



MERCHANT NAVY WELFARE BOARD

ARTICLES OF ASSOCIATION OF THE MERCHANT NAVY WELFARE BOARD

as amended by Special Resolutions passed on 15th June 1994, 25th June 1998, 16th October 2002,
18th May 2005, 21st May 2008, 20th May 2010 and 24th July 2015

The Companies Act 1929 to 1947 Company Limited by Guarantee no.453053 and not having a share
capital

Registered as a charity in England & Wales under charity number 212799 and in Scotland under
charity number SC039669

Merchant Navy Welfare Board 8 Cumberland Place, Southampton, SO15 2BH

Company number: 453053

Charity number: 212799

Scottish charity number: SC039669

Companies Acts 1985 to 2006

Company limited by guarantee

ARTICLES OF ASSOCIATION OF

THE MERCHANT NAVY WELFARE BOARD

1 INTERPRETATION

In the **Memorandum** and in **the Articles**, unless the context indicates another meaning:

'AGM' means an annual general meeting of **the Charity**;

'the Articles' means **the Charity's** articles of association;

'Chairman' means the chairman of the **Council**;

'the Charity' means the company governed by **the Articles**;

'the Charities Act' means the Charities Acts 1992 to 2006;

'charity trustee' has the meaning prescribed by **the Charities Act**;

'charitable' means **charitable** in accordance with the law of England and Wales provided that it will not include any purpose which is not **charitable** in accordance with any statutory provision regarding the meaning of the word "**charitable**" or the words "**charitable purposes**" in force in any part of the United Kingdom.

'clear day' does not include the day on which notice is given or the day of the meeting or other event;

'the Commission' means the Charity Commission for England and Wales or any body which replaces it;

'the Companies Act' means the Companies Acts 1985 to 2006;

'Connected Person' means

1.1.1 A child, parent, grandchild, grand parent, brother or sister of the member of the **Council**;

- 1.1.2 the spouse or civil partner of the member of the **Council** or of any person falling within paragraph 1.1.1 above;
- 1.1.3 a person carrying on business in partnership with the member of the **Council** or with any person falling within paragraph 1.1.1 or 1.1.2 above;
- 1.1.4 an institution which is controlled;
- (a) by the member of the **Council** or any **Connected Person** falling within paragraph 1.1.1 or 1.1.2 or 1.1.3 above;
- (b) by two or more persons falling within subparagraph (a), when taken together;
- 1.1.5 a body corporate in which
- (a) the member of the **Council** or any **Connected Person** falling within paragraph 1.1.1 to 1.1.3 above has a substantial interest; or
- (b) two or more persons falling within subparagraph (a) who, when taken together, have a substantial interest.
- 1.1.6 Paragraphs 2 to 4 of schedule 5 to the Charities Act 1993 apply for the purposes of interpreting the terms used in this sub-clause.

'Constituent Organisation' means an organisation that provides wholly or partially for the welfare of **seafarers** and their spouses and dependants (including, without limiting the extent of this definition), merchant **seafarers**, those involved in the fishing industry and in the Royal Navy and which the **Council** has decided in the best interests of **the Charity** to accept into that category of organisations;

'constitution' means the **Memorandum** and **the Articles** and any **special resolutions** relating to them;

'Council' means the board of directors of **the Charity**;

'custodian' means a person or body who undertakes safe custody of assets or of documents or records relating to them;

'electronic means' refers to communications addressed to specified individuals by telephone conference call, fax or email;

'financial expert' means an individual, company or **firm** who is authorised to give investment advice under the Financial Services and Markets Act 2000;

'financial year' means **the Charity's** financial year;

'firm' includes a limited liability partnership;

'indemnity insurance' has the meaning prescribed by **the Charities Act**;

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

'Member' and **'Membership'** refer to company membership of **the Charity**;

'Memorandum' means **the Charity's** memorandum of association;

'month' means calendar month;

'nominee company' means a corporate body registered or having an established place of business in England and Wales which holds title to property for another;

'ordinary resolution' means a resolution agreed by a simple majority of the **Members** present and voting at a general meeting or in the case of a **written resolution** by **Members** who together hold a simple majority of the voting power;

'the Objects' means **the Objects** of **the Charity** as defined in article 4;

'Port Welfare Committee' means a Committee established by the **Council** to encourage and co-ordinate the welfare support and facilities for **seafarers** or their spouses or dependants in an area defined by the **Council**;

'resolution in writing' means a **written resolution** of the **Council**;

'seafarer' means a person employed or who has been employed in the Merchant Navy or the Royal Navy or at sea in the inshore or deep sea fishing industries or who otherwise earns or has earned his or her living at sea.

