

**COMPANY LIMITED BY GUARANTEE**  
**Registration no. 5853180 Registered Charity no. 1124661**

**Memorandum of Association of**

**THE LATVIAN WELFARE TRUST**

1. The company's name is The Latvian Welfare Trust (and in this document it is called the "Charity").
2. The Charity's registered office is to be situated in England.
3. The Charity's objects (the "**Objects**") are:-

For the benefit of the public, in particular people from Latvia and their descendants both in the UK and abroad, any charitable purpose, in particular but not exclusively:

- (1) to relieve financial hardship, sickness and poor health amongst Latvian People;
- (2) to advance the education of the public about the country of Latvia and its people, past and present;
- (3) to advance the education of Latvian People in Latvia and in the United Kingdom;
- (4) to conserve for the benefit of all peoples everywhere ancient and modern buildings, monuments, archives and works of art which are of historical or cultural importance to Latvia and Latvian People and which it is desirable to preserve for the public benefit; and
- (5) to organise and promote social events and recreational activities for the benefit of Latvian People who have a need for such facilities by reason of their age, infirmity, financial hardship and hardship caused by social or economic circumstances with the object of improving their conditions of life.

**Powers**

4. (1) In addition to any other powers it may have, the Charity has the following powers in order to further the Objects (but not for any other purpose):
  - (a) to raise funds and invite and receive contributions. In doing so, the Charity must not undertake any substantial permanent trading activity and must comply with any relevant statutory regulations;
  - (b) to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;

- (c) to sell, lease or otherwise dispose of all or any part of the property belonging to the Charity. In exercising this power, the Charity must comply as appropriate with Sections 117 – 121 of the Charities Act 2011;
- (d) to borrow money and to charge the whole or any part of the property belonging to the Charity as security for repayment of the money borrowed. The Charity must comply as appropriate with Sections 124 - 126 of the Charities Act 2011 if it wishes to mortgage land;
- (e) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- (f) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- (g) to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity formed for any of the Objects;
- (h) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- (i) to employ and remunerate such staff as are necessary for carrying out the work of the Charity. The Charity may employ or remunerate a Director only to the extent it is permitted to do so by clause 5 and provided it complies with the conditions in that clause;
- (j) to:-
  - (i) deposit or invest funds;
  - (ii) employ a professional fund manager;
  - (iii) arrange for the investments or other property of the Charity 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;
- (k) to provide indemnity insurance for the Directors or any other officer of the Charity in relation to any such liability as is mentioned in sub-clause (2) of this clause, but subject to the restrictions specified in sub-clause (3) of the clause;
- (l) to pay out of the funds of the Charity the costs of forming and registering the Charity both as a company and as a charity;
- (m) to invest in and promote subsidiary trading companies;

- (n) to do all such other lawful things as are necessary for the achievement of the Objects.
- (2) The liabilities referred to in sub-clause 4(1)(k) are:-
- (a) any liability that by virtue of any rule of law would otherwise attach to a director of a company in respect of any negligence, default, breach of duty or breach of trust of which he or she may be guilty in relation to the Charity;
  - (b) the liability to make a contribution to the Charity's assets as specified in Section 214 of the Insolvency Act 1986 (wrongful trading);
- (3) (a) the following liabilities are excluded from sub-clause 2(a):-
- (i) fines;
  - (ii) costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud, dishonesty or wilful or reckless misconduct of the Director or other officer;
  - (iii) liabilities to the Charity that result from conduct that the Director or other officer knew or must be assumed to have known was not in the best interests of the Charity or about which the person concerned did not care whether it was in the best interests of the Charity or not.
- (b) There is excluded from sub-clause (2)(b) any liability to make such a contribution where the basis of the Director's liability is his or her knowledge prior to the insolvent liquidation of the Charity (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Charity would avoid going into insolvent liquidation.

### **Income and Property**

5. (1) The income and property of the Charity shall be applied solely towards the promotion of the Objects.
- (2) (a) A Director is entitled to be reimbursed from the property of the Charity or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Charity.
- (b) Subject to the restrictions in sub-clauses 4(2) and 4(3), a Director may benefit from trustee indemnity insurance cover purchased at the Charity's expense.
- (3) None of the income or property of the Charity may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the Charity. This does not prevent:-

- (a) a member who is not also a Director receiving a benefit from the Charity in the capacity of a beneficiary of the Charity;
- (b) reasonable and proper remuneration for any goods or services supplied to the Charity.

