ARTICLES OF ASSOCIATION
OF
NEWCASTLE SWIM TEAM

(CRN: 14573945)

(Adopted by Special Resolution passed on 29th April 2024)

CONTENTS

INTRODUCTION		3
1	INTERPRETATION	3
2	LIABILITY OF MEMBERS	5
3	OBJECTS	5
4	POWERS	6
5	INCOME AND EXPENDITURE, INCLUDING PAYMENT OF DIRECTORS	7
6	AFFILIATION TO SWIM ENGLAND	9
7	ADMISSION OF MEMBERS	10
8	SUBSCRIPTION AND OTHER FEES	11
9	RESIGNATION	11
10	EXPULSION OR OTHER DISCIPLINARY ACTION	12
11	DIRECTORS	13
12	CONFLICT OF INTEREST	15
13	VALIDITY OF ACTS OF DIRECTORS	16
14	DISQUALIFICATION AND REMOVAL OF DIRECTORS	16
15	DELEGATION AND WELFARE OFFICER	17
16	CEREMONIAL POSITIONS AND HONORARY MEMBERS	17
17	MINUTES	18
18	ANNUAL GENERAL MEETING	18
19	GENERAL MEETING	18
20	NOTICE OF GENERAL MEETINGS	19
21	PROCEDURE AT THE ANNUAL AND GENERAL MEETINGS	19
22	PROXIES	20
23	CONTENT OF PROXY NOTICES	21
24	WRITTEN RESOLUTIONS	21
25	ALTERATION OF THE RULES AND OTHER RESOLUTIONS	22
26	BY-LAWS	22
27	FINANCE	22
28	SEAL	23
29	MEANS OF COMMUNICATION TO BE USED	23
30	BORROWING	24
31	DISSOLUTION	24

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

NEWCASTLE SWIM TEAM

INTRODUCTION

The company's name is Newcastle Swim Team (and in this document it is called the "**Company**").

1 **INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

Applicable Data Protection Law: means (a) the Data Protection Act 1998; or (b) from 25 May 2018, the General Data Protection Regulation ((EU) 2016/679), and any applicable legislation that supersedes or replaces the General Data Protection Regulation in the UK;

Articles: means the Company's articles of association for the time being in force;

bankruptcy: includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Company: means the company intended to be regulated by these Articles and defined above;

clear days: means in relation to the period of a notice, a period excluding the day when notice is given or deemed to be given and the day for which notice is given or on which it is to take effect;

Companies Act: means the Companies Act 2006;

connected person: means any of the following:

a) any parent, child (including stepchild or illegitimate child), brother, sister, grandparent or grandchild of a Director; or

b) the spouse or civil partner of a Director or of any person in (a), including anyone living as the spouse or civil partner of any of the above; or

c) any person carrying on business in partnership with a Director or any person in a) to b) above; or

d) any institution which is controlled either by a Director alone or in combination with any one or more of the persons in a) to c) above; or

e) any body corporate in which a Director, either alone or in combination with any one or more of the persons in a) to c) above, holds more than 20% of the share capital or more than 20% of the voting rights in the body corporate; or

f) any person who is a connected person in relation to any Director is referred to in these Articles as 'connected' to that Director.

Director/s: means the board of Directors (or members of the board of Directors) from time to

time appointed in accordance with Article 11;

document: includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form: has the meaning given in section 1168 of the Companies Act;

Eligible Proxy: has the meaning given in Article 2.1;

World Aquatics: means the governing body for Aquatic Sport (formerly known as FINA - Fédération Internationale de Natation);

Governing Body Rules: has the meaning given in Article 6.3;

Independent: means in respect of a proposed director that they are not connected with anyone employed or engaged by the Company or a member of the board of directors, coaching team or administration team of the Company;

LEN: means Ligue Europeenne de Natation;

Objects: has the meaning given in Article 3.1;

ordinary resolution: has the meaning given in section 282 of the Companies Act;

proxy notice: has the meaning given in Article 23;

Regulated Alterations: means the following categories of changes to the Articles:

a) any change to the statement of the objects of the Company; or

b) any change to what happens to the Company's property on winding up; or

c) any change which authorises the Company's funds or property to be used to benefit the Directors or members, or people or organisations connected with them.

special resolution: has the meaning given in section 283 of the Companies Act;

Swim England: means the Amateur Swimming Association (Swim England) Limited, the national governing body for swimming in England;

Swim England Regulations: means the regulations and technical rules of Swim England;

Swim England Membership Fees: means the membership fees of Swim England for the time being in force;

swimming: has the meaning given by Swim England from time to time; and

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.

1.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.3 A reference in these Articles to an "**Article**" is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.4 Unless the context otherwise requires words or expressions contained in the Articles have the same meaning as in the Companies Act but excluding any statutory modification not in force when this constitution becomes binding on the Company.

1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of any subordinate legislation from time to time made under it and any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.6 Unless expressly provided otherwise, a reference to any Swim England Regulations, Swim England policies or Swim England procedures is a reference to it as it is in force from time to time.

1.7 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.8 A reference to a junior member's "**parent**" shall include a junior member's legal guardian.