'Secretary' means a company secretary;

'special resolution' means a resolution of which at least 14 days' notice has been given agreed by a 75% majority of the **Members** present and voting at a general meeting or in the case of a **written resolution** by **Members** who together hold 75% of the voting power;

'taxable trading' means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax;

'member of the Council' means a director of **the Charity** and 'members of the **Council**' means the directors but where a **member of the Council** is a corporate body '**member of the Council**' includes where appropriate the named representative of the **member of the Council**;

'written' or **'in writing'** refers to a legible document on paper including a document sent by **electronic means** which has been printed out on paper;

'written resolution' refers to an **ordinary** or a **special resolution** which is **in writing**;

'year' means calendar **year**.

2 NAME

The name of **the Charity** is The Merchant Navy Welfare Board.

3 REGISTERED OFFICE

The Charity's registered office is to be in England and Wales.

4 OBJECTS

The Objects of the Charity are, for the public benefit, to provide exclusively **charitable** support, services and grants to persons, associations, societies or other bodies whose objects are, or include, the provision of welfare to **seafarers**, or their spouses or dependants who are in need.

5 POWERS

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

- 5.1 to advise on minimum standards of welfare provision for **seafarers** or their spouses or dependants, to advise as to the provision of new facilities or services, or the adequacy or otherwise of existing facilities or services and generally to act as an advisory body in that connection;
- 5.2 to provide advice or information;
- 5.3 to carry out research;
- 5.4 to co-operate with other bodies;
- 5.5 to support, administer or set up other charities;
- 5.6 to raise funds (but not by means of **taxable trading**) and to coordinate and advise on fundraising by any of the bodies referred to in **the Objects**;
- 5.7 to borrow money;
- 5.8 to give security for loans or other obligations (but only in accordance with the restrictions imposed by **the Charities Act**);
- 5.9 to acquire or hire property of any kind;
- 5.10 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by **the Charities Act**);
- 5.11 to construct and maintain and alter any buildings or property;
- 5.12 to set aside funds for special purposes or as reserves against future expenditure;
- 5.13 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the **Council** consider necessary and having regard to the suitability of investments and the need for diversification);
- 5.14 to delegate the management of investments to a **financial expert**, but only on terms that:

- 5.14.1 the investment policy is set down **in writing** for the **financial expert** by the **Council**;
- 5.14.2 timely reports of all transactions are provided to the **Council**;
- 5.14.3 the performance of the investments is reviewed regularly with the **Council**;
- 5.14.4 the **Council** is entitled to cancel the delegation arrangement at any time;
- 5.14.5 the investment policy and the delegation arrangement are reviewed at least once a **year**;
- 5.14.6 all payments due to the **financial expert** are on a scale or at a level which is agreed in advance and are notified promptly to the **Council** on receipt; and
- 5.14.7 the **financial expert** must not do anything outside the powers of **the Charity**;
- 5.15 to arrange for investments or other property of **the Charity** to be held in the name of a **nominee company** acting under the direction of the **Council** or controlled by a **financial expert** acting under their instructions, and to pay any reasonable fee required;
- 5.16 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as **custodian**, and to pay any reasonable fee required;
- 5.17 to insure the property of **the Charity** against any foreseeable risk and take out other insurance policies to protect **the Charity** when required;
- 5.18 subject to article 6, to employ paid or unpaid agents, staff or advisers and to make reasonable pension provision for salaried staff;
- 5.19 to enter into contracts to provide services to or on behalf of other bodies;
- 5.20 to establish or acquire subsidiary companies;
- 5.21 to do anything else within the law which promotes or helps to promote **the Objects**.