## **Directors**

6. (1) Unless:-

- (a) the payment is permitted by sub-clause (2) of this clause and the Directors follow the procedure and observe the conditions set out in sub-clause (3) of this clause; or
- (b) the Directors obtain the prior written approval of the Charity Commission and fully comply with any procedures it prescribes;

no Director may:-

- (c) buy any goods or services from the Charity;
  - (d) sell goods, services or any interest in land to the Charity;
  - (e) be employed by, or receive any remuneration from the Charity; or
  - (f) receive any other financial benefit from the Charity.
- (2)
- (a) A Director may receive a benefit from the Charity in the capacity of a beneficiary of the Charity.
  - (b) A Director may be employed by the Charity or enter into a contract for the supply of goods or services to the Charity, other than for acting as a Director.
  - (c) A Director may receive interest on money lent to the Charity at a reasonable and proper rate not exceeding 1% per annum above the base rate of a clearing bank to be selected by the Directors.
  - (d) A company of which the Director is a member may receive fees, remuneration or other benefit in money or money's worth provided that the shares of the Company are listed on a recognised stock exchange and the Director holds no more than 1% of the issued capital of that company;
  - (e) A Director may receive rent for premises let by the Director to the Charity if the amount of the rent and the other terms of the lease are reasonable and proper as determined by an open market valuation determined by a suitably qualified independent professional.

- (3) (a) The Charity and its Directors may only rely upon the authority provided by sub-clause 6(2) if each of the following conditions is satisfied:-
- (i) the remuneration or other sums paid to the Director do not exceed an amount that is reasonable in all the circumstances;
  - (ii) the Director is absent from the part of any meeting at which there is discussion of:-
    - his or her employment or remuneration, or any matter concerning the contract; or
    - his or her performance in the employment, of his or her performance of the contract; or
    - any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under sub-clause 6(2); or
    - any other matter relating to a payment or the conferring of any benefit permitted by sub-clause 6(2).
  - (iii) the Director does not vote on any such matter and is not to be counted when calculating whether a quorum of Directors is present at the meeting;
  - (iv) the other Directors are satisfied that it is in the interests of the Charity to employ or to contract with that Director rather than with someone who is not a Director. In reaching that decision the Directors must balance the advantage of employing a Director against the disadvantages of doing so (especially the loss of the Director's services as a result of dealing with the Director's conflict of interest);
  - (v) the reason for their decision is recorded by the Directors in the minute book;
  - (vi) a majority of the Directors then in office have received no such payments.
- (b) The employment or remuneration of a Director includes the engagement or remuneration of any firm or company in which the Director is:-
- (i) a partner;
  - (ii) an employee;

- (iii) a consultant;
  - (iv) a director; or
  - (v) a shareholder, unless the shares of the company are listed on the recognised stock exchange and the Director holds less than 1% of the issued capital.
- (4) In sub-clauses (2) – (3) of clause 5 and sub-clauses (1) – (3) of this clause 6:-
- (a) “Charity” shall include any company in which the Charity:-
    - (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 or more directors to the Board of the company.
  - (b) “Director” shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Director or any person living with the Director as his or her partner.

### **Limitation of Liability**

7. (1) The liability of the members is limited.
- (2) Every Full Member promises, if the Charity is dissolved while it is a member or within 12 months after it ceases to be a member, to contribute such sum (not exceeding £10) as may be demanded towards the payment of the debts and liabilities of the Charity incurred before it ceases to be a member and of the costs, charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

### **Asset Lock**

8. (1) The members of the Charity may at any time before and in expectation of its dissolution, resolve that any net assets of the Charity after all its debts and liabilities have been paid or provision has been made for them, shall on or before the dissolution of the Charity be applied or transferred in any of the following ways:-
- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities or other body which exists in the United Kingdom or Latvia, for purposes regarded as exclusively charitable under the law from time to time of England for purposes similar to the Objects; or

- (c) to any charity or other body which exists in the United Kingdom or Latvia, for purposes regarded as exclusively charitable under the law from time to time of England for use for particular purposes that fall within the Objects.
- (2) Subject to any such resolution of the members of the Charity, the Directors of the Charity may at any time before and in expectation of its dissolution resolve that any net assets of the Charity after all its debts and liabilities have been paid, or provision made for them, shall on dissolution of the Charity 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.
- (3) In no circumstances shall the net assets of the Charity be paid to or distributed among the members of the Charity (except to a member that is itself a charity) and if no such resolution is passed by the members or the Directors, the net assets of the Charity shall be applied for charitable purposes as directed by the court or the Charity Commission.

