who is an authorised person or an exempted person within the meaning of the Financial Services Act 1986

'material benefit' means a benefit which may not be financial but has a monetary value

'member' and 'membership' refer to membership of the Company

'Memorandum' means the Company's Memorandum of Association

'month' means calendar month

'the Objects' means the Objects of the Company as defined in Article 3.2

'Secretary' means a person who may be appointed under Article 10.1.1 to perform the duties of company secretary of the Company as formerly required under the 1985 Act

'written' or 'in writing' refers to a legible document on paper including a fax message

'year' means calendar year.

1.2. Expressions defined in the 2006 Act have the same meaning.

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

2. LIMITED LIABILITY AND GUARANTEE

The liability of members is limited. Every member promises, if the Company 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 Company while the contributor was a member.

3. REGISTERED OFFICE AND OBJECTS

- 3.1. The registered office of the Company is to be in England.
- 3.2. The objects of the Company ('the Objects') are to deliver sports coaching to adults and children with disabilities and learning difficulties, as well as those with mental health problems or those from disadvantaged backgrounds. We also deliver community cohesion projects.

4. POWERS

The Company has the following powers, which may be exercised only in promoting the Objects:

- 4.1. To carry on any other useful business or activity which will assist in promoting the Objects
- 4.2. To promote or carry out research and publish the useful results
- 4.3. To publish or distribute information
- 4.4. To co-operate with other bodies
- 4.5. To support, administer or set up charities
- 4.6. To raise funds and appeal for and receive any contribution, donation, grant or gift of money or property
- 4.7. To borrow money and give security for loans
- 4.8. To acquire or hire and manage, maintain or improve property of any kind
- 4.9. To sell, let or dispose of property of any kind
- 4.10. To make grants or loans of money and to give guarantees
- 4.11. To set aside funds for special purposes or as reserves against future expenditure
- 4.12. To deposit or invest funds in any manner, but to take the advice of a financial expert when necessary
- 4.13. To delegate the management of investments to a financial expert, but only on terms that:
 - 4.13.1 the Directors set down the investment policy in writing for the financial expert
 - 4.13.2 every transaction is reported promptly to the Directors
 - 4.13.3 the performance of the investments is reviewed regularly with the Directors
 - 4.13.4 the Directors are entitled to cancel the delegation arrangement at any time
 - 4.13.5 the investment policy and the delegation arrangement are reviewed at least once a year
 - 4.13.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Directors on receipt

- 4.13.7 the financial expert must not do anything outside the powers of the Directors
- 4.14. To arrange for investments or other property of the Company to be held in the name of a nominee (being a corporate body registered or having an established place of business in England and Wales) under the control of the Directors or of a financial expert acting under their instructions and to pay any reasonable fee required
- 4.15. To insure the property of the Company against any foreseeable risk and take out other insurance policies to protect the Company when required
- 4.16. To insure the Directors against the costs of a successful defence to a criminal prosecution brought against them as Company Directors or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Director concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty
- 4.17. Subject to Article 5, to employ paid or unpaid agents, staff or advisers and make provision for pensions and superannuation for paid staff
- 4.18. To enter into contracts to provide services to or on behalf of other bodies
- 4.19. To establish subsidiary companies to assist or act as agents for the Company
- 4.20. To amalgamate with any other body with similar objects
- 4.21. To pay the costs of forming the Company
- 4.22. To do anything else within the law which promotes or helps to promote the Objects or is conducive to carrying on the business of the Company.

5 BENEFITS TO MEMBERS AND DIRECTORS

- 5.1 The property and funds of the Company must be used only for promoting the Objects and do not belong to the members of the Company but
 - 5.1.1 members (including Directors) may be employed by or enter into contracts with the Company and receive reasonable payment for goods or services supplied
 - 5.1.2 members (including Directors) may be paid interest at a reasonable rate on money lent to the Company
 - 5.1.3 members (including Directors) may be paid a reasonable rent or hiring fee for property let or hired to the Company
 - 5.1.4 individual members who are beneficiaries may receive benefits in that capacity.
- 5.2 A Director must not receive any payment of money or other material benefit (whether directly or indirectly) from the Company except
 - 5.2.1 as mentioned in Articles 4.16, 5.1 or 5.3.
 - 5.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Company
 - 5.2.3 an indemnity in respect of any liabilities properly incurred in running the Company (including the costs of a successful defence to criminal proceedings)
 - 5.2.4 payment to any company in which a Director has no more than a 1 per cent shareholding