6 BENEFITS AND CONFLICTS

- 6.1 The property and funds of **the Charity** must be used only for promoting **the Objects** and do not belong to the **Members** but subject to compliance with article 15.10 **Members** (being members of the **Council**) and **Connected Persons** may be paid :
 - 6.1.1 interest at a reasonable rate on money lent to **the Charity**; and
 - 6.1.2 a reasonable rent or hiring fee for property let or hired to **the Charity**.
- 6.2 No **member of the Council** or **Connected Person** may buy goods or services from **the Charity** on terms preferential to those applicable to other members of the public, or sell goods or services to **the Charity** or receive remuneration, or receive any other financial benefit from **the Charity**.
- 6.3 In sub-clause 6.2 of this article "Charity" includes any company in which **the Charity**

- 6.3.1 holds more than 50% of the shares; or
 - 6.3.2 controls more than 50% of the voting rights attached to the shares; or
 - 6.3.3 has the right to appoint one or more directors to the board of the company.
- 6.4 A **member of the Council** must not receive any payment of money or other **material benefit** (whether directly or indirectly) from **the Charity** except:
- 6.4.1 as mentioned in articles 6.1.1 and 6.1.2;
 - 6.4.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running **the Charity**;
 - 6.4.3 the benefit of **indemnity insurance** as permitted by **the Charities Act**;
 - 6.4.4 an indemnity in respect of any liabilities properly incurred in running **the Charity** (including the costs of a successful defence to criminal proceedings);
 - 6.4.5 payment to any company in which the **member of the Council** has no more than a 1 per cent shareholding.

7 LIMITED LIABILITY

The liability of **Members** is limited.

8 GUARANTEE

Every **Member** promises, if **the Charity** is dissolved while he/she remains a **Member** or within one **year** after he/she ceases to be a **Member**, to pay up to £1 towards:

- 8.1 payment of those debts and liabilities of **the Charity** incurred before he/she ceased to be a **Member**;
- 8.2 payment of the costs, charges and expenses of winding up; and
- 8.3 the adjustment of rights of contributories among themselves.

9 DISSOLUTION

- 9.1 If **the Charity** is dissolved, the assets (if any) remaining after providing for all its liabilities must be applied in one or more of the following ways:
 - 9.1.1 by transfer to one or more other bodies established for exclusively **charitable purposes** within, the same as or similar to **the Objects**;
 - 9.1.2 directly for **the Objects** or for **charitable purposes** which are within or similar to **the Objects**;
 - 9.1.3 in such other manner consistent with **charitable** status as the **Members** approve at or before the time of dissolution and

- 9.1.4 if so far as effect cannot be given to articles 9.1.1, 9.1.2 or 9.1.3 another **charitable** object.
- 9.2 After dissolution, a final report and statement of account must be sent to **the Commission**.
- 9.3 The dissolution or winding up of **the Charity** requires the prior consent of the Office of the Scottish Charities Regulator.
- 10 COMPANY LAW MEMBERSHIP**
- 10.1 **The Charity** must maintain a register of **Council** members.
- 10.2 **Membership** is open only to the members of the **Council** and is terminated if the **Member** concerned ceases to be a **member of the Council**.
- 10.3 **Membership** is not transferable.
- 10.4 The **Council** may establish different classes of **Members** and set out their respective rights and obligations.
- 11 COMPANY LAW GENERAL MEETINGS**
- 11.1 Members of the **Council** in their capacity as **Members** are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is **in writing** and notified to **the Charity** before the commencement of the meeting).
- 11.2 General meetings are called on at least 14 **clear days' written** notice indicating the business to be discussed and (if a **special resolution** is to be proposed) at least 21 **clear days' written** notice setting out the terms of the proposed **special resolution**.
- 11.3 There is a quorum at a general meeting if the number of **Members** present in person or by proxy is at least three or a third of the **Membership** if greater
- 11.4 The chairman at a general meeting is elected by the **Members** present in person or by proxy.
- 11.5 Except where otherwise provided by **the Articles** or **the Companies Act**, every issue is decided by **ordinary resolution**.
- 11.6 Every **Member** present in person or by proxy has one vote on each issue.
- 11.7 Except where otherwise provided by **the Articles** or **the Companies Act**, a **written resolution** (whether an ordinary or a **special resolution**) is as valid as an equivalent resolution passed at a general meeting. For this purpose the **written resolution** may be set out in more than one document.
- 11.8 **The Charity** may (but need not) hold an **AGM** in any **year**.
- 11.9 At an **AGM** the **Members** being members of the **Council**:
- 11.9.1 receive the accounts of **the Charity** for the previous **financial year**;
- 11.9.2 receive a **written** report on **the Charity's** activities since the previous **AGM**;