**THE COMPANIES ACTS 1985 AND 1989  
COMPANY LIMITED BY GUARANTEE  
Registered no. 5853180 Registered Charity no. 1124661**

**Articles of Association (“Articles”) of**

**THE LATVIAN WELFARE TRUST**

**Interpretation**

1. (1) In these Articles:

“**the Act**” means the Companies Act 2006 as amended from time to time;

“**Active Member**” has the meaning given in the Statutes of the DVF;

“**address**” means a postal address or, for the purposes of electronic communication, a fax number, an e-mail address or a text message number in each case registered with the Charity;

“**Associate Members**” has the meaning given in Article 2(3);

“**Audit Committee**” means the Audit Committee appointed from time to time under Article 40;

“**Branch**” means a Branch of the DVF comprising twenty or more persons over 18 years of age who support the aims and objects of the Charity as expressed in the Memorandum who have agreed in writing to form a Branch of the DVF and have agreed to regulate the Branch in accordance with rules and byelaws made under Article 51;

“**the Charity**” means the company intended to be regulated by these Articles;

“**clear days**” in relation to the period of a notice means a period excluding:

- the day when the notice is given or deemed to be given; and
- the day for which it is given or on which it is to take effect;

“**the Commission**” means the Charity Commission for England and Wales;

“**DVF**” means Daugavas Vanagu Fonds (Latvian) translated as The Latvian Welfare Fund, an unincorporated member association governed by Statutes dated March 1969 and most recently amended by General Meeting on 2 March 2013.

“**Delegate**” means an ‘Associate Member’ who is over 18 years of age appointed by a Branch or Group in accordance with the Statutes of the DVF (being a Full Member of the Charity) to represent its members at general meetings of the Charity;

“**the Directors**” mean the directors of the Charity. The Directors are charity trustees as defined by Part 9, Section 177 of the Charities Act 2011;

“**Full Members**” has the meaning given in Article 2(2);

“**Group**” means an internal group of the DVF comprising nineteen but no fewer than ten persons over 18 years of age who support the aims and objects of the Charity as expressed in the Memorandum who have agreed in writing to form a Group of the DVF and have agreed to regulate the Group in accordance with rules and byelaws made under Article 51;

“**Latvian Welfare Fund**” means the DVF;

“**the Memorandum**” means the Memorandum of Association of the Charity;

“**officers**” includes the Directors and the secretary;

“**the seal**” means the common seal of the Charity if it has one;

“**secretary**” means the secretary of the Charity or any other person appointed to perform the duties of the secretary of the Charity, including a joint, assistant or deputy secretary;

“**the United Kingdom**” means Great Britain and Northern Ireland; and

- (2) Words importing one gender shall include all genders, and the singular includes the plural and vice versa.
- (3) Unless the context otherwise requires, words or expressions contained in these Articles have the same meaning as in the Act but excluding any statutory modification not in force when this constitution becomes binding on the Charity.
- (4) Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

## **Members**

2. (1) The subscribers to the Memorandum are the first members of the Charity and will be deemed to be Full Members.
- (2) All Branches and Groups of the DVF are **Full Members** and agree to pay when due the Full Membership contributions set from time to time by the Directors under rules made pursuant to Article 51(2).
- (3) All individual members of DVF Groups and Branches are **Associate Members** and are individuals who:-

- (a) are over 18 years of age;
  - (b) are members of a Branch or Group which is admitted as a Full Member of the Charity;
  - (c) agree to pay when due the Associate Membership contributions set from time to time by the Directors under rules made pursuant to Article 51(2).
- (4) **Co-opted Membership** is by invitation made to individuals or organisations by the Directors on the recommendation of the Members in a General Meeting of the Charity in recognition of their services and commitment to and support for the aims and objects of the Charity as expressed in its Memorandum who the members recommend ought to be invited to membership of the Charity as a co-opted member in the interests of the Charity
- (5) (a) The Directors may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Charity to refuse the application.
- (b) The Directors must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.
- (c) The Directors must consider any written representations the applicant may make about the decision. The Directors' decision following any written representations must be notified to the applicant in writing but shall be final.
- (6) Membership is not transferable to anyone else.
- (7) The Directors must keep a register of names, addresses and class of membership of the members. The register of DVF Branches, Groups and individuals will serve this purpose.
- (8) All members shall be entitled during the continuance of their membership to wear and display the colours, emblem and badge of the Charity in such form as may be prescribed by the Directors of the Charity from time to time pursuant to rules made pursuant to Article 51(2).
- (9) The Directors may waive or reduce the subscription or other sums payable by a member for a proper reason if they consider it to be fair, consistent and reasonable to do so. Any exercise of the Directors' discretion under this Article 2(9) may be kept confidential to the Directors, the Audit Committee (if any) and to the Charity Commission or any other competent authority so that it shall not be disclosed to the members at large in order to safeguard the dignity of the member in whose favour the discretion has been exercised or is proposed to be exercised.

