



LRCS

The Companies Act 2006

ARTICLES OF ASSOCIATION

of

LINCOLN RED CATTLE SOCIETY (THE)

Incorporated: 1st June 1895

Charitable Company Limited by Guarantee

Company Number 00044278

Charitable Company Limited by Guarantee

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ARTICLES OF ASSOCIATION FOR A CHARITABLE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION OF LINCOLN RED CATTLE SOCIETY (THE)

1 THE SOCIETY

The charity's name is Lincoln Red Cattle Society (The) and in these articles, it is called the **Society**.

2 OBJECTS and POWERS

Objects

2.1 The Society's objects (the **Objects**) are specifically restricted to the following:

- (a) to improve the quality of Lincoln Red cattle;
- (b) to maintain a register of Native, Pedigree and Breed Development bulls and females (all being Lincoln Red Cattle) (the **Herd Book**) and upon qualification for the Herd Book, to grant certificates in respect of such bulls and females and to register them in the Herd Book;
- (c) to conduct, encourage and contribute to experimental work and scientific research in connection with the breeding of livestock;
- (d) to support and arrange for periodical shows in the United Kingdom for the exhibition of Lincoln Red cattle and to grant prizes and make awards to owners and breeders of meritorious exhibits at such shows; and
- (e) to do any such things as are ancillary to any of the above objects.

Powers

2.2 The Society has power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular, the Society has power to:

- (a) raise funds. In doing so, the Society must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations;
- (b) buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- (c) sell, lease or otherwise dispose of all or any part of the property belonging to the Society. In exercising this power, the Society must comply as appropriate with sections 117 and 122 (inclusive) of the Charities Act;
- (d) borrow money and to charge the whole or any part of the property belonging to the Society as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The Society must comply as appropriate with sections 124 to 126 (inclusive) of the Charities Act, if it wishes to mortgage land;
- (e) co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- (f) establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- (g) publish and distribute books, pamphlets, reports, leaflets, journals, films, tapes and instructional matter on any medium;

- (h) set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- (i) employ and remunerate such staff as are necessary for carrying out the work of the Society. The Society may employ or remunerate a Council Member only to the extent it is permitted to do so and provided it complies with the conditions in article 17.2(g);
- (j) deposit or invest funds;
- (k) employ a professional fund-manager;
- (l) arrange for the investments or other property of the Society to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;
- (m) accept (or disclaim) gifts of money and any other property;
- (n) provide indemnity insurance for the Council Members in accordance with, and subject to the conditions in, section 189 of the Charities Act; and
- (o) alone or with other organisations seek to influence public opinion and make representations to and seek to influence governmental and other bodies and institutions regarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to those which a charity operating in the United Kingdom may undertake lawfully.

3 LIMITATION of LIABILITY

3.1 The liability of the members is limited to a sum not exceeding £1 (one pound), being the amount that each member undertakes to contribute to the assets of the Society in the event of its being wound up while he or she is a member or within one year after ceasing to be a member, for:

- (a) payment of the Society's debts and liabilities incurred before he or she ceases to be a member;
- (b) payment of the costs, charges and expenses of winding up;
- (c) adjustment of the rights of the contributories among themselves.

4 APPLICATION of INCOME and PROPERTY

4.1 The income and property of the Society shall be applied solely towards the promotion of the Objects.

4.2 A Council Member:

- (a) is entitled to be reimbursed from the property of the Society, or may pay out of such property, reasonable expenses properly incurred by him or her when acting on behalf of the Society;
- (b) may benefit from trustee indemnity insurance cover purchased at the Society's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act;
- (c) may receive an indemnity from the Society in the circumstances specified in articles 23.1 and/or 23.2; and
- (d) may not receive any other benefit or payment unless it is authorised by article 17.

- 4.3 Subject to article 17, none of the income or property of the Society may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member. This does not prevent a member who is not also a Council Member from receiving:
- (a) a benefit from the Society (including but not limited to the receipt of Society publications and/or the bona fide winning of prizes given out by the Society at shows, exhibitions or otherwise) in their capacity as a beneficiary of the Society; or
 - (b) reasonable and proper remuneration for any goods or services supplied to the Society.

