

Special Resolution. Catalyst Arts Ltd

The following alterations outlined below are for consideration of the membership to pass as special resolution so that the drafted articles of association may be adopted:

Catalyst Arts Ltd are seeking to make alteration to its articles of association.

Catalyst Arts Ltd, is currently in the process of updating its governing document in consultation with NICVA. This process has been initiated by the current board of directors to ensure that our articles of association are in keeping with best practice for charitable companies and to clarify and better define the company's purpose, defined in the current draft under 'Objects' (Section 4) and 'Powers' (Section 5).

The main charitable purposes of Catalyst Arts Ltd is the advancement of the arts and culture as a well as the advancement of education and this was not clearly defined in the original governing document.

Other sections and clauses marked below are mostly additions rather than alterations, again, drafted in response to the lack of clarity surrounding issues of directors benefit Section (8)(a)-(d), connected persons Section (9)(a)-(e), membership section (11)(a)-(c), quorums at AGMs section (26)-(29) and Appointment of Directors section (64)-(66) in our original articles of associations.

In keeping with due process for the adoption of alteration of the Company's objects, if given consent by the Charity Commission NI, Catalyst Arts Ltd will ask the membership to read and discuss proposed amendments to pass by 'Special Resolution' at its AGM. Following this Catalyst Arts will submit this adopted draft to Companies House for register.

The request for the main alterations are as follows:

OBJECTS (page 4)

(4) The Company's objects are specifically restricted to the advancement, improvement, production and promotion of art and culture and the advancement of education and training in the arts and related subjects in Northern Ireland and any other country as the Directors may from time to time decide ("hereinafter called the "area of benefit") through the provision of workshops, advice, information and training and the organisation of exhibitions, residencies and events and through such other charitable ways as the directors may from time to time decide.

POWERS (page 4-5)

(5) The Company has power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular, the Company has power:

- (a) to promote and improve visual, sonic and live art and the production of works of artistic merit by established, new and emerging visual artists through the provision of workshops, advice, information and training and the organisation of exhibitions, residencies and events and through such other charitable ways as the directors may from time to time decide;
- (b) to promote learning about the creative processes involved in the arts with the object of developing aesthetic and cultural appreciation by providing an innovative and experimental (visual or multi-disciplinary) arts programme in the area of benefit which is freely available and accessible to all;
- (c) to promote arts exchange programs for new and emerging visual artists in other countries;

- (d) to advance the education and training of visual arts and multi-disciplinary practitioners by the provision of integrated training and arts management experience, mentoring and information;
- (e) to engage consultants, advisors and other professionals as appropriate for the work of the Company;

APPLICATION OF INCOME AND PROPERTY (pg 7-9)

Universal clauses

(6) The income and property of the Company shall be applied solely towards the promotion of the Objects.

(7) (a) 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.⁸

(b) A director may benefit from directors' indemnity insurance cover purchased at the company's expense in accordance with, and subject to any conditions in, section 93 of the Charities Act.

(c) A director may receive an indemnity from the Company in the circumstances specified in Article (95).

Directors' benefits

(8) (a) A member, director or connected person may receive a benefit from the Company in the capacity of a beneficiary of the Company provided that it is available generally to the beneficiaries of the Company.

(b) 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, director or connected person of the Company.

Provided that nothing herein shall prevent any payment in good faith by the Company:

(i) Of reasonable and proper remuneration for any services rendered to the company by any member, officer or servant of the Company.

(ii) Of interest on money lent by any member, director or connected person at a reasonable and proper rate per annum not exceeding 2% less than the base rate prescribed for the time being by a clearing bank selected by that board of directors or 3%, whichever is the greater.

(iii) Of reasonable and proper rent for premises demised or let by any member, director or connected person 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.

(iv) Of fees, remuneration or other benefit in money or money's worth to a company of which a member of the board of directors may be a member holding not more than one hundredth part of the capital of that company.

(v) To any directors of reasonable and proper payment of out of pocket expenses.

(c) No director or connected person may buy any goods or services from the Company on terms preferential to those applicable to other members of the public.

(d) "Company" shall include any other company in which the Company holds more than 50% of the shares; or controls more than 50% of the voting rights attached to the shares; or has the right to appoint one or more director to the board of the other company

Connected person

(9) In articles (8), (80) and article (82) "connected person" means:

(a) a child, parent, grandchild, grandparent, brother or sister of the director;

(b) the spouse or civil partner of the director or of any person falling within paragraph (a) above;

(c) a person carrying on business in partnership with the director or with any person falling within paragraph (a) or (b) above;

(d) an institution which is controlled:

(i) by the director or any connected person falling within paragraph (a), (b), or (c) above; or

(ii) by two or more persons falling within sub-paragraph (i), when taken together.