2 LIABILITY OF MEMBERS

2.1 The liability of the members is limited.

2.2 Every member of the Company promises, if the Company is dissolved while he or she or it is a member or within twelve months after he or she or it ceases to be a member, to contribute such sum (not exceeding £1) as may be demanded of him or her or it towards the payment of the debts and liabilities of the Company incurred before he or she or it ceases to be a member, and of the costs, charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

3 OBJECTS

3.1 The Company's objects ("**Objects**") are specifically restricted to the following:

3.1.1 the teaching, development and practice of swimming and open water swimming for its members and shall, where appropriate be to compete on a not-for-profit basis; and

3.1.2 the presentation, promotion, maintenance, improvement and development of the sport of swimming in all its forms, in education and throughout the community as a whole by whatever means thought advantageous including, but not limited to, the presentation, promotion, organisation, management and production of competitions, workshops, exhibitions and any other activities as are conducive to the furtherance either directly or indirectly of these Objects at all times within the governance frameworks provided by Swim England.

3.2 In the furtherance of the Objects:

3.2.1 the Company is committed to treating everyone equally within the context of its activity and with due respect to the differences of individuals. It shall not apply nor endorse unlawful or unjustified discrimination, and shall act in compliance with the protections afforded by the Equality Act 2010; and

3.2.2 the Company shall implement Swim England Equality Policy (as may be amended from time to time).

4 **POWERS**

4.1 The Company has power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing as. In particular, in addition to any other powers it may have, the Company has the following powers:

4.1.1 to acquire and take over all or any part of the assets and liabilities of the present unincorporated body known as Newcastle Swim Team;

4.1.2 coach and teach swimmers in the community through swimming programmes;

4.1.3 promote the development and practice of swimming for its members and train and develop the teachers and coaches of these activities;

4.1.4 stimulate public opinion in favour of swimming as a life skill, important in contributing to general health and well-being in the community served by the Company;

4.1.5 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;

4.1.6 to sell, lease or otherwise dispose of all or any part of the property belonging to the Company;

4.1.7 to borrow and raise money and to enter into any derivative arrangement relating to such borrowing, to charge the whole or any part of the property belonging to the Company as security for repayment of the money borrowed;

4.1.8 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;

4.1.9 to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;

4.1.10 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charitable trusts, associations, institutions, societies, companies, social enterprises or voluntary bodies with similar charitable purposes;

4.1.11 in exchange for full consideration, to grant licences or make any disposition of the property or assets of the Company to a trading company formed and operated for a purpose of benefiting the Company, provided that the Company shall not undertake any permanent taxable trading activity and must comply with relevant statutory regulations. No licence or disposition shall be of such a nature or scope as to make improper or excessive use of the property or other assets of the Company for non-charitable purposes;

4.1.12 to lend and advance money or give credit on any terms and with or without security to any person, firm or company, including a trading company formed and operated in accordance with Article 4.1.12, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company;

4.1.13 to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;

4.1.14 to employ and remunerate such staff as are necessary for carrying out the work of the Company. The Company may engage and remunerate a Director only to the

extent it is permitted to do so by Article 5 and provided it complies with the conditions in that Article;

4.1.15 subject to Article 5, to grant pensions, allowances and gratuities to past or present officers or servants of the Company or to the dependants of such persons and to establish and maintain or participate in trust funds or schemes (whether contributory or non- contributory) for providing pensions or other benefits for any such persons mentioned above;

4.1.16 to:

(a) deposit or invest funds;

(b) employ a professional fund manager; and

(c) arrange for the investments or other property of the Company to be held in the name of a nominee.

4.1.17 to insure at the expense of the Company and arrange insurance cover for and to indemnify its officers, staff, voluntary workers and members from and against all such risks incurred in the course of their duties as may be thought fit and in relation to the Directors (or any of them) so far as is permitted by Article 4.1.19;

4.1.18 to provide indemnity insurance for the Directors of the Company in relation to any such liability;

4.1.19 to insure the Company and the Company's property against such risks as the Directors shall consider it prudent or necessary to insure against; and

4.1.20 to do all such other lawful things as are necessary for the achievement of the Objects.

5 INCOME AND EXPENDITURE, INCLUDING PAYMENT OF DIRECTORS

5.1 The income and property of the Company shall be applied solely towards the promotion of the Objects.

5.2 A Director is entitled to be reimbursed from the property of the Company or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Company within the rules and limits of the Company's expenses policy.

5.3 A Director may receive an indemnity from the Company in the circumstances specified in Article 11.24.

5.4 A Director may not receive any other benefit or payment unless it is authorised by Articles 5.7 to 5.14.

5.5 Subject to Articles 5.7 to 5.14, none of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Company. This does not prevent a member who is not also a Director receiving:

5.5.1 a benefit from the Company in the capacity of a beneficiary of the Company; or

5.5.2 reasonable and proper remuneration for any goods or services supplied to the Company.

5.6 No Director or connected person may:

5.6.1 buy any goods or services from the Company on terms preferential to those applicable to other members of the public,

5.6.2 sell goods, services or any interest in land;

5.6.3 be employed by or receive remuneration from the Company;

5.6.4 receive any other financial benefit from the Company

unless the payment is permitted by Articles 5.9 to 5.13, or authorised by the Court;

5.7 A Director or connected person may receive a benefit from the Company in the capacity of a beneficiary of the Company provided that a majority of the Directors do not benefit in this way.