5 **The COUNCIL of the SOCIETY**

- 5.1 The Council of the Society (being its board of trustees/directors) shall be comprised of thirteen (13) Council Members elected pursuant to this article 5 and up to two (2) additional co-opted Council Members (the **Council**). All Council Members shall be directors of the Society.
- 5.2 All Council Members (including those co-opted) must be Full Members.
- 5.3 The Council Members shall include the following officers:
- (a) The Patron;
 - (b) The President;
 - (c) Either the President-Elect or the Immediate Past President at any given time;
 - (d) The Scottish Representative; and
 - (e) Up to 9 (nine) additional Council Members without portfolio.

Appointment of Council Members

- 5.4 The Society may by ordinary resolution:
- (a) appoint a person who is willing to act to be a Council Member;
 - (b) subject to the provisions of the Companies Act 2006 (including but not limited to section 168 of the Companies Act 2006) remove a Council Member from his or her office as director of the Society; and
 - (c) determine the rotation in which any Council Members are to retire pursuant to article 7.8.
- 5.5 No person other than a Council Member who has retired by rotation pursuant to article 7.8 may be appointed a Council Member at any general meeting unless:
- (a) he or she is recommended for election by the Council; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Society 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 Council Member;
 - (iii) contains the details that, if the person were to be appointed, the Society would have to file at the Registrar of Companies; and

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

5.6 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 Council Member other than a Council Member who is to retire by rotation.

Vacancies

5.7 The Council may at a Council meeting fill any vacancy:-

- (a) on the Council; or
- (b) in the position of the Auditors,

which arises between one Annual General Meeting and another, provided that notice of any motion having that effect shall be given in the notice convening the meeting.

5.8 A Council Member who is appointed by a resolution of the other Council Members must retire at the next Annual General Meeting and must not be taken into account in determining the Council Members who are to retire by rotation.

5.9 The appointment of a Council Member, whether by the Society in general meeting or by the other Council Members, must not cause the number of Council Members to exceed any number fixed as the maximum number of Council Members.

Council Members' general authority

5.10 Subject to these articles, the Council Members are responsible for the management of the Society's business, for which purpose they may exercise all the powers of the Society.

5.11 The Council may:

- (a) arbitrate and settle any questions and such other matters or things as may be to the benefit of breeders of Lincoln Red cattle;
- (b) subject to these articles, delegate any of their powers or functions to any person or committee, such committees always being chaired by a Council Member;
- (c) subject to these articles, dispose of the funds of the Society for the promotion of the Objects.

6 DUTIES and DECISION-MAKING by COUNCIL MEMBERS

6.1 Council Members are to take decisions collectively. Any decision of the Council Members must be made by a majority of the Council Members present.

6.2 The Council shall be entrusted with the exercise and performance of regulating its proceedings.

6.3 The Council may accept or refuse applications for membership of the Society.

6.4 The Council may make such regulations as to the entry and registration of cattle eligible for the Herd Book as it thinks proper.

6.5 The Council may create additional portfolios for Council Members in addition to, or to replace, those set out in articles 5.3(a) to 5.3(d) inclusive.

6.6 Subject to there being a quorum of Council Members present in person at a Council meeting, the Council may entitle Council Members to attend the meeting by way of attendance via any electronic visual or oral 'video or conference call' link and the Council Member using such means to participate may then be counted as being present at the meeting.

7 **COUNCIL MEETINGS and RETIREMENT BY ROTATION**

7.1 The President shall preside as chairman over every meeting of the Council. If:-

- (a) the President is not present, the Past President shall so preside;
- (b) the Past President is not present, the Patron shall so preside;
- (c) the Patron is not present, the President-Elect shall so preside;
- (d) the President-Elect is not present, then the members present shall choose one of their number to so preside.

7.2 The Council shall meet at such times and places as it may find necessary. At least 7 (seven) clear days' notice shall be given by the Secretary to each member of the Council of all such meetings.

Quorum

7.3 The quorum for a meeting of the Council shall be five (5) Council Members

Minutes

7.4 Minutes must be made of all:

- (a) resolutions of the Society and of the Council Members;
- (b) proceedings at meetings of the Society and of the Council Members and committees, including the names of the Council Members present at each such meetings.

7.5 Any such minutes shall be signed by the chair of the meeting at which the proceedings were had, or by the chair of the next following meeting.

7.6 The minutes of Council meetings must be made available to all Council Members and where necessary, to appropriate professional advisers (e.g. the Auditors). Minutes of Council meetings are not open documents and do not have to be made available for member or public inspection.