- 11.9.3 may discuss and determine any issues of policy or deal with any other business put before them by the **Council**.
- 11.10 A general meeting may be called by the **Council** at any time and must be called within 21 days of a **written** request from three or more members of the **Council** (being **Members**), or (where this is greater than three) at least 10% of the **Membership** or (where no general meeting has been held within the last **year**) at least 5% of the **Membership**.
- 11.11 A technical defect in the appointment of a **Member** of which the **Members** are unaware at the time does not invalidate a decision taken at a general meeting or a **written resolution**.
- 12 CONSTITUENT ORGANISATIONS**
- 12.1 **Constituent Organisations** shall be involved in the work of **the Charity** under such terms of reference or other rules or byelaws as the **Council** shall adopt from time to time under article 16.
- 12.2 The **Council** may add or remove an organisation from the body of **Constituent Organisations** at their discretion.
- 13 PORT WELFARE COMMITTEES**
- 13.1 **Port Welfare Committees** shall be involved in the work of **the Charity** under such terms of reference or other rules or byelaws as the **Council** shall adopt from time to time under article 16.
- 13.2 The **Council** may establish and close **Port Welfare Committees** at their discretion
- 14 THE COUNCIL¹**
- 14.1 The members of the **Council** as **charity trustees** have control of **the Charity** and its property and funds.
- 14.2 Members of the **Council** shall be appointed or elected to serve for a term ending on 30 June in the third year following his or her appointment or election in accordance with the provisions of Article 14.6.
- 14.3 The **Council** when complete consists of at least 8 and not more than 20 persons, being individuals who are over the age of 18, all of whom must support **the Objects**. If a **member of the Council** is a corporate body it must act through a named representative whose contact details are notified to the **Council**.
- 14.4 If reasonably possible and in the interests of the Charity, members of the **Council**, when complete shall be drawn in equal numbers of persons from the following backgrounds;
- 14.4.1 ship owners and managers,
- 14.4.2 seafarers' representatives,

¹ Article 14 was amended by special resolution on 24th July 2015

- 14.4.3 the maritime voluntary sector,
- 14.4.4 persons able to make a particular contribution of value to **the Charity** because of their specialist expertise;
- 14.5 The **Council** may change the proportions referred to in article 14.4 if there are special reasons to do so in the interests of **the Charity**.
- 14.6 Subject to Article 14.7 members of the Council shall be appointed or reappointed by the following means:
- 14.6.1 persons within the category described in Article 14.4.1 shall be appointed or reappointed by the Chamber of Shipping;
- 14.6.2 persons within the category described in Article 14.4.2 shall be appointed or reappointed by the maritime trade unions;
- 14.6.3 persons within the category described in Article 14.4.3 shall be elected or re-elected by representatives of the maritime voluntary sector in accordance with regulations adopted from time to time by the Council;
- 14.6.4 persons within the category described in Article 14.4.4 shall be appointed or reappointed by the Council.
- 14.7 All Council appointments, reappointments, elections or re-elections under Articles 14.6.1, 14.6.2 and 14.6.3 shall be subject to confirmation by the Council having regard to capability, skills and experience required by the Council in the best interests of the Charity, such confirmation not to be unreasonably withheld or delayed.
- 14.8 Whenever a person is appointed or reappointed as a **member of the Council**, he/she may not act as a **member of the Council** unless he/she
- 14.8.1 is a **Member**; and
- 14.8.2 signs a **written** declaration of willingness to act (or continue to act) as a **charity trustee of the Charity**.
- 14.9 A **member of the Council**'s term of office as such automatically terminates if:
- 14.9.1 his or her term of office has expired;
- 14.9.2 he/she is disqualified under **the Charities Act** from acting as a **charity trustee**;
- 14.9.3 he/she is incapable, whether mentally or physically, of managing his/her own affairs;
- 14.9.4 he/she is absent without permission from four consecutive meetings of the **Council** and is asked by a majority of the other members of the **Council** to resign; or
- 14.9.5 he/she resigns by **written** notice to the **Council** (but only if at least two members of the **Council** will remain in office); or