### **Membership Class Rights**

3. (1) The Directors may following a special resolution of the members at General Meeting establish classes of membership with different rights and obligations and shall record the rights and obligations in the register of members.
- (2) Membership of the Charity at the date of adoption of these Articles shall be divided into the following classes with the following rights and obligations respectively:-
  - (a) **Full Members** are entitled to receive notice of and to attend and vote at general meetings of the Charity in accordance with these Articles;
  - (b) **Associate Members** are entitled to attend and speak at general meetings of the Charity and to hold any administrative office in the Charity to which they may be duly appointed but are not entitled to vote (save for the purposes of Article 3(4) or Section 334 and 630 of the Act);
  - (c) **Co-opted Members** are not entitled to vote at general meetings (save for the purposes of Article 3(4) or Section 334 and 630 of the Act) but are entitled to attend and speak at general meetings. Co-opted members may not hold any administrative office in the Charity but may be appointed to an honorary non-executive position in accordance with the Articles.
- (3) The Directors may not directly or indirectly alter the rights or obligations attached to a class of membership.
- (4) The rights attached to a class of membership may only be varied if:
  - (a) three-quarters of the members of that class consent in writing to the variation; or
  - (b) a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation.
- (5) 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.

### **Termination of Membership**

4. Membership is terminated if:
  - (1) the member dies or, if it is an organisation, ceases to exist;
  - (2) the member resigns by written notice to the Charity unless, after the resignation, there would be less than the minimum number of members prescribed by law applying to the Charity at that time;

- (3) being an Associate Member, the member ceases to be a member of a Branch or Group;
- (4) any sum due from the member to the Charity is not paid in full within six months of it falling due;
- (5) the member is removed from membership by a resolution of the Directors that it is in the best interests of the Charity that the membership is terminated. A resolution to remove a member from membership may only be passed if:
  - (a) the member has been given at least twenty-one days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it is to be proposed;
  - (b) the member or, at the option of the member, the member's representative (who need not be a member of the Charity) has been allowed to make representations to the meeting.

### **General Meetings**

- 5. (1) The Charity must hold its first annual general meeting within eighteen months after the date of its incorporation.
- (2) An annual general meeting must be held in each subsequent year and not more than fifteen months may elapse between successive annual general meetings.
- (3) All general meetings other than those described in Article 6(1) shall be called extraordinary general meetings or extraordinary general meetings of the Delegates.
- 6. (1) The Directors shall call at least one general meeting (an ordinary general meeting) in each year in addition to the annual general meeting.
- (2) The Directors may call an extraordinary general meeting at any time.
- (3) The Directors shall call an extraordinary general meeting on the requisition in writing of the Audit Committee (if any) and the provisions of Section 303(4) and (6), Section 304(1) and (4), and Section 305(1), (3), (4), (6), (7) of the Act shall apply upon such requisition pro tanto.

### **Notice of General Meetings**

- 7. (1) The minimum periods of notice required to hold a general meeting of the Charity are:
  - (a) Twenty eight days for an annual and ordinary general meeting and an extraordinary general meeting called for the purposes of a special resolution to amend these Articles or the Memorandum;

- (b) Forty two clear days for any other general meeting of the Charity and an extraordinary general meeting called for the passing of a special resolution.
- (2) A general meeting may be called by shorter notice if it is so agreed:
    - (a) in the case of an annual general meeting, by all the members entitled to attend and vote; and
    - (b) in the case of an extraordinary general meeting, by a majority in number of Full Members having a right to attend and vote at the meeting who together hold not less than 2/3rds of the total voting rights.
  - (3) The notice must specify the date time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so.
  - (4) The notice must be given to all the members who are entitled to attend and vote and to the Directors and auditors.
  - (5) Full Members in receipt of the notice must announce the meeting convened by the notice to their members and their Delegates in accordance with their own procedures. The Charity shall not be required to give notice to or announce general meetings otherwise than to those members entitled to receive notice of and vote at general meetings of the Charity in accordance with these Articles.
8. 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 Charity.