7.7 The minutes of any general meeting of the members shall be made available for members' inspection.

Retirement by rotation

7.8 Subject to article 7.9:

- (a) One third, or nearest to (but not exceeding) one third, of the elected Council Members shall retire at each Annual General Meeting and such Council Members shall not be eligible for re-election until the next following Annual General Meeting;
- (b) the Council Members to retire each year shall be those who have been longest in office;
- (c) A member co-opted to fill a vacancy on the Council pursuant to article 5.7(a) shall retire at the Annual General Meeting that follows his co-option but notwithstanding his retirement, he shall be eligible for re-election at that Annual General Meeting by the approval of a majority of the

members and he shall not count for the purposes of article 7.8(a) in determining the number of Council Members who shall retire.

7.9 The provisions of article 7.8(a) shall not apply to a Council Member who has been elected to the portfolio of President in accordance with article 13.1. Such a Council Member shall retire on the conclusion of their term with the portfolio of Past President, in accordance with article 13.1.

8 MEMBERSHIPS, MEMBERS and THEIR OBLIGATIONS

8.1 Unless otherwise determined from time to time by the Council, the maximum number of members shall be 1,000 (one thousand).

8.2 Membership is open to individuals who apply to the Society in the appropriate form required by the Council from time to time. An applicant, having submitted such an application form to the satisfaction of the Council (acting reasonably) shall, in order to become a member, require to be proposed by one member, seconded by another member and elected by majority approval of the Council Members present at a Council meeting of the Society.

Refusal

8.3 The Council:

- (a) may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Society to refuse the application;
- (b) must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision;
- (c) must consider any written representations the applicant may make about the decision. The Council's decision following any written representations must be notified to the applicant in writing but shall be final.

8.4 Membership is not transferable.

8.5 The Council Members must keep and maintain up to date, a register of names and addresses of the members.

Classes of membership

8.6 The Council may:

- (a) establish classes of membership with different rights and obligations and shall record the rights and obligations in the Society's register of members;
- (b) not directly or indirectly alter the rights or obligations attached to a class of membership;
- (c) only vary the rights attached to a class of membership if:
 - (i) three-quarters of the members of that class consent in writing to the variation; or
 - (ii) a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation,

and the provisions in these articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members.

8.7 **Rights of members**

- (a) Each Full Member shall only be entitled to one vote at any general meeting of the Society;
- (b) No partnership, corporate entity or other organisation may become a member in the name of that organisation, but any organisation wishing to obtain the benefits of membership through a nominee may nominate an individual as its representative if duly proposed, seconded and elected. Every such organisation must notify the Society in writing of the name of its nominated representative and may, subject to the Council's ability to decline to accept any person as a member pursuant to Article 8.3, replace such nominated representative at any time by giving notice to the Society provided that it bears all of the Society's reasonable administration and other costs incurred in making such a replacement. For the avoidance of doubt, the membership rights may be exercised by the nominated representative of the organisation which he or she represents and not by the organisation itself which shall have no membership rights;
- (c) Every member shall be entitled to a copy of each of the Society's publications for the year without further charge, provided that all subscriptions have been paid for the current year and that it is within their membership class rights;
- (d) The names of the members must be entered in the Society's register of members which shall include, where relevant, where a member has become a member to represent an organisation.

8.8 **Obligations of members**

- (a) Every member on joining the Society shall pay an annual subscription as shall be determined from time to time by the Council;
- (b) The annual subscription shall be payable on the second day of January in each year (2nd January);
- (c) Every member shall observe these articles and the Rules & Bye-laws and pay all fines and forfeits which Council may impose from time to time in such Rules & Bye-laws; and
- (d) By acceptance of membership it shall be assumed that the member is fully conversant with these articles, the Rules & Bye-laws and the Auction Rules.

Termination/ withdrawal of members

8.9 A member's membership is terminated:

- (a) if the member dies;
- (b) if the member has a bankruptcy order made against him or her, or has an order made against him or her in individual insolvency proceedings in a jurisdiction other than England and Wales which has a similar effect to that of bankruptcy and the Society resolves that he or she should cease to be a member for such reason;
- (c) if the member is a member on behalf of an organisation, and:-
 - (i) the organisation suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company or limited liability partnership) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as if the words "it is proved to the satisfaction of the court" did not appear in sections 123(1)(e) or 123(2) of the IA 1986 or (being a partnership) has any partner to whom any of the foregoing apply; or

- (ii) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the organisation (being a company, limited liability partnership or partnership); or
 - (iii) an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed, over that organisation;
- (d) on the expiry of seven clear days following written notice being given by the member to the Society of his or her desire to withdraw or terminate membership; and/or
- (e) if any sum payable by the member to the Society (including but not limited to any subscription, fine or forfeit for twenty-four months) is not paid on the due date and remains unpaid at the end of the period of twenty-four calendar months beginning with the due date. The Council may re-admit to membership any person who ceases to be a member on this ground if he or she pays such reasonable sum as the Council may determine.