5.8 A Director 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 Company.

5.9 Subject to Article 5.14, a Director or connected person may provide the Company with goods that are not supplied in connection with services provided to the Company by the Director or connected person.

5.10 A Director or connected person may receive interest on money lent to the Company at a reasonable and proper rate which must be not more than the Bank of England base rate.

5.11 A Director or connected person may receive rent for premises let by the Director or connected person to the Company if the amount of the rent and the other terms of the lease are reasonable and proper and provided that the Director concerned shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

5.12 A Director or connected person may take part in the normal trading and fundraising activities of the Company on the same terms as members of the public.

5.13 The Company and its Directors may only rely upon the authority provided by Article 5.10, if each of the following conditions is satisfied:

5.13.1 the amount or maximum amount of the payment for the goods is set out in an agreement in writing between:

(a) the Company or its Directors (as the case may be); and

(b) the Director or connected person supplying the goods ("**the supplier**") under which the supplier is to supply the goods in question to or on behalf of the Company;

5.13.2 the amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question;

5.13.3 the other Directors are satisfied that it is in the best interests of the Company to contract with the supplier rather than with someone who is not a Director or connected person. In reaching that decision the Directors must balance the advantage of contracting with a Director or connected person against the disadvantages of doing so;

5.13.4 the supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the Company;

5.13.5 the supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of Directors is present at the meeting;

5.13.6 the reason for their decision is recorded by the Directors in the minutes; and

5.13.7 a majority of the Directors then in office are not in receipt of remuneration or payments authorised by Article 5.7 to 5.13.

5.14 In Articles 5.1 to 5.14 "Company" shall include any company in which the Company:

5.14.1 holds more than 50% of the shares; or

5.14.2 controls more than 50% of the voting rights attached to the shares; or

5.14.3 has the right to appoint one or more Directors to the board of the company.

5.15 In this Article 5 a "**financial benefit**" means a benefit, direct or indirect, which is either money or has a monetary value.

6 AFFILIATION TO SWIM ENGLAND

6.1 The Company shall be affiliated to Swim England through the Swim England North East Region, shall adopt and conform to the rules of Swim England and to such other bodies as the Company may determine from time to time.

6.2 The business and affairs of the Company shall at all times be conducted in accordance with Swim England Regulations and in particular:

6.2.1 all competing members of the Company shall be eligible competitors as defined in Swim England Regulations;

6.2.2 the Company shall in accordance with Swim England Regulations adopt the Swim England Child Safeguarding Policy and Procedures (Wavepower) and shall recognise that the welfare of children is everyone's responsibility and that all children and young people have a right to have fun, be safe and be protected from harm; and

6.2.3 members of the Company shall in accordance with Swim England Regulations comply with Swim England Child Safeguarding Policy and Procedures.

6.3 By virtue of the affiliation of the Company to Swim England through Swim England North East Region, the Company and all members of the Company acknowledge that they are subject to the laws, rules and constitutions for the time being in force of:

6.3.1 Swim England North East Region;

6.3.2 Swim England (including, without limitation, Swim England Handbook and Code of Ethics);

6.3.3 British Swimming (including, without limitation, the British Swimming Anti-Doping Rules and British Swimming Judicial Code);

6.3.4 World Aquatics; and

6.3.5 LEN.

(together the "**Governing Body Rules**").

6.4 In the event that there shall be any conflict between any of these Articles, or by-law of the Company, any of the Governing Body Rules and the provisions of the Companies Act then the provisions of the Companies Act shall prevail.

7 ADMISSION OF MEMBERS

7.1 The Company must keep a register of members as required by the Companies Act.

7.2 The membership of the Company, by category, or in total, may not be limited other than by decision of the Directors whose decision shall be determined by the availability of resources (principally water time), teachers and/or coaches and published criteria.

7.3 All persons who assist in any way with the Company's activities shall become members of the Company and hence of Swim England and the relevant Swim England Membership Fee shall be paid accordingly. Assisting with the Company's activities shall include, but not be restricted to, administrators, associate members, voluntary instructors, teachers and coaches, Directors, helpers, honorary members, life members, officers, patrons, Presidents, technical and non-technical officials, temporary members, Vice Presidents and verifiers or tutors of Swim England's educational certificates.

7.4 Paid instructors, teachers and coaches who are not members of the Company must be members of a body which accepts that its members are bound by Swim England's Code of Ethics, Swim England Child Safeguarding Policy and Procedures and those parts of Swim England's Judicial Regulations and procedures necessary for their implementation and whilst engaged in activities under the jurisdiction of Swim England shall be subject to all the constraints and privileges of the Judicial Regulations.

7.5 Any person who wishes to become a member of the Company will be sent an electronic application form via email by the membership secretary which they will need to sign and in the case of a member (under the age of 18) the application must be signed by the swimmer's parent). Election to membership shall be at the discretion of the Directors, which privilege may be delegated to other person(s) authorised by the Directors may make recommendation as to the applicant's acceptability. The Directors shall not be required to give reasons for the refusal of any application for membership.

7.6 In its consideration of applications for membership, the Company shall not act in a discriminatory manner and in particular, shall adhere to the Equality Act 2010. Accordingly, the Company shall not refuse membership of the basis of a Protected Characteristic as defined in the Equality Act 2010, such as disability; gender or gender identity; pregnancy; race; religion or belief; or sexual orientation. Neither may refusal be made on the grounds of political persuasion.