- 5.3 Any Director (or any firm or company of which a Director is a member or employee) may enter into a contract with the Company 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 Company
 - 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 Article 5.4
 - 5.3.3 no more than one half of the Directors are subject to such a contract in any financial year.
- 5.4 Whenever a Director has a personal interest in a matter to be discussed at a meeting of the Directors or a sub-committee the Director 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.
- 5.5 Where a Director has or may have an actual or potential conflict of interest under 5.4 above, the remaining Directors may, by a simple majority vote at a quorate Directors' meeting, and under the provisions of sections 175(4) and 175(5) of the 2006 Act, authorise that Director to continue to act despite the conflict or potential conflict.

6. USE OF SURPLUS

Any surplus funds shall not be paid to members but used in creating contingency funds to meet possible future expenditure or a general reserve for the continuation and development of the Company.

7. DISSOLUTION

- 7.1 If the Company is dissolved the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:
- 7.1.1 by transfer to one or more other bodies established for purposes within, the same as or similar to the Objects
 - 2. for charitable purposes
 - 3. in such other manner (other than distribution amongst the members) as the members shall decide.
- 7.2 A final report and statement of account must be sent to the Registrar of Companies.

8. THE DIRECTORS

- 8.1. The Directors have control of the Company and its property and funds.
- 8.2. There must not be fewer than two nor (subject to Article 8.8) more than 12 Directors. A person qualified and wishing to become a director must be aged 18 years or over and must either be recommended by the Directors or be nominated for election by a member of the Company. A nomination for election from a member must be signed by that member and by the person being nominated, and it must be received by the Secretary not less than 7 nor more than 28 clear days before the date of the AGM.
- 8.3. The subscribers to the Memorandum are the first Directors of the Company.

8.4. Every Director must sign a declaration of willingness to act before he or she is eligible to vote at any meeting of the Directors.

8.5. All Directors must retire at each AGM but may offer themselves for re-election or further co-option.

8.6. A Director's term of office automatically terminates if he or she:

1. is disqualified under the 2006 Act or the Charities Acts 1993 or 2006 from acting as a company director or a charity trustee
2. is incapable, whether mentally or physically, of managing his or her own affairs
3. is absent from five consecutive meetings of the Directors
4. ceases to be a member or the organisation of which s/he is an authorised representative ceases to be a member (but such a person may be reinstated by resolution passed by all the other Directors on her/his/its resuming membership of the Company before the next AGM)
5. resigns by written notice to the Directors (but only if at least two Directors will remain in office)
6. is removed under Article 8.10
7. fails to declare a payment or benefit as required by Article 5.4
8. ceases to have a required qualification as previously agreed by the members.

8.7. The Directors may at any time co-opt any individual duly qualified to be appointed as a Director to fill a vacancy in their number or as an additional Director, but a co-opted Director holds office only until the next AGM and the total number of co-optees on the board at any one time shall not be more than one-half the elected Directors.

8.8. The Company may increase or reduce the maximum number of Directors by passing an ordinary resolution, provided that the number is not reduced to below two. If the total number of Directors falls below the quorum, then the remaining Director(s) can continue to act, but only in order to appoint more Directors or call a general meeting of the Company.

8.9. A technical defect in the appointment of a Director of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.

8.10. The Company's members voting in a General Meeting can remove any Director by an ordinary resolution with special notice given according to section 168 of the 2006 Act, after the Meeting has invited the views of the Director concerned and considered the matter in the light of any such views. The members can replace a Director once s/he is removed.