Termination of membership by the Council for reasons of, *inter alia*, conduct

8.10 The Council shall have the absolute discretion to terminate the membership of any member in:

- (a) all cases of doubtful or suspicious pedigrees and all cases of alleged wilful misrepresentation by any member as to the identity of any cattle alleged to be Lincoln Red cattle, or as to the condition of any Lincoln Red cattle in respect of age, health or breeding qualifications upon exhibition, sale or bargain, brought to the attention of the Council;
- (b) all cases of alleged wilful misrepresentation, or other misconduct or irregularity by any member which may come to the Council's attention from any source; and/or
- (c) all cases where the Council considers the conduct of any member to be derogatory to the character or prejudicial to the interests of the Society, or where a member fails to adhere to these articles, the Rules & Bye-laws, the Auction Rules or any other lawful regulation or order of the Council.

8.11 If the Council is considering the termination of a member's membership pursuant to articles 8.10(a), 8.10(b) or 8.10(c) then a Council meeting shall be called to discuss the proposed termination of membership. At least 21 (twenty-one) clear days' notice of such Council meeting and details of the specific charges shall be given to the member whose membership termination is proposed. The member or, at the option of the member, a representative of the member (who need not be a member of the Society) shall be allowed to make representations at the Council meeting but the member (or his representative) shall not be entitled to participate in the vote of Council in relation to the proposed termination of his or her membership.

8.12 Following the termination of membership, a member shall automatically cease to be a member and his or her name shall be removed from the Society's register of members and his or her cattle shall be expunged from the Herd Book.

8.13 A member whose membership has terminated pursuant to article 8.9 or 8.10 or for any other reason shall automatically cease to be a member and his or her name shall be removed from the Society's register of members and his or her cattle shall be expunged from the Herd Book but in all cases without prejudice to their liability to pay to the Society any subscription or any other sum owing from them to the Society on the date of termination of membership.

Suspension of members

8.14 A member whose membership has terminated pursuant to the foregoing provisions of this article 8 or who has received a notice inviting him to attend a Council meeting called pursuant to article 8.11 shall

not be entitled to receive notice of or attend or vote at any general meeting or to exercise or enjoy any of the rights or privileges of a member, but for so long as his membership continues his obligation to pay the Society his annual subscription and any other sums from time to time payable to the Society under these articles or the Rules & Bye-laws shall not be prejudiced or affected.

8.15 The Council shall have the absolute discretion as to whether or not to publish the results of an investigation made under article 8.10 or otherwise and of expressing or withholding any opinion thereupon, and of otherwise dealing with the same in any manner it thinks fit. The Council is not required to provide to any person any reasons for the termination of a member's membership pursuant to articles 8.10 and 8.11.

9 **RULES & BYE-LAWS and AUCTION RULES**

9.1 The Council may:-

- (a) from time to time make and review such reasonable and proper rules, terms of reference or bye laws for regulating the administration of the Society (the **Rules & Bye-laws**) provided that such Rules & Bye-laws do not amount to such an alteration of or addition to these articles as could only legally be made by special resolution. The Rules & Bye-laws shall be drafted in the form of a policy.
- (b) in conjunction with auctioneers and others, to prescribe the rules for sales held under the auspices of the Society (the **Auction Rules**). A full set of current Rules & Bye-laws is available for members to view, by appointment or on request.

9.2 The Rules & Bye-laws may regulate the following matters but are not restricted to them:

- (a) The admission of members and the rights and privileges of such members, and the entrance fees, subscriptions and other fees or payments to be made by members;
- (b) The conduct of members in relation to one another, and to the Society's employees and volunteers;
- (c) The setting aside of the whole or any part(s) of the Society's premises at any time(s) or for any purpose(s);
- (d) The procedure at general meetings and Council meetings in so far as such procedure is not regulated by the Companies Act 2006 or by these articles;
- (e) Herd Book regulations;
- (f) Generally, all such matters as are commonly the subject matter of charitable company bye-laws.

9.3 The Society in general meeting has the power to alter, add to or repeal the Rules & Bye-laws and the Auction Rules.

9.4 The Council must adopt such means as they think sufficient to bring the Rules & Bye-laws to the notice of members.

9.5 The Rules & Bye-laws shall be binding on all members. None of the Rules & Bye-laws shall be inconsistent with, or shall affect or repeal anything contained in, these articles.