(e) a body corporate in which:

- (i) the director or any connected person falling within paragraphs (a) to (c) has a substantial interest; or
- (ii) two or more persons falling within sub-paragraph (i) who, when taken together, have a substantial interest.

MEMBERS (pg 9-10)

(11) Every application for admission shall be considered by the directors at their first meeting after it was made, or as soon thereafter as is practicable. There shall be no unlawful discrimination between persons by reference to age, politics, religion, ethnic identity, nationality, gender, sexual orientation, physical or learning disability.

(a) The directors may only refuse an application for membership if, acting reasonably and properly, they consider

(b) The directors must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.

(14) The rights and obligations of the different classes of membership shall be recorded in the register of members. There shall be two classes of membership:

(a) Individual Members

Subject to article (11) aged 18 years or over resident or having associations in the area of benefit and who subscribes to the objects of the company.

(b) Life Members

The Directors may at their discretion admit former directors to Life Membership of the Company, on payment of such sum as may be determined from time to time by the Directors. A life member shall so continue unless she/he resigns or be duly expelled. In the construction of these Articles except such of them as provide for the payment of subscriptions and the consequences of non-payment, the term Individual Member shall include 'Life Member'. Life members shall

be ineligible to be elected to the Board of Directors and shall be subject to all provisions and control by the directors and shall have a vote at general meetings of the Company.

PROCEEDINGS AT GENERAL MEETINGS (pg13)

Quorum

(26) No business shall be transacted at any general meeting unless a quorum is present. A quorum is 10 members, present in person or by proxy and entitled to vote upon the business to be conducted.

(54) (a) The number of directors shall not be less than six but (unless otherwise determined by ordinary resolution) shall not be more than ten all of whom must support the objects of the Company.

APPOINTMENT OF DIRECTORS (pg 19-20)

(64) (a) The Company shall actively promote a board of directors which includes a range of skill, experience and knowledge in keeping with the pursuance of its Objects and to this end it is entitled to advertise and interview eligible candidates to be potential directors of the board.

(b) Successful candidates arising from interviews under this article shall be eligible for appointment to the board under the provisions of article 65.

(65) [Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director by a decision of the Directors].

(66) In the case of a retiring director who has served for a total period of two consecutive years, he/she shall not be eligible for re-election to serve as a director for any further period. [In exceptional circumstances where the survival of the Company may be in doubt (as may be determined from time to time by the Directors) the term of office of a director who has served for a total of two consecutive years may be extended for a further

period of one year. A director who has served for a total of three consecutive years shall be ineligible to sit for a further term.]

Remuneration of Directors (pg 21)

(69) The directors must not be paid any remuneration unless it is authorised by article (8).

Declaration of directors' interests (pg24)

(78) The Directors shall cause a register of Directors' interests to be kept. 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).

Reasons for the proposed alterations focusing specifically on how the best interests of the charity are served;

The main alteration is the definition of Objects for the company Section 4, page 4.

"(4) The Company's objects are specifically restricted to the advancement, improvement, production and promotion of art and culture and the advancement of education and training in the arts and related subjects in Northern Ireland and any other country as the Directors may from time to time decide ("hereinafter called the "area of benefit") through the provision of workshops, advice, information and training and the organisation of exhibitions, residencies and events and through such other charitable ways as the directors may from time to time decide."

Catalyst Arts Ltd has operated as a charitable organisation whose remit is to support the production and promotion of arts and culture in Belfast and to ensure that the benefits of this are made freely available to all. The main charitable purposes of Catalyst Arts Ltd is the advancement of the arts and culture as a well as the advancement of education and this was not clearly defined in the original governing document.

Although additional articles have been included, none of the new provisions would result in a charity director, member or connected person benefiting.

With reference to our original governing document, which was drafted when the company became incorporated in 1994 (NI028068) the alterations outlined above have been drafted in accordance with new regulations for companies with charitable status to reflect best practice in our sector and better define our purpose and processes for operations, finances and policies. The sections highlighted for alteration through special resolution by our members, were never clearly defined in the original governing document and focus on the company's objects, powers, quorum for meeting proceedings and appointment of directors.