9. PROCEEDINGS OF DIRECTORS

- 9.1 The Directors must hold at least 2 meetings each year, but otherwise can arrange and hold their meetings as they see fit. A quorum at a meeting of the Directors is one-third of the Directors with a minimum of 2.
- 9.2 Any Director may request a Directors' meeting and the Secretary must call a meeting if a Director requests it.
- 9.3 A meeting of the Directors may be held either in person or by suitable electronic means agreed by the Directors in which all participants may communicate with all the other participants.
- 9.4 The Chairperson or (if the Chairperson is unable or unwilling to do so) some other director chosen by those present presides at each meeting.
- 9.5 Every issue may be determined by a simple majority of the votes cast at a meeting but a written resolution signed by all the Directors 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).
- 9.6 Except for the Chairperson of the meeting, who has a second or casting vote, every Director has one vote on each issue.
- 9.7 A procedural defect of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.
- 9.8 The Directors may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 9.9 Any bank account in which any part of the assets of the Company is deposited shall be operated by the Directors and shall indicate the name of the Company. The Directors shall authorise, in writing, up to four Directors and, if considered appropriate, one named member of staff to sign cheques on behalf of the Company. Cheques may be signed by one authorised person up to a given level (to be determined by the Directors from time to time) and any two authorised signatories over this limit.
- 9.10 The Directors may co-opt any individual to be a non-voting observer or adviser at their meetings and for such period as the Directors may think fit.

10. POWERS OF DIRECTORS

- 10.1 The Directors have the following powers in the administration of the Company:
1. to appoint (and remove) and, at their discretion remunerate, any person (who may but need not be a Director) to perform the duties of Secretary
 2. to appoint working parties (consisting wholly or in part of Directors) to consider and make recommendations (but not take decisions)
 3. to delegate any of their functions to sub-committees consisting of three or more individuals appointed by them (but at least one member of every sub-committee must be a Director and all proceedings of sub-committees must be reported promptly to the Directors)

4. to make Standing Orders consistent with these Articles or the 2006 Act to govern proceedings at general meetings and the powers of sub-committees
 5. to make Rules consistent with these Articles or the 2006 Act to govern proceedings at their meetings and at meetings of committees
 6. to make Regulations consistent with these Articles or the 2006 Act to govern the membership and administration of the Company, the use of its premises, and the use of its seal (if any)
 7. to establish procedures to assist the resolution of disputes within the Company
 8. to exercise any powers of the Company which are not reserved to a general meeting.
- 10.2 The Directors must take all steps they deem necessary to bring all standing orders, rules or regulations to the notice of the Company's members.

11. MEMBERSHIP

- 11.1 The number of members with which the Company proposes to be registered is unlimited and the subscribers to the Memorandum shall be the first members of the Company.
- 11.2 The Company must maintain a register of members, a register of Directors and Company Secretaries and a register of Directors' Interests.
- 11.3 Membership of the Company is open to any individual or organisation interested in promoting the Objects who
- 11.3.1 has paid any annual subscription
 - 11.3.2 (being an organisation), has objects consistent with those of the Company
 - 11.3.3 applies to the Company in the form required by the Directors
 - 11.3.4 is approved by the Directors and
 - 11.3.5 signs the Register of members or consents in writing to become a member either personally or in the case of a member organisation through an authorised representative.
- 11.4. The Directors may only refuse an application for membership if doing so would, in their reasonable and proper opinion, be in the best interests of the Company.
- 11.5. The Directors may establish different classes of membership and prescribe their respective rights and obligations and set the amounts of any subscriptions. The rights and obligations of members must be set out in the register of members and can only be altered by the Company voting by special resolution in general meeting under Article 12.12.
- 11.6 Membership is terminated if the member concerned
- 11.6.1 gives written notice of resignation to the Company
 - 11.6.2 dies or in the case of an organisation ceases to exist
 - 11.6.3 is six months in arrears in paying the relevant subscription (if any) but in such a case the member may be reinstated on payment of the amount due or
 - 11.6.4 is removed from membership by resolution of the Directors on the ground that in their reasonable opinion the member's continued membership is harmful to the Company (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)
 - 11.6.5 ceases to comply with the conditions of membership.

11.7 Membership of the Company is not transferable.

12 GENERAL MEETINGS

12.1 Members are entitled to attend general meetings either personally or by proxy or (in the case of a member organisation) by an authorised representative. Subject to Article 12.12 below, general meetings are called on at least 14 days' written notice specifying the business to be discussed except if a special resolution is to be passed in which case the notice period is 21 clear days.

12.2. If a General Meeting is called at shorter notice, it will be valid if this is agreed by at least 90% of such members.

12.3. There is a quorum at a general meeting if the number of members or authorised representatives personally present or present by proxy is at least 10% or two members whichever is larger. No business can be transacted unless a quorum is present and, if a meeting begins or becomes inquorate, then it must be adjourned. The Chairperson, with the consent of the members present, can adjourn either an inquorate meeting or a quorate meeting with unfinished business for up to 30 days.