10 GENERAL MEETINGS

Annual General Meeting

- 10.1 The Society must hold an Annual General Meeting once in every calendar year and not more than 15 months shall pass between one Annual General Meeting and the next. It shall be held at such time and place as the Council Members think fit.
- 10.2 The business of the Annual General Meeting shall include the following agenda items:-
- (a) To consider the accounts and balance sheet of the Society and the reports of the Council and Auditors for the preceding year;
 - (b) To elect Council Members and appoint(or re-appoint as the case may be) Auditors for the ensuing year;
 - (c) To elect certain Council Members to the portfolios as detailed in article 5.3; and
 - (d) All other business which under statute and pursuant to these articles is required to be transacted at the Annual General Meeting.
- 10.3 No person shall be elected as a Council Member at an Annual General Meeting unless a notice executed by a member qualified to vote at the meeting has been given to the Secretary at least 14 days before the date of the Annual General Meeting of the intention to propose that person for election, together with a notice executed by that person confirming their willingness and eligibility to be elected.
- 10.4 At any Annual General Meeting the number of Council Members may be increased or reduced until the next following Annual General Meeting, provided notice of any motion having that object shall be given in the notice convening the meeting.
- 10.5 Members shall be entitled at Annual General Meetings, at an appropriate point on the agenda, to make suggestions to the Council for its consideration (as the Council deems fit). For the avoidance of doubt, such suggestions shall not be voted upon at the Annual General Meeting.

Other general meetings

- 10.6 No business shall be transacted at any general meeting unless a quorum is present. A quorum is ten members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.
- 10.7 Council Members may call a general meeting at any time.

Length of Notice

- 10.8 The minimum periods of notice required to hold a general meeting of the Society are:
- (a) twenty-one clear days for an Annual General Meeting or a general meeting called for the passing of a special resolution; or
 - (b) fourteen clear days for all other general meetings.
- 10.9 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.

10.10 A notice of a general meeting must:-

- (a) 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;
- (b) contain a statement setting out the right of members to appoint a proxy; and
- (c) be given to all the members and to the Council Members and the Auditors.

10.11 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 Society.

10.12 If the Society gives an electronic address in a notice calling a meeting, it will be deemed to have agreed that any document or information relating to proceedings at the meeting may be sent in electronic form (within the meaning given in section 1168 of the Companies Act 2006) to that address (subject to any conditions or limitations specified in the notice)

Proceedings

10.13 The President shall preside as chairman over every general meeting of the Society. If:-

- (a) the President is not present, the Past President shall so preside;
- (b) the Past President is not present, the Patron shall so preside;
- (c) the Patron is not present, the President-Elect shall so preside;
- (d) the President-Elect is not present, then the members present shall choose one of their number to so preside.

10.14 If a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be adjourned to such time and place as the Council Members shall determine.

10.15 The chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

10.16 At any general meeting, unless a poll of members present is demanded by the chairman or at least five members, a declaration by the chairman that a resolution has been 'carried or lost' or 'carried or not carried by a majority', and an entry to that effect in the book of proceedings of the Society shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

10.17 If a poll is demanded by five or more members, it shall be taken in such a manner as the chairman of the meeting directs and the result of the poll shall be deemed a resolution of the Society. In the case of equality of votes at any general meeting the chairman shall be entitled to a second or casting vote. A poll demanded on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken at such time as the chairman of the meeting shall appoint and the remainder of the business may proceed pending the taking of such poll.

11 VOTING AT GENERAL MEETINGS

11.1 At any general meeting of the Society every member shall have one vote and no member shall be entitled to vote unless all monies due by him to the Society shall have been paid.

11.2 All votes must be given personally whether by a show of hands or by a poll.

11.3 Unless otherwise required by law, all business of the Society shall be determined by the majority vote of the members present. The chairman of the meeting shall have a second or casting vote in the case of an equality of votes of members.

12 **LIFE VICE-PRESIDENTS**

12.1 One or more life vice presidents of the Society (each a **Life Vice President**) may be appointed from time to time by and at the sole discretion of the Council.

12.2 The Life Vice President(s) shall:-

- (a) not be a Council Member;
- (b) have the right to be given notice of, to attend and speak (but not vote) at any Council meeting;
- (c) shall have the right to be given notice of, to attend, speak and vote at any general meeting of the Society;
- (d) have the right to receive accounts of the Society when they are made available to the Council.