- 14.9.6 he/she is removed by the **Members** at a general meeting under **the Companies Act**.
- 14.10 A retiring **member of the Council** who is eligible under Article 14.3 and not disqualified under article 14.9 may be reappointed.
- 14.11 The **Council** may at any time co-opt any individual who is qualified to be appointed as a **member of the Council** to fill a vacancy in their number or (subject to Article 14.3) as an additional **member of the Council**, but a co-opted **member of the Council** holds office only until the first meeting of the **Council** in the following **year**.
- 14.12 A technical defect in the appointment of a **member of the Council** of which the members of the **Council** are unaware at the time does not invalidate decisions taken at a meeting.
- 15 PROCEEDINGS OF THE COUNCIL**
- 15.1 The **Council** must hold at least three meetings each **year**.
- 15.2 On or as soon as reasonably practicable after 1 July in any **year** the **Council** shall
- 15.2.1 note those members of the **Council** who have retired due to the expiry of their term of office;
- 15.2.2 confirm the appointment or election of members of the **Council** under Articles 14.6.1, 14.6.2 and 14.6.3 or appoint members of the Council under Article 14.6.4 as the case may be to fill any vacancies;
- 15.2.3 appoint reporting accountants or auditors for **the Charity**.²
- 15.3 The **Council** may confer on any individual (with his/her consent) the honorary title of Patron, President or Vice-President of **the Charity**.
- 15.4 A quorum at a meeting of the **Council** is three or one third of the members of the **Council** if greater.
- 15.5 A meeting of the **Council** may be held either in person or by suitable **electronic means** agreed by the **Council** in which all participants may communicate with all the other participants.
- 15.6 The **Chairman** or (if the **Chairman** is unable or unwilling to do so) the Vice chairman or (if the Vice chairman is unable or unwilling to do so) some other **member of the Council** chosen by the members of the **Council** present presides at each meeting.
- 15.7 Any issue may be determined by a simple majority of the votes cast at a meeting, but a **resolution in writing** agreed by all the members of the **Council** (other than any Conflicted **member of the Council** who has not been authorised to vote) is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than one document.

² Article 15.2 was amended by special resolution on 24th July 2015

- 15.8 Every **member of the Council** has one vote on each issue but, in the case of equality of votes, the chairman of the meeting has a second or casting vote.
- 15.9 A procedural defect of which the members of the **Council** are unaware at the time does not invalidate decisions taken at a meeting.
- 15.10 A **member of the Council** must declare the nature and extent of any interest, direct or indirect, in which he or she has a proposed transaction or arrangements with **the Charity** or in any transaction or arrangement entered into by **the Charity** which has not previously been declared. A **member of the Council** must absent himself or herself from any discussions of the **Council** in which it is possible that a conflict will arise between his or her duty to act solely in the interests of **the Charity** and any personal interest (including but not limited to any personal financial interest).
- 15.11 If a conflict of interests arises for a **member of the Council** 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 members of the **Council** may authorise such a conflict of interests where the following conditions apply:
- 15.11.1 The conflicted **member of the Council** is absent from the part of the meeting at which there is a discussion of any arrangement or transaction affecting that other organisation or person;
- 15.11.2 The conflicted **member of the Council** does not vote on any such matter and is not to be counted when considering whether a quorum of members of the **Council** is present at the meeting;
- 15.11.3 The unconflicted members of the **Council** consider it is in the best interests of **the Charity** to authorise the conflict of interests in the circumstances applying.
- 15.12 In article 15.11 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 **member of the Council** or to a **Connected Person**.