7.7 The membership of the Company shall consist of:

7.7.1 the Directors. Members in this category have voting rights;

7.7.2 senior members – swimming members who are 18 years of age or over. Members in this category have voting rights;

7.7.3 all members of the teaching and coaching staff. Members in this category have voting rights;

7.7.4 any life members. Members in this category do not have voting rights, unless club membership is paid;

7.7.5 junior members – swimming members who are under 18 years of age. Members in this category do not have voting rights;

7.7.6 any honorary members who become members of the Company in accordance with Article 16.1. Members in this category do not have voting rights; and

7.7.7 all other individuals who wish to become a member of the Company and are accepted in accordance with the provisions of this Article 7.

7.8 Membership shall not be transferable.

7.9 Each member must acknowledge that these Articles constitute a legally binding contract to regulate the relationship of the members with each other and the Company. The following statement shall appear on Company membership forms to be signed by the member and also countersigned by the parent:

"I acknowledge receipt of the Articles of the Newcastle Swim Team and confirm my understanding and acceptance that such articles (as amended from time to time) shall govern my membership. I further acknowledge and accept the responsibilities of membership upon members as set out in these Articles."

8 SUBSCRIPTION AND OTHER FEES

8.1 The annual member's subscription and coaching fees (as applicable) shall be determined from time to time by the Directors and the Directors shall in so doing make special provision for different classes of membership as it shall determine.

8.2 The annual subscription coaching, Swim England membership fees and entrance/gala fees (if any) and any other applicable joining fees shall be due on joining the Company and thereafter on such dates as determined by Swim England for membership fees or the Company as determined by the Directors. Parents of junior members shall be responsible for the fees applicable to the junior member.

8.3 Any member whose applicable fees remain unpaid by the date falling 30 days after the due date for payment may be suspended by the Directors from some or all Company activities from a date to be determined by the Directors and until such payment is made. In coming to a decision as to the suspension of a member under this Article, the Directors shall follow the Company's bursary policies then in place and may waive fees if the member is eligible and, it is considered to be in the best interests of the Company or of a beneficiary of the Company.

8.4 The Directors shall, from time to time, have the power to determine the annual membership subscription and other fees. This shall include the power to make such increase in the subscription as shall, where the Company pays the individual Swim England Membership Fees to Swim England on behalf of members, be consequential upon an increase in individual Swim England Membership Fees. Any increase in subscriptions shall be advised to the members in writing with the reasons for any increase to be reported to the members.

8.5 The Directors shall have the power in special circumstances to remit the whole or part of the fees, including Swim England's membership fees, to address issues of social inclusion.

9 RESIGNATION

9.1 Membership is terminated if:

9.1.1 the member dies, or, if it is an organisation, ceases to exist; or

9.1.2 the member gives to the Membership Administrator written notice of his or her resignation unless, after the resignation, there would be fewer than two members; or

9.1.3 a member's applicable subscription fees are more than two months in arrears. The period for determining arrears shall commence from the date of the relevant subscription invoice, or the start of any club term, whichever is the later. Where the membership of a member shall be terminated in this way he shall be informed in writing that he is no longer a member.

9.2 No member of the Company is entitled to any refund of applicable fees on ceasing to be a member for any reason.

9.3 The Swim England Membership Department shall be informed should a member resign when still owing money or goods to the Company.

10 **EXPULSION OR OTHER DISCIPLINARY ACTION**

10.1 Subject to other provisions of these Articles, the Directors, shall have power to permanently expel a member when, in their opinion, it would not be in the interests of the Company for him to remain a member. The Company in exercising this power shall comply with the provisions of Articles 10.2 to 10.4 below.

10.2 The Company shall comply with Swim England's relevant Judicial Regulations for handling internal disputes (the **"Guidelines**") as the same may be revised from time to time. A copy of the Guidelines may be obtained from Swim England's website, Swim England's Handbook or from Swim England's Legal Department).

10.3 Where a member is expelled by the Directors under Article 10.1, the resolution removing the member may only be passed if:

10.3.1 the member has been given at least twenty-one days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it is to be proposed; and

10.3.2 the member or, at the option of the member, the member's representative (who need not be a member of the Company) has been allowed to make representations to the meeting.

10.4 A member may not be permanently expelled unless the member has first been temporarily suspended by the Directors (save in exceptional circumstances where immediate expulsion is warranted) and the Directors shall by majority vote in favour of the expulsion of the member.

10.5 Where suspension is approved it shall take immediate effect and apply for the period specified. If expulsion is approved the individual shall cease to be a member of the Company with immediate effect. Upon expulsion the former member shall not be entitled to have any part of the annual membership fee refunded and must return any Company or external body's trophy or trophies held forthwith. In exercising this power the Company is required to comply with the provision of Articles 10.1 to 10.4.

10.6 Any Director may temporarily suspend or exclude a member from particular training sessions and/or wider club activities, when in their opinion, such action is in the interests of the Company. Where such action is taken the complaint will thereafter be dealt with in accordance with Swim England Regulations and the provisions of these Articles. Coaches may temporarily suspend members from sessions in accordance with the Company's code of conduct where in their reasonable opinion such action is in the interests of the Company.