13 **ELECTION of OFFICERS**

President

13.1 At such time as a Council Member retires at an Annual General Meeting from the portfolio of Past President in accordance with article 13.3, the members shall at that Annual General Meeting elect a Council Member to the portfolio of "President of the Society" (the **President**). The President shall be appointed for a term of office that shall commence at the Annual General Meeting next following such election and conclude at the third Annual General Meeting following such election.

13.2 A Council Member elected to the portfolio of President shall immediately serve with the portfolio of "President-Elect of the Society" (the **President-Elect**) for a term of office commencing at the Annual General Meeting at which they were elected to the portfolio of President and concluding at the Annual General Meeting next following such election.

13.3 A Council Member elected to the portfolio of President shall following the conclusion of their term as President in accordance with article 13.1 immediately serve a further term with the portfolio of "Past President" (the **Past President**) until the next following Annual General Meeting.

13.4 The members shall at each Annual General Meeting following the election of the Council Members elect individual Council Members to the following portfolios, with such portfolios to be held until the following Annual General Meeting:

- (a) The Patron; and
- (b) The Scottish Representative.

Secretary

13.5 Secretary may be appointed by the Council Members for such term, at such remuneration and upon such conditions as they may think fit, and may be removed by them. The Secretary shall not be a Council Member.

14 **RECORDS and ACCOUNTS**

14.1 The Council Members shall comply with the requirements of the Companies Act 2006 and of the Charities Act as to maintaining a members' register, keeping financial records, the audit or examination

of accounts and the preparation and transmission to the Registrar of Companies and the Commission of the Society's:

- (a) annual reports;
- (b) confirmation statements; and
- (c) annual statutory accounts.

14.2 Except as provided by law or authorised by the Council Members or an ordinary resolution of the Society, no person shall be entitled to inspect any of the Society's accounting or other records or documents merely by their being a member.

14.3 The Society's statutory accounts shall be laid before the Society in general meeting together with a copy of the Auditors' report, for the members' reference only.

14.4 The Society's accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Council (or its successor body) and adhere to the recommendations of applicable Statements of Recommended Practice.

15 **COMMUNICATIONS by and to the SOCIETY**

15.1 Subject to these articles, any notice or document to be sent or supplied to a Council Member regarding the taking of decisions by Council Members may also be sent or supplied by the means which that Council Member has asked to be sent or supplied such notices or documents for the time being. Subject to these articles and the Companies Act 2006 any document or information (including any notice, report or accounts) sent or supplied by the Society under these articles or the Companies Act 2006 may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by the Society, including without limitation:

- (a) in hard copy form; or
- (b) in electronic form; or
- (c) by making it available on a website.

15.2 The Society may give any notice to a member either:

- (a) in person;
- (b) by sending it by post in a prepaid envelope addressed to the member at his or her address;
- (c) by leaving it at the address of the member;
- (d) by giving it in electronic form to the member's email address supplied to the Society; or
- (e) by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website.

The notification must state that it concerns a notice of a members' meeting of the Society and must specify the place, date and time of the meeting.

15.3 Subject to these articles, any notice or document to be sent or supplied to a Council Member regarding the taking of decisions by Council Members may also be sent or supplied by the means which that Council Member has asked to be sent or supplied with such notices or documents for the time being.

- 15.4 A member present in person at any meeting of the Society shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 15.5 Proof that:-
- (a) an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given;
 - (b) an electronic form of notice was given shall be conclusive where the Society can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- 15.6 In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
- (a) in the case of a notice given in hard copy, 48 hours after the envelope containing it was posted;
 - (b) in the case of an electronic form of communication, 48 hours after it was sent.
- 15.7 A member who does not register an address with the Society or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Society.
- 15.8 The Secretary, the Council Members and (subject to the member(s) paying any reasonable costs of the Society incurred in so implementing) members may communicate at meetings with the aid of any electronic visual or oral conference call link.
- 15.9 Electronic communications may also include the use of Facebook, Twitter and any similar forms of communication to help promote the Society and its objects.
- 16 **DISSOLUTION**
- 16.1 The members may at any time before, and in expectation of, its dissolution resolve that any net assets of the Society after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Society be applied or transferred in any of the following ways:
- (a) directly for the Objects; or
 - (b) by transfer to any charity or charities for purposes similar to the Objects; or
 - (c) to any charity or charities for use for particular purposes that fall within the Objects.
- 16.2 Subject to any such resolution of the members, the Council Members may at any time before, and in expectation of, its dissolution resolve that any net assets of the Society after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the Society be applied or transferred:
- (a) directly for the Objects; or
 - (b) by transfer to any charity or charities for purposes similar to the Objects; or
 - (c) to any charity or charities for use for particular purposes that fall within the Objects.
- 16.3 In no circumstances shall the net assets of the Society be paid to or distributed among the members and if no resolution in accordance with article 16.1 is passed by the members or the Council Members the net assets of the Society shall be applied for charitable purposes as directed by the Court or the Commission.