16 POWERS OF THE COUNCIL

The members of the **Council** have the following powers in the administration of **the Charity** in their capacity as directors:

- 16.1 To appoint (and remove) any person (who may be a **member of the Council**) to act as **Secretary** in accordance with **the Companies Act**.
- 16.2 To appoint a **Chairman**, to serve for a term of office of no more than three **years**; the **Chairman** may serve for no more than two terms in office as **Chairman**;
- 16.3 To appoint a Vice chairman to serve for a term of one **year**; the Vice chairman may be reappointed for subsequent terms;
- 16.4 To delegate any of their functions to committees consisting of two or more individuals appointed by them. At least one member of every committee must be a **member of the Council** and all proceedings of committees must be reported promptly to the **Council**.

- 16.5 To make standing orders consistent with **the Articles** and **the Companies Act** to govern proceedings at general meetings.
- 16.6 To make rules consistent with **the Articles** and **the Companies Act** to govern their proceedings and proceedings of committees.
- 16.7 To make regulations consistent with **the Articles** and **the Companies Act** to govern the administration of **the Charity** and the use of its seal.
- 16.8 To make rules and regulations as the **Council** think fit for the appointment and removal of **Constituent Organisations** and for the involvement of **Constituent Organisations** in the work of **the Charity**.
- 16.9 To establish procedures to assist the resolution of disputes or differences within **the Charity**.
- 16.10 To exercise in their capacity as directors any powers of **the Charity** which are not reserved to them in their capacity as **Members**.
- 17 RECORDS AND ACCOUNTS**
- 17.1 The **Council** must comply with the requirements of **the Companies Act** and of **the Charities Act** as to keeping records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies and **the Commission** of information required by law including:
- 17.1.1 annual returns;
- 17.1.2 annual reports; and
- 17.1.3 annual statements of account.
- 17.2 The **Council** must also keep records of:
- 17.2.1 all proceedings at meetings of the **Council**;
- 17.2.2 all resolutions **in writing**;
- 17.2.3 all reports of committees; and
- 17.2.4 all professional advice obtained.
- 17.3 Accounting records relating to **the Charity** must be made available for inspection without notice by any member of the **Council** at any time during normal office hours .
- 17.4 A copy of **the Charity's constitution** and latest available statement of accounts must be supplied on request to any **member of the Council**. Copies of the latest accounts must also be supplied in accordance with **the Charities Act** to any other person who makes a **written** request and pays **the Charity's** reasonable costs.

18 COMMUNICATIONS

- 18.1 Notices and other documents to be served on **Members** or members of the **Council** under **the Articles** or **the Companies Act** may be sent:
- 18.1.1 by hand;
 - 18.1.2 by post;
 - 18.1.3 by suitable **electronic means**; or
- through publication in **the Charity's** newsletter or on **the Charity's** website.
- 18.2 The only address at which a **Member** is entitled to receive notices sent by post is an address in the U.K. shown in the register of **Members**.
- 18.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:
- 18.3.1 24 hours after being sent by **electronic means**, posted on **the Charity's** website or delivered by hand to the relevant address;
 - 18.3.2 two **clear days** after being sent by first class post to that address;
 - 18.3.3 three **clear days** after being sent by second class or overseas post to that address;
 - 18.3.4 immediately on being handed to the recipient personally;
 - or, if earlier,
 - 18.3.5 as soon as the recipient acknowledges actual receipt.
- 18.4 A technical defect in service of which the members of the **Council** are unaware at the time does not invalidate decisions taken at a meeting.
- 18.5 Expressions not otherwise defined which are defined in **the Companies Act** have the same meaning.
- 18.6 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.
- 18.7 The law governing the **constitution** of **the Charity** is the law of England and Wales.