**Proceedings at General Meetings**

- 9. (1) No business shall be transacted at any general meeting unless a quorum is present.
  - (2) A quorum is the number of Delegates representing at least 51% of Full Members entitled to vote upon the business to be conducted at the meeting present in person or by proxy.
10. (1) If:
- (a) a quorum is not present within half an hour from the time appointed for the meeting; or
  - (b) during a meeting a quorum ceases to be present;
- the meeting shall be adjourned to such time and place as the Directors shall determine.

- (2) The Directors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
  - (3) If no quorum is present at the reconvened meeting with fifteen minutes of the time specified for the start of the meeting the members present at that time shall constitute the quorum for that meeting.
11.
  - (1) General meetings shall be chaired by the person who has been appointed to chair meetings of the Directors or if he or she is not present within fifteen minutes of the time appointed for the meeting, his vice chairman shall chair the meeting.
  - (2) If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting a Director nominated by the Directors shall chair the meeting.
  - (3) If there is only one Director present and willing to act, he or she shall chair the meeting.
  - (4) If no Director is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present and entitled to vote must choose one of their number to chair the meeting.
12.
  - (1) The members present at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
  - (2) The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
  - (3) No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
  - (4) If a meeting is adjourned by a resolution of the members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.
13.
  - (1) Any vote at a meeting shall be decided by a show of hands unless before the show of hands a poll is demanded
    - (a) by the person chairing the meeting; or
    - (b) by a Delegate or Delegates together representing not less than one-third of the total voting rights of all the members having the right to vote at the meeting.
  - (2) A person who attends as proxy for a Delegate shall be entitled to vote and count on a show of hands as well as on a poll.

- (3) (a) The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive.
  - (b) The result of the vote must be recorded in the minutes of the Charity but the number or proportion of votes cast need not be recorded.
  - (4) (a) A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting.
  - (b) If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
  - (5) (a) A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
  - (b) The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
  - (6) (a) A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
  - (b) A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
  - (c) The poll must be taken within thirty days after it has been demanded.
  - (d) If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
  - (e) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.
14. If there is an equality of votes, whether on a show of hands, on a poll or on a secret ballot, the person who is chairing the meeting shall have a casting vote in addition to any other vote he or she may have.
15. A resolution in writing signed by or on behalf of each member who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective. It may comprise several copies each signed by or on behalf of one or more members.

### **Voting and Delegates**

16. (1) Subject to Articles 3 and 14 and the next paragraph, every Full Member shall have one vote for every Delegate it is entitled to and has appointed and who is present and voting at the meeting either in person or by proxy or, on a poll, for

each Delegate it is entitled to appoint (whether or not appointed and whether or not attending and voting).

- (2) No member shall be entitled to vote at any general meeting or at any adjourned meeting if the member owes any money to the Charity.
  - (3) Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.
17. (1) Any Delegate entitled to attend and vote at a general meeting of the Charity is entitled to appoint another Associate Member as the Delegate's proxy to attend and, subject to Article 3, vote instead of the member. The proxy shall also have the same right as the member to speak at the meeting. The person, who may be appointed as a proxy for that member under this Article, shall be a Delegate for that Branch or Group only. Section 324(1), Section 325(1), (3) and (4) shall not apply to the Charity but Section 324(2), s 326(1) to (4) and Section 327(1) and (2) shall apply.
- (2) Each Full Member shall appoint according to the Statutes of the DVF, a member or members of the Branch or Group to serve as its Delegate(s) at general meetings of the Charity. Each Branch may appoint two Delegates and in addition one further Delegate for each 50 active Associate Members (as determined in accordance with the Statutes of the DVF) of the Branch at the date of the general meeting and each Group may appoint one Delegate. Delegates shall be deemed to have ongoing several authority to attend, speak and vote on behalf of the Full Member which has appointed those Delegates and to sign any written resolution and each Delegate may exercise a separate and independent vote and shall not be required by these Articles to vote consistently with the vote of any other Delegate for that Full Member.
  - (3) The Charity may, but shall not be required to, consider whether the Delegate has been properly appointed by the Branch or Group. Unless the Directors declare otherwise in relation to any individual Delegate, the Charity may take any notice given to the Charity as being conclusive evidence that the Delegate is entitled to represent the Branch or Group or that his or her authority has been revoked.