10.7 The Company shall comply with and recognise any temporary or specified term suspension imposed on a member of the Company by Swim England in accordance with Swim England Regulations.

11 **DIRECTORS**

11.1 No one shall be appointed as a Director if they would be disqualified from acting under the provisions of Article 14.

11.2 The number of Directors of the Company shall be not less than three nor more than eight, expect if at any time the Company has just one Director when there shall be no minimum number of Directors.

11.3 Subject to article 11.2, three of the Directors shall be appointed to one of the following roles by resolution of the board of Directors: Chairman; Secretary and Treasurer. The board of directors shall from time to time determine the administrative and managerial responsibilities attached to each such role.

11.4 All Directors shall be not less than 18 years of age.

11.5 The number of Directors to be elected shall be divided into two groups, with the number of directors in each group being as nearly equal as possible; the term of office of those of the first group to expire at the next annual general meeting; of the second group one year thereafter; and at each annual general meeting held after such grouping and election, directors shall be chosen for a full term of two years, to succeed those whose terms expire. Retiring Directors shall be eligible for re-election.

11.6 No person may be appointed a Director:

11.6.1 unless the proposed director is Independent, has been approved by a majority decision of the Directors following the submission of a CV and covering letter setting out relevant experience and suitability and has attended an interview with the Directors to determine suitability taking into account inter alia such criteria as welfare issues and whether they are related to existing Directors; or

11.6.2 at any general meeting unless:

(a) he or she is recommended for election by the Directors; and

(b) not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Company is given a notice that:

(i) is signed by a member entitled to vote at the meeting;

(ii) states the member's intention to propose the appointment of a person as a Director;

(iii) contains the details that, if the person were to be appointed, the Company would have to file at Companies House; and

(iv) is signed by the person who is to be proposed to show his or her willingness to be appointed; and

(c) the requirements in Article 11.6.1 have been satisfied save that the Directors shall have the power to waive such requirements by unanimous decision.

11.7 All members who are entitled to receive notice of a general meeting must be given not less than seven nor more than twenty-eight clear days' notice of any resolution to be put to the meeting to appoint a Director.

11.8 Subject to Article 11.5, the Company shall by ordinary resolution appoint a person who is willing to act to be a Director.

11.9 Subject to Article 11.5, the Directors may appoint a person who is willing to act to be a Director should a vacancy occur during the year by resignation or otherwise.

11.10 A Director appointed by a resolution of the other Directors must retire at the next annual general meeting.

11.11 The appointment of a Director, whether by the Company in general meeting or by the other Directors, must not cause the number of Directors to exceed any number fixed as the maximum number of Directors.

11.12 The Directors may regulate their proceedings as they think fit, subject to the provisions of the Articles.

11.13 Director meetings shall be held not less than quarterly (save where the Directors shall by a simple majority resolve not to meet) and any Director may call a meeting of the Directors. The Secretary, if any, must call a meeting of the Directors if requested to do so by a Director. The Director or Secretary calling the meeting shall give all the Directors not less than two days' notice of a meeting.

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

11.15 Questions arising at a meeting of Directors shall be decided by a majority of votes. In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.

11.16 No decision may be made by a meeting of the Directors unless a quorum is present at the time the decision is purported to be made. 'Present' includes being present by suitable electronic means agreed by the Directors in which a participant or participants may communicate with all the other participants.

11.17 Subject to article 11.18, the quorum shall be three Directors or such other number as may be decided from time to time by the Directors. A Director shall not be counted in the quorum present when any decision is made about a matter upon which that director is not entitled to vote. Any meeting of Directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the Directors.

11.18 At any time when the Company has just one Director, the quorum shall be one Director.

11.19 In the event that a quorum is not present within thirty minutes of the published start time of a Directors' meeting, the meeting shall stand adjourned to the time and date falling seven days after the date of the meeting, or such other date and time as may be determined by the Chairman. If a quorum is not present at the adjourned meeting then those Directors attending may only act for the purpose of filling vacancies or calling a general meeting of the members, to which the provisions as to minimum notice contained in Article 20.1 shall not apply.

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

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

11.22 A Director may not appoint an alternate Director to act on his or her behalf at a meeting of the

Directors.

11.23 The Directors shall:

11.23.1 manage the business of the Company and may exercise all the powers of the Company unless they are subject to any restrictions imposed by the Companies Act, the Articles or any special resolution; and

11.23.2 be responsible for:

(a) carrying out the purpose of the Company for the public benefit;

(b) ensuring compliance with the Articles, the Governing Body Rules and the law;

(c) acting in the Company's best interests;

(d) managing the resources of the Company responsibly;

(e) ensuring the Company is accountable; and

(f) ensuring that the accounts of the Company for each financial year be independently examined, such independent examiner or auditor to be appointed by the members in a general meeting.

11.24 Subject to the Articles and any restriction imposed by the Companies Act or any special resolution, 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 the members.

11.25 The Directors shall be entitled to an indemnity out of the assets of the Company for all expenses and other liabilities properly incurred by them in the management of the affairs of the Company, to the extent permitted by sections 232 to 234 of the Companies Act.

11.26 The Directors shall maintain an accident book in which all accidents to club members at swimming related activities shall be recorded. Details of such accidents shall be reported to Swim England Membership Department. The Company shall make an annual return to Swim England Membership Department indicating whether or not an entry has been made in the prescribed form, which is to be found on the membership renewal form.