12.4. The Chairperson presides at a general meeting. If within 15 minutes of the start of the meeting, the Chairperson is unable or unwilling to preside, then the Vice-Chairperson or (if the Vice-Chairperson is also unable or unwilling), some other member elected by those present, presides at a general meeting.

12.5. Except where otherwise provided by the 2006 Act, every issue is decided by a simple majority of the votes (ordinary resolution) cast on a show of hands. The Directors may make Standing Orders under Article 10.1.4 to allow members to exercise postal votes. The Standing Order permitting a postal vote must set out the postal vote form to be used. The Chairperson or any two members or any member having 10% of the voting rights may ask for a count of votes (poll) and provisions of section 321(2) of the 2006 Act will apply.

12.6. Except for the Chairperson of the meeting, who (being a member or an authorised representative) has a second or casting vote, every member present in person or by proxy or through an authorised representative has one vote on each issue. Except for decisions requiring special or extraordinary resolutions, decisions taken by the members in general meeting will be by ordinary resolution requiring a simple majority vote.

12.7. A written resolution sent to all members and signed by the requisite majority of all those entitled to vote at a general meeting is as valid as a resolution actually passed at a general meeting. Ordinary written resolutions must be signed by a simple majority of voting members and special resolutions by at least 75% of voting members. Organisational members must sign a written resolution through a representative. A written resolution may be circulated in more than one copy. Each written resolution (or copy) must be accompanied by a statement explaining how it should be signed and specifying the date by which it must be passed. A copy of the resolution and statement must also be sent to the Company's auditors or independent examiners. It will be treated as passed on the date specified, provided that the resolution (including all copies) and containing all the required signatures has been returned to the Company's registered office within 28 days of its first being circulated.

12.8. The Company may hold an AGM in any year which all members are entitled to attend. The first AGM may be held within 18 months after the Company's incorporation.

12.9 At an AGM the members:

12.9.1 receive the accounts of the Company for the previous financial year

12.9.2 receive the Directors' report on the Company's activities since the previous AGM

- 12.9.3 accept the retirement of those Directors who wish to retire or who are retiring by rotation
- 12.9.4 elect persons to be Directors to fill the vacancies arising
- 12.9.5 appoint auditors or independent examiners for the Company
- 12.9.6 discuss and determine any issues of policy or deal with any other business put before them.

12.10 Any general meeting which is not an AGM is an EGM.

12.11 A general meeting may be called at any time by the Directors and must be called within 28 days on a written request from at least 10% of the members, or, if more than 12 months has elapsed since the last general meeting, from at least 5% of the members.

12.12 Any amendment to the Company's Articles must be passed by special written resolution or by a special resolution (i.e. on not less than 75% majority vote) at a general meeting held at not less than 21 days' notice. The notice of the meeting must contain the text of the proposed resolution. Notice of the resolution, once passed, must be sent to Companies House within 14 days, together with a copy of the amended memorandum and articles. No amendment to these Articles may operate to invalidate any previous action of the Directors.

13. RECORDS & ACCOUNTS

13.1. The Directors must comply with the requirements of the 2006 Act as to keeping financial records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies of:

- 13.1.1 annual reports
- 13.1.2 annual returns
- 13.1.3 annual statements of account.

13.2. The Directors must keep and preserve for at least 10 years proper records of

- 13.2.1 all proceedings at general meetings
- 13.2.2 all proceedings at meetings of the Directors
- 14.2.3 all reports of committees and
- 14.2.4 all professional advice obtained.

13.3. Accounting records relating to the Company must be made available for inspection by any Director at any reasonable time during normal office hours and may be made available for inspection by members who are not Directors if the Directors so decide.

13.4. A copy of the Company's latest available statement of account must be:

- supplied on request to any Director or member, or to any other individual who makes a written request and pays the Company's reasonable costs, within two months and
- sent to each member at least 14 days before an AGM, together with a copy of the Auditor's or Independent Examiner's Report and the Directors' Annual Report.

13.5. If the 2006 Act requires something to be done by both a Director and the Company Secretary, then the same person acting in both capacities cannot do this.