17 **BENEFITS and PAYMENTS to SOCIETY COUNCIL MEMBERS and CONNECTED PERSONS**

17.1 No Council Member or connected person may:

- (a) buy any goods or services from the Society on terms preferential to those applicable to members of the public;
- (b) sell goods, services or any interest in land to the Society;
- (c) be employed by, or receive any remuneration from, the Society; or
- (d) receive any other financial benefit (being a benefit, direct or indirect, which is either money or has a monetary value) from the Society,

unless the payment is permitted by article 17.2 or authorised by the Court or the Commission.

17.2 A Council Member or connected person may:-

- (a) receive a benefit from the Society in the capacity of a beneficiary of the Society provided that a majority of the Council Members do not benefit in this way;
- (b) enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Society where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act;
- (c) subject to article 17.3 provide the Society with goods that are not supplied in connection with services provided to the Society by the Council Member or connected person;
- (d) receive interest on money lent to the Society at a reasonable and proper rate which must be not more than the Bank of England base rate;
- (e) receive rent for premises let by the Council Member or connected person to the Society. The amount of rent and the other terms of the lease must be reasonable and proper. The Council Member concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion;
- (f) take part in the normal trading and fundraising activities of the Society on the same terms as members of the public;
- (g) enter into a contract of employment with the Society where the other Council Members can demonstrate that such employment is completely justifiable and the decision to employ a Council Member is made without favouritism or improper influence.

17.3 A Council Member or connected person may only receive payment or any other financial benefit from the Society in return for the supply of goods to the Society in accordance with article 17.2 where each of the following conditions is also satisfied:

- (a) The amount or maximum amount of the payment for the goods is set out in an agreement in writing between the Society or its Council Members (as the case may be) and the Council Member 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 Society;
- (b) 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;
- (c) The other Council Members are satisfied that it is in the best interests of the Society to contract with the Supplier rather than with someone who is not a Council Member or connected person.

In reaching that decision the Council Members must balance the advantage of contracting with a Council Member or connected person against the disadvantages of doing so;

- (d) The Supplier is absent from the part of any meeting at which there is a discussion of the proposal to enter into a contract or arrangement with him or her with regard to the supply of goods to the Society;
- (e) The Supplier does not vote on any such matter and is not to be counted when calculated whether a quorum of Council Members is present at the meeting;
- (f) The reason for their decision is recorded by the Council Members in the minute book; and
- (g) A majority of the Council Members then in office are not in receipt of remuneration or payments authorised by article 17.

17.4 In articles 17.2 and 17.3:

- (a) **Society** includes any company in which the Society:
 - (i) holds more than 50% of the shares; or
 - (ii) controls more than 50% of the voting rights attached to the shares; or
 - (iii) has the right to appoint one of more Council Members to the board of the company.
- (b) **connected person** includes any person within the definition in article 25.5.

18 **DECLARATIONS of COUNCIL MEMBER'S INTERESTS**

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

19 **CONFLICTS of INTERESTS and CONFLICTS of LOYALTIES**

19.1 If a conflict of interests arises for a Council Member 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 these articles, the unconflicted Council Members may authorise such a conflict of interests where the following conditions apply:

- (a) The conflicted Council Member is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
- (b) The conflicted Council Member does not vote on any such matter and is not to be counted when considering whether a quorum of Council Members is present at the meeting; and
- (c) The unconflicted Council Members consider it is in the interests of the Society to authorise the conflict of interests in the circumstances applying.

19.2 In this article 19 a conflict of interests 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 Council Member or to a connected person.

20 **DISQUALIFICATION and REMOVAL of COUNCIL MEMBERS**

20.1 A Council Member shall cease to hold office if he or she:

- (a) ceases to be a Council Member by virtue of any provision in the Companies Act 2006 or is prohibited by law from being a Council Member;
- (b) is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act;
- (c) ceases to be a member of the Society;
- (d) becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
- (e) resigns as a Council Member by notice to the Society (but only if at least two Council Members will remain in office when the notice of resignation is to take effect); or
- (f) is absent without the permission of the Council Members from all their meetings held within a period of six consecutive months and the Council Members resolve that his or her office be vacated.