11.27 No alteration of the Articles or any special resolution shall have retrospective effect to invalidate any prior act of the Directors.

12 CONFLICT OF INTEREST

12.1 A Director 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 Company or in any transaction or arrangement entered into by the Company which has not previously been declared. A Director must absent himself or herself from any discussions of the Directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Company and any personal interest (including but not limited to any personal financial interest).

12.2 If a conflict of interests arises for a Director 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 Directors may authorise such a conflict of interest where the following conditions apply:

12.2.1 the conflicted Director is absent from the part of the meeting at which there is

discussion of any arrangement or transaction affecting that other organisation or person;

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

12.2.3 the unconflicted Directors consider it is in the interests of the Company to authorise the conflict of interests in the circumstances applying.

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 Director.

13 VALIDITY OF ACTS OF DIRECTORS

13.1 Subject to Article 13.2, all acts done by a meeting of Directors shall be valid notwithstanding the participation in any vote of a Director:

13.1.1 who was disqualified from holding office;

13.1.2 who had previously retired or who had been obliged by the constitution to vacate office;

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

if without:

13.1.4 the vote of that Director; and

13.1.5 that Director being counted in the quorum,

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

13.2 Article 13.1 does not permit a Director or connected person to keep any benefit that may be conferred upon him or her by a resolution of the Directors if, but for Article 14.1, the resolution would have been void or if the Director has complied with Article 12.

14 DISQUALIFICATION AND REMOVAL OF DIRECTORS

14.1 A Director shall cease to hold office if he or she:

14.1.1 ceases to be a Director by virtue of:

(a) retirement at any general meeting of the Company; or

(b) any provision in the Companies Act; or

(c) being prohibited by law from being a Director.

14.1.2 in the written opinion, given to the company, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or

14.1.3 resigns as a Director by notice to the Company and such resignation has taken effect in accordance with its terms (but only if at least two Directors will remain in office when the notice of resignation is to take effect); or

14.1.4 is absent without the permission of the Directors from all their meetings held within

a period of six consecutive months and the Directors resolve that his or her office be vacated.

15 DELEGATION AND WELFARE OFFICER

15.1 The directors may delegate, on such terms of reference as they think fit, any of the powers or functions to any sub-committee comprising one or more directors.

15.2 The director may delegate the implementation of their decisions or day to day management of the affairs of the Company to any person or sub-committee on which at least one director sits.

15.3 The terms of reference of a sub-committee may include conditions imposed by the directors, including that:

15.3.1 the relevant powers are to be exercised exclusively by the sub-committee to whom the directors delegate;

15.3.2 no expenditure or liability may be incurred on behalf of the Company except where approved by the directors or in accordance with a budget previously agreed by the directors.

15.4 Persons who are not directors may be appointed as members of a sub-committee, subject to the approval of the directors.

15.5 Every sub-committee shall act in accordance with the terms of reference on which powers or functions are delegated to it and, subject to that, sub-committees shall follow procedures which are based far as they are applicable on those provisions of the articles which govern the taking of decision by directors.

15.6 The terms of any delegation to a sub-committee shall be recorded in the minute book.

15.7 The directors may revoke or alter a delegation.

15.8 All acts and proceedings of any sub-committees must be fully and promptly reported to the directors.

15.9 The Company shall have a Welfare Officer who shall not be a Director, the chief coach, any of the club teachers, coaches or team managers. The Welfare Officer must be not less than 18 years of age, should have an appropriate background for the role and should be prepared to undertake appropriate training in accordance with Swim England Child Safeguarding courses. The Directors shall have the power to invite the Welfare Officer to attend meetings of the board.

16 CEREMONIAL POSITIONS AND HONORARY MEMBERS

16.1 The Directors may elect any person as an honorary member of the Company (President, Vice-Presidents, Honorary Life Vice- President or other), for such period as they think fit and persons holding such positions shall be entitled to all the privileges of membership except that they shall not be entitled to vote at meetings and serve as Directors unless they fulfil the criteria set for such positions in these Articles and any such person is elected as an honorary member in addition to his or her ordinary membership of the Company. Such honorary members must be included in the Company's register of members.

17 **MINUTES**

17.1 The Directors must, as applicable, keep records of all:

17.1.1 appointments of Directors members made by the Company;

17.1.2 proceedings at general meetings of the Company;

17.1.3 meetings of the Directors including:

(a) the names of the Directors present at the meeting;

(b) the decisions made at the meetings; and

(c) where appropriate the reasons for the decisions.

18 **ANNUAL GENERAL MEETING**

18.1 The annual general meeting of the Company shall be held each year on a date no later than 30 April. The Directors shall fix the date for the annual general meeting on behalf of the Directors. The minimum period of notice required to hold an annual general meeting of the Company is 14 clear days.

18.2 The purpose of the annual general meeting is to transact the following business:

18.2.1 to receive the Chairman's report of the activities of the Company during the previous year;

18.2.2 to receive and consider the accounts of the Company for the previous year and the report on the accounts of the independent examiner and the Treasurer's report as to the financial position of the Company;

18.2.3 to remove and elect the independent examiner or auditor (who must not be a Director or a connected person of a Director) or confirm that he remain in office;

18.2.4 to elect or re-elect Directors as contemplated in Article 11.4; and

18.2.5 to decide on any resolution which may be duly submitted in accordance with these Articles.