13.6. The Directors may each year carry out a social audit through an independent assessor, in addition to the financial audit. The purposes of the social audit are to:

- 1. identify the social costs and benefits of the Company's work
- 2. enable non-financial assessments of the Company's performance to be made
- 3. assess the Company's internal democracy and decision-making

4. assess its effects on beneficiaries, users and partners, the wages, health and safety, training, development and job satisfaction of its employees and volunteers, and its compliance in general with the principles of good human resource management

14. NOTICES

- 14.1 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 Company.
- 14.2 The only address at which a member is entitled to receive notices is the address shown in the register of members.
- 14.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received
- 14.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address
 - 14.3.2 two clear days after being sent by first class post to that address
 - 14.3.3 three clear days after being sent by second class or overseas post to that address
 - 14.3.4 on the date of publication of a newspaper containing the notice
 - 14.3.5 on being handed to the member (or, in the case of a member organisation, its authorised representative) personally or, if earlier,
 - 14.3.6 as soon as the member acknowledges actual receipt.
- 14.4 A notice of a general meeting must state the date, time and place of the meeting, the business to be transacted and whether it is an AGM or an EGM.
- 14.5 A technical defect in the giving of notice of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.

15. INDEMNITY

- 15.1 Unless the provisions and operation of this Article are avoided by any provision of the 2006 Act, every Director and every Officer or employee of the Company shall be indemnified by the Company out of its funds against all costs, losses, charges, expenses and liabilities sustained or incurred by her/him:
- 15.1.1 in defending any proceedings (whether civil or criminal) in respect of any negligence, default, breach of duty or of trust of which s/he may be guilty in relation to the Company and in which judgement is given in her/his favour or in which s/he is acquitted or in respect of which relief is granted to her or him by the Court under the provisions of the 2006 Act; or
 - 15.1.2 in respect of any contract entered into or act or deed done by her/him by virtue of her/his instructions or authority from the Directors or in any way in the discharge of her/his duties.

RULES MADE UNDER ARTICLE 8.1.4

1.0 REGULATIONS FOR A PROXY VOTE AND PROXY FORMS

1. In order for a proxy vote to be valid, a member appointing a proxy to vote at general meetings of the Company must sign the proxy form personally or by a duly authorised attorney and comply with the rules set out below.
2. The content of the proxy forms is set out below.
3. If the proxy form is signed by someone having a power of attorney for the member, then a copy of the power of attorney must be sent to the address of the Company designated on the proxy form ("the designated address") at the same time as the signed proxy form.
4. The designated address may be a postal or an email address.
5. A signed proxy form for a general meeting must be sent either by post or email to the designated address to arrive at least 48 hours before the time the general meeting is due to start.
6. The proxy form, once signed, shall be deemed to give the proxy power to demand or join in demanding a poll (that is, a counted vote) on any issue.
7. If the proxy form is to be used to vote on a poll, it must be sent to the designated address to arrive at least 24 hours before the time the poll is due to be held.
8. If a poll is not taken immediately after it has been demanded, but is taken within 48 hours after being demanded, then the proxy form may be delivered to the Chair or any trustee at the meeting where the poll was demanded.
9. Where a member revokes the appointment of her/his/its proxy or a member organisation revokes the authority of its representative, the vote of the proxy or the representative will still be valid unless notice of the revocation has been received at the designated address before the start of the meeting where the vote is taken or the time a poll was held (if it is held on a later date).

PROXY FORM

"NAME OF COMPANY

I _____ (name of member)

of _____ (address of member)

a member of the above company **HEREBY APPOINT:**

_____ (name of proxy)

of _____ (address of proxy)

and failing her/him/it

_____ (name of alternate proxy)

of _____ (address of alternate proxy)

to vote for me/us on my/our behalf at the General Meeting to be held on the _____

[date] and at every adjournment thereof. As witness my hand this _____ day of _____ 20 .

Signed: _____ [signature of member or member's duly appointed attorney]

Where the proxy form requires that the proxy should vote for or against a resolution then the form is as follows:

"NAME OF COMPANY

I _____ (name of member)

of _____ (address of member)

a member of the above company

HEREBY APPOINT:

_____ (name of proxy)

of _____ (address of proxy)

and failing her/him/it

_____ (name of alternate proxy)

of _____ (address of alternate proxy)

to vote for me/us on my/our behalf at the General Meeting to be held on the _____

[date] and at every adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

- Resolution No. 1 *for *against
- Resolution No. 2 *for *against
- Resolution No. 3 *for *against

*Strike out whichever is not desired.

As witness my hand this _____ day of _____ 20 .

Signed: _____ [signature of member or member's duly appointed attorney]