21 **REMUNERATION of COUNCIL MEMBERS**

The Council Members must not be paid any remuneration unless it is authorised by article17.

22 **ANNUAL REPORT, ACCOUNTS and the CHARITY COMMISSION**

22.1 The Council Members must comply with the requirements of the Charities Act with regard to:

- (a) sending a copy of its annual accounts to the Commission; and
- (b) preparing an Annual Report and sending a copy of it to the Commission.

22.2 The Council must notify the Commission promptly of any changes to the Society's entry on the Central Register of Charities.

23 **INDEMNITY**

23.1 The Society may indemnify any Council Member or former Council Member of the Society against any liability incurred in that capacity, to the extent permitted by sections 232 to 234 (inclusive) of the Companies Act 2006.

23.2 The Society may indemnify an Auditor against any liability incurred by him or her or it:

- (a) in defending proceedings (whether civil or criminal) in which judgment is given in his or her or its favour or he or she or it is acquitted; or
- (b) in connection with an application under section 1157 of the Companies Act 2006 (power of Court to grant relief in case of honest and reasonable conduct) in which relief is granted to him or her or it by the Court.

24 **PROXIES**

24.1 Proxies may only validly be appointed by a notice in writing (a **Proxy Notice**) which:

- (a) states the name and address of the member appointing the proxy;

- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Council may determine; and
 - (d) is delivered to the Society in accordance with these articles and any instructions contained in the notice of the general meeting to which they relate.
- 24.2 The Society may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 24.3 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.
- 24.4 Unless a Proxy Notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - (b) 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.

Delivery of Proxy Notices

- 24.5 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 Society by or on behalf of that person.
- 24.6 An appointment under a Proxy Notice may be revoked by delivering to the Society a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 24.7 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.
- 24.8 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.

25 DEFINED TERMS and RULES OF INTERPRETATION

The following definitions and rules of interpretation apply in these articles:

25.1 Definitions:

Annual General Meeting: an annual general meeting of the members;

articles: the Society's articles of association for the time being in force;

Auction Rules: has the meaning given in article 9.1(b);

Auditors: the Society's auditors or independent examiners (as applicable) from time to time;

Charities Act: the Charities Act 2011;

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

Commission: The Charity Commission for England and Wales;

Council: has the meaning given in article 5.1;

Council Members: the directors of the Society (each a **Council Member**) appointed in accordance with Article 5. The Council Members are charity trustees as defined by section 177 of the Charities Act;

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

Full Members: a full member of the Society having the rights and obligations as set out in the Rules & Bye-laws;

members: the members of the Society;

membership: membership of the Society in a person's capacity as a member;

Past President: has the meaning given in article 13.3;

President: has the meaning given in article 13.1;

President-Elect: has the meaning given in article 13.2;

Rules & Bye-laws: has the meaning given in article 9.1;

Secretary: any person appointed to perform the duties of the secretary of the Society; and

Society: the charitable company limited by guarantee, Lincoln Red Cattle Society (The) (company number 00044278), to be regulated by these articles.

25.2 Words importing one gender shall include all genders, and the singular includes the plural and vice versa.

25.3 Unless the context otherwise requires words or expressions contained in these articles have the same meaning as in the Companies Act 2006 but excluding any statutory modification not in force when this constitution becomes binding on the Society.

25.4 Apart from the exception mentioned in article 25.3, a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

25.5 In article 17, and article 19.2 **connected person** means:

- (a) a child, parent, grandchild, grandparent, brother or sister of the Council Member;
- (b) the spouse or civil partner of the Council Member or of any person falling within article 25.5(a);
- (c) a person carrying on business in partnership with the Council Member or with any person falling within article 25.5(a) or 25.5(b);
- (d) an institution which is controlled:
 - (i) by the Council Member or any connected person falling within articles 25.5(a), 25.5(b) or 25.5(c); or
 - (ii) by two or more persons falling within article 25.5(d)(i), when taken together.
- (e) a body corporate in which:

- (i) the Council Member or any connected person falling within articles 25.5(a) to 25.5(c) (inclusive) has a substantial interest; or
- (ii) two or more persons falling within article 25.5(e)(i) who, when taken together, have a substantial interest.

Sections 350 to 352 (inclusive) of the Charities Act apply for the purposes of interpreting the terms used in this article 25.5.