19 **GENERAL MEETING**

19.1 The Directors may call a general meeting at any time.

19.2 The Directors must convene a general meeting on request made in writing by members who represent at least 5% of the total voting rights of all the members having a right to vote at general meetings.

19.3 A request by the members must state the general nature of the business to be dealt with at the meeting and must include the text of a resolution that may properly be moved and is intended to be moved at the meeting. A request may be in hard copy form or in electronic form and must be authenticated by the person or persons making it.

19.4 On receipt of the request, the Directors are required to call a general meeting of the Company within 28 days from the date on which they become subject to the requirement and such meeting is to be held on a date not more than 35 days after the date of the notice convening the meeting. If the requests received by the Company identify a resolution intended to be moved at the meeting, the notice of the meeting must include notice of the resolution.

19.5 If the Directors are to call a meeting and do not do so in accordance with Article 19.4 and section 304 of the Companies Act, the members who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting.

20 NOTICE OF GENERAL MEETINGS

20.1 The minimum period of notice required to hold a general meeting of the Company is 14 clear days all other meetings.

20.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting, being a majority who together hold not less than 90 percent of the total voting rights.

20.3 The notice must specify the date time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act.

20.4 The notice must be given to all the members and to the Directors and auditors (if any).

20.5 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Company.

20.6 The Secretary shall personally be responsible for the sending to each member at his or her last known address a written agenda giving notice of the date, time and place of the general meeting together with the resolutions to be proposed thereat and in the case of the annual general meeting a list of the nominees for the Directors' posts and a copy of the examined accounts. The Secretary may, alternatively, with the agreement of member(s) concerned distribute these materials by e-mail or other similar form of communication. The meeting notice shall in addition wherever possible be displayed on the Company notice board and website.

21 PROCEDURE AT THE ANNUAL AND GENERAL MEETINGS

21.1 The quorum for all general meetings shall be seven members entitled to attend and vote at the meeting. No business shall be transacted at any general meeting unless a quorum is present.

21.2 The Chairman, or in his or her absence a member selected by the Directors, shall take the chair. If there is only one Director present and willing to act, he or she shall chair the meeting. If no Director is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.

21.3 If a quorum is not present within half an hour from the time appointed for the meeting or during a meeting a quorum ceases to be present, the meeting shall be adjourned to such time and place as the chairman shall determine.

21.4 The Directors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting. If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the members present in person or by proxy at that time shall constitute the quorum for that meeting.

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

21.6 Subject to Article 22.2, each member present whether in person or by proxy shall have one vote. Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the chairman of the meeting shall be final.

21.7 For the procedures for submitting resolutions to be considered at a general meeting members are referred to Article 19.3.

21.8 In the event of an equality of votes, the chairman shall have a casting or additional vote. Subject to Article 22, junior members shall be entitled to be heard but are not entitled to vote.

21.9 The Secretary, or in his or her absence another nominated member, shall take minutes at general meetings and shall record the result of any vote but the number or proportion of votes cast need not be recorded.

21.10 The chairman shall at all general meetings have unlimited authority upon every question of order and shall be, for the purpose of such meeting, the sole interpreter of these Articles, the rules of the Company and Governing Body Rules.

21.11 Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of the show of hands, a poll is demanded:

21.11.1 by the person chairing the meeting; or

21.11.2 by at least two members present in person or by proxy and having the right to vote at the meeting; or

21.11.3 by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

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

21.13 A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting. If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.

21.14 A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

21.15 The poll must be taken within thirty days after it has been demanded. If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

21.16 If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

22 **PROXIES**

22.1 Only members with the right to vote shall be entitled to appoint another person as his, her or its proxy to exercise all or any of his, her or its rights to attend and speak and vote at a meeting of the Company. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed.

23 **CONTENT OF PROXY NOTICES**

23.1 Subject to Article 22.1, proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

23.1.1 states the name and address of the member appointing the proxy;

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

23.1.3 is signed by the member appointing the proxy or by legal representative; and

23.1.4 is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the first meeting or adjourned first meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting.

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

23.3 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.

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

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

23.4.2 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.

23.5 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) 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.

23.6 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.

23.7 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.

23.8 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.

24 **WRITTEN RESOLUTIONS**

24.1 A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than two-thirds) 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:

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

24.1.2 a simple majority (or in the case of a special resolution a majority of not less than two-thirds) of members has signified its agreement to the resolution; and

24.1.3 it is contained in an authenticated document which has been received at the registered office or by electronic means to the Secretary within the period of 28 days beginning with the circulation date.

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

25 ALTERATION OF THE RULES AND OTHER RESOLUTIONS

25.1 The Articles may be altered by special resolution at a general meeting, provided that the resolution is carried by a majority of at least two-thirds of members present and entitled to vote at the general meeting. No amendment(s) to the Articles shall become effective until such amendment(s) shall have been submitted to and validated by such person as is authorised to do so by Swim England North East Region.

25.2 The Chairman may at his or her discretion allow amendments to any resolutions proposed to be voted on at a meeting provided that they do not materially affect the substance of the matter under discussion.

