

## GUIDANCE ON KEY AMENDMENTS TO ARTICLES

The existing Articles were adopted in 1996 and a number of piecemeal amendments have been made to the Articles since that date. We now propose to adopt new Articles which are broadly based on the Charity Commission model articles for charitable companies (rather than the model Articles for private companies limited by guarantee) and which incorporate all the relevant provisions of the Companies Act 2006 and the Charities Act 2011. The reason for adopting new Articles is to ensure that the governing document of the charity is up-to-date and fit for purpose and it is tailored for museums and suitable for accreditation by the Arts Council.

The Trustees have obtained legal advice on the proposed changes and the new Articles are available to view at [www.haslemeremuseum.co.uk](http://www.haslemeremuseum.co.uk) . A summary of the key changes and other comments are set out below:

Article 5 sets out the objects of the Museum which remain unchanged.

Article 6 now includes matters of particular relevance to Museums and for example includes powers to undertake the digitisation of the collection, including the creation, maintenance and storage of the images and data relating to the collection as well as to conduct research, organise conferences, lectures and seminars.

Article 6(17) allows the Museum to enter into contracts on behalf of other bodies. An example would be where the Museum is acting as the lead for a group of Museums on a project and incurs expenditure on their behalf, but all such expenditure is grant funded.

Article 6(22) Subsidiaries would only need to be established in the unlikely event that the Museum were to undertake significant trading activities.

Article 8 includes new provisions that in certain circumstances allow trustees to enter into agreements to provide goods and services to the Museum and to be so remunerated. These provisions mirror those set out in the Charity Commission's model Articles for charitable companies.

Article 9 sets out new provisions relating to the Declaration of trustees' interests in any transactions or arrangements with the Museum and Article 10 sets out new provisions and procedures relating to trustees' conflicts of interests and conflicts of loyalties. The definition of connected persons relating to those provisions is set out in Article 46.

Article 11 sets out the current membership categories and Article 23 sets out their voting entitlements.

Article 13 now allows General Meetings of members to be held virtually by electronic means. Although it is not a legal requirement for Annual General Meetings to be held, the Trustees consider that this should remain a requirement in the Museum Articles.

Article 14 sets out that General meetings can now be held by electronic means and notices, agendas and other documentation can be sent by e-mail or be placed on the website (Articles 40(1)(4) and 40(1)(5)).

Article 15 states the requirement of 5% of members to constitute a quorum at General meetings which was included in the current Articles has been retained. Experience has shown that a quorum of much greater than 5% historically has been difficult to achieve.

Articles 20/21 states that proxy notices may be delivered in any form specified, including by electronic means.

Article 22 states that written resolutions may be in writing or in electronic form.

Article 26 sets out that Trustees are appointed by the members at general meetings. The Trustees will put forward recommendations to members for the appointment of new Trustees and for existing Trustees to be reappointed. In line with the existing Articles, Trustees may also co-opt an individual to serve as a Trustee for a term no longer than 12 months until the next AGM. Trustees as previously, will serve for a term of office of 3 years.

If a Trustee has served for more than nine years, their reappointment will be by exception and will be:

- Subject to a particularly rigorous review and takes into account the need for progressive refreshing of the board,
- explained in the Museum's Notice of Meeting or in the Trustees' annual report.

The above paragraph mirrors the wording of the Charity Governance Code for smaller charities, namely that if a Trustee has served for more than nine years their reappointment is subject to the specific procedures referred to above. The Trustees have added the words "by exception" to the words included in the Code in order to make it clear that Trustees serving for more than nine years will not be a normal occurrence in future. The existing Articles allowed Trustees to be appointed at an Annual General Meeting for two terms of three years and either following a one year gap or being co-opted to the Board for one year, Trustees could then be appointed for a further two terms of three years and so on.

Article 31 allows Trustee meetings to be held by electronic means and Article 33 allows resolutions to be agreed in electronic form.

Article 32. The quorum for Trustees meetings has been changed from 3 or one third of the Trustees whichever is greater to 3 or a majority of the total number of Trustees whichever is greater.

Article 34. This sets out that the Trustees may delegate any of their powers and functions to a committee or committees comprising of at least two trustees. The existing Articles allowed Trustees to delegate any of their powers to a committee composed entirely at their discretion with no requirement to include any Trustees on the committee. This clause in the existing Articles would no longer be acceptable to the Charity Commission.

Article 37. The ability for members to inspect the accounting records and statutory books is removed, but the accounts will now be available on the Museum website at least 21 clear days before the Annual General Meeting.

Articles 39 and 40 set out the means of communication that can be used for notices and documents both to trustees and to members which includes the placing of notices and information on the Museum's website, as long as it is brought to their attention.

Article 42 allows the Museum to indemnify Trustees to the extent permitted by sections 232-234 of the Companies Act 2006. They are also protected by the corporate structure of the charity.

Article 43 allows the Trustees to make rules or bye laws as they deem necessary for the conduct and management of the Museum, as long as these do not conflict with the Articles or charity law.