25.3 The members may, by special resolution, direct the Directors to take, or refrain from taking, specified action, but no such special resolution shall invalidate anything which the Directors have done before the passing of the resolution.

26 BY-LAWS

26.1 The Directors shall have the authority to make, repeal and amend such by-laws as they may from time to time consider necessary for the wellbeing or management of the Company.

27 FINANCE

27.1 All moneys payable to the Company shall on behalf of the Treasurer be received by the Club Administrator or another person so authorised by the Directors and deposited in a bank account in the name of the Company. No sum shall be drawn from that account except either by cheque signed in accordance with the bank regulations for companies in force from time to time, by electronic transfer by one of the Directors named on the bank mandate and with permission to have online banking access, or by the use of the club debit card which will be in the name of one of the directors as agreed by the board of Directors. Payments may also be made via Paypal by the Directors authorised to use the Paypal account that is linked to the club's bank account. Any monies not required for immediate use may be invested by the by the Directors as the Directors in their discretion think fit.

27.2 The income and property of the Company shall be applied only in furtherance of the Objects and no part thereof shall be paid by way of bonus, dividend or profit to any members of the Company (save as set out in Article 32.3).

27.3 The Club Directors shall have power or another person authorised by the Directors shall have power to authorise the payment of remuneration and expenses to any officer, member or employee of the Company and to any other person or persons for services rendered to the Company in accordance with the relevant year's budget approved by the Directors.

27.4 The Directors must prepare for each financial year accounts as required by the Companies Act. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the

recommendations of the applicable Statements of Recommended Practice.

27.5 The books of account must be kept at the registered office of the Company, or at such other place or places as the Directors think fit, and must always be open to the inspection of the Directors.

27.6 The financial year of the Company shall be the period commencing on 1st January and ending on 31st December. Any change to the financial year shall require the approval of the members in a general meeting.

27.7 The Directors shall retain for a minimum period of six years all financial records relating to the Company and copies of minutes of all Directors' meetings.

27.8 The Directors must keep accounting records and make annual returns to Companies House as required by the Companies Act.

28 **SEAL**

28.1 If the Company has a seal, it must only be used by the authority of the Directors and the Directors may decide by what means and in what form any common seal is to be used.

28.2 The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise determined it shall be signed by:

28.2.1 two Directors; or

28.2.2 a Director and the Secretary; or

28.2.3 a Director in the presence of a witness who attests the signature.

29 **MEANS OF COMMUNICATION TO BE USED**

29.1 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 Companies Act provides for documents or information which are authorised or required by any provision of that Companies Act to be sent or supplied by or to the Company.

29.2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by the 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.

29.3 The Company may give any notice to a member either:

29.3.1 personally; or

29.3.2 by sending it by post in a prepaid envelope addressed to the member at his or her address; or

29.3.3 by leaving it at the address of the member; or

29.3.4 by giving it in electronic form to the members email address; or via the club membership system or other electronic delivery format.

29.4 A member who does not register an address with the Company or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Company.

29.5 A member present in person at any meeting of the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.

29.6 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

29.7 Proof that an electronic form of notice was given shall be conclusive where the Company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act.

29.8 In accordance with section 1147 of the Companies Act notice shall be deemed to be given:

29.8.1 48 hours after the envelope containing it was posted; or

29.8.2 in the case of an electronic form of communication, 48 hours after it was sent.

29.9 In processing or controlling any personal data the Company shall comply with Applicable Data Protection Law, including as regards the appointment of a data protection officer.

30 BORROWING

30.1 The Directors may borrow money on behalf of the Company for the purposes of the Company from time to time at their own discretion (up to such limits on borrowing as may be laid down from time to time by the general meeting) for the general upkeep of the Company or with the prior approval of a general meeting for any other expenditure, additions or improvements.

30.2 When so borrowing the Directors shall have power to raise in any way any sum or sums of money and to raise and secure the repayment of any sums or sums of money in such manner or on such terms and conditions as it thinks fit, and in particular by mortgage of or charge upon or by the issues of debentures charged upon all or any part of the property of the Company.

30.3 The Directors shall have no power to pledge the personal liability of any member of the Company for the repayment of any sums so borrowed.

31 DISSOLUTION

31.1 A resolution to dissolve the Company shall only be proposed at a general meeting and shall be carried by a majority of at least three-quarters of the members present and entitled to vote. A specific date for the dissolution shall be included in the resolution.

31.2 The dissolution shall take effect from the date specified in the resolution and the Directors shall be responsible for the winding-up of the assets and liabilities of the Company.

31.3 The members of the Company may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:

31.3.1 directly for the Objects; or

31.3.2 by transfer to any company or charities for purposes similar to the Objects; or

31.3.3 to any company for use for particular purposes that fall within the Objects;

31.4 Subject to any such resolution of the members of the Company, the Directors may at any time before and in expectation of its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision been made for them, shall on dissolution of the Company be applied or transferred:

31.4.1 directly for the Objects; or

31.4.2 by transfer to any company or charities for purposes similar to the Objects; or

31.4.3 to any company or charities for use for particular purposes that fall within the Objects.

31.5 In no circumstances shall the net assets of the Company be paid to or distributed among the members of the Company (except to a member that is itself a Company) and if no such resolution is passed by the members or the Directors the net assets of the Company shall be applied for charitable purposes as directed by the Court.