### **Secret Ballot**

18. (1) Any vote may be conducted by secret ballot. Article 13(1), (2), (3), (5), (6) (a), (b), (c) and (e) and Article 16 shall apply to secret ballots as well as to a poll. Article 13(4) and Article 13(6)(d) shall not apply to a secret ballot.
- (2) Unless otherwise directed by the Board to meet the circumstances of a particular case, a ballot paper in a form approved by the Board shall be given or sent to each Delegate entitled to vote on the resolution. The ballot paper shall state in full the resolution to which it relates in the same wording as appearing in the notice convening the meeting at which the resolution is put and shall be in the following form (or as near thereto as circumstances admit):-

**LATVIAN WELFARE TRUST**

*TEXT OF RESOLUTION*

The resolution is proposed as an ordinary/a special resolution of the Company.

In favour

Against

Official Stamp  
of the Charity

- (3) No mark shall be applied or device or protocol used by which one ballot paper may be identified from another but the Charity shall apply its stamp to each ballot paper prior to issue for the purpose of verifying its authenticity.
- (4) Spoilt ballot papers will be not be counted. A ballot paper shall be determined as spoilt at the discretion of two scrutineers, who shall clearly mark the ballot paper spoilt. The scrutineers' decision shall be final.
- (5) All ballot papers (including spoiled ballot papers) shall be retained by the secretary for a period of six months from the date of declaration of the result of the vote and shall be available for inspection by any member at reasonable times in office hours by appointment.

**Directors**

19.
  - (1) A Director must be a natural person aged 18 years or older.
  - (2) No one may be appointed a Director if he or she would be disqualified from acting under the provisions of Article 30.
20. Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three and the maximum number of Directors shall be nine.

21. The first Directors shall be those persons notified to Companies House as the first Directors of the Charity.
22. A Director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the Directors.

### **Powers of Directors**

23. (1) The Directors shall be the supreme executive body of the Charity and shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Act, the Memorandum, these Articles or any special resolution.
- (2) No alteration of the Memorandum or these Articles or any special resolution shall have retrospective effect to invalidate any prior act of the Directors.
- (3) Any meeting of Directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the Directors.
- (4) Except with the prior sanction of the members in a general meeting, the Directors shall procure that neither the Charity nor any subsidiary of the Charity shall:-
  - (a) acquire or dispose of any land or buildings (save for the grant of a lease or other rights of occupation in favour of a beneficiary of the Charity pursuant to the Charity's objects as set out in its Memorandum from time to time);
  - (b) mortgage the whole or any part of any land or buildings comprised from time to time in the assets of the Charity;
  - (c) carry out any construction works in relation to any land or buildings comprised in the assets of the Charity from time to time other than the routine repair or adaptation of any such land or buildings for the purposes of the objects of the Charity as set out in its Memorandum from time to time not requiring planning consent;
  - (d) sell, transfer or otherwise dispose of the whole of its undertaking, property or assets (save in the ordinary course of its charitable operations) or a part thereof being substantial in relation to its total undertaking property and assets save where required to do so by the order of the Charity Commission or any competent authority;
  - (e) promote any commercial undertaking.

### **Retirement**

24. Directors must retire from office by rotation every 3 years and are eligible for re-election at a general meeting unless by the close of the meeting the members have failed to elect sufficient Directors to hold a quorate meeting of the Directors.

## **The Appointment of Directors**

26. Members of the Charity may by ordinary resolution passed at a general meeting of the Delegates:
- (a) appoint a person who is willing to act to be a Director; and
  - (b) determine the rotation in which any additional Directors are to retire.
27. No person other than a Director retiring by rotation may be appointed a Director at any general meeting unless he or she is an Associate Member of the Charity and:
- (1) He or she is recommended for election or re-election by the Directors; or
  - (2) He or she is a member present at the meeting or is a Delegate; or
  - (3) Not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Charity is given a notice that:
    - (a) is signed by or on behalf of a member entitled to vote at the meeting;
    - (b) states the member's intention to propose the appointment of a person as a Director;
    - (c) contains the details which, if the person were to be appointed, the Charity would have to file at Companies House and with the Commission; and
    - (d) is signed by the person who is to be proposed to show his or her willingness to be appointed.
28. (1) The Directors may appoint a person who is willing to act to be a Director.
- (2) A Director appointed by a resolution of the other Directors must retire at the next annual general meeting and must not be taken into account in determining the Directors who are to retire by rotation.
29. The appointment of a Director, whether by the Charity in general meeting or by the other Directors, must not cause the number of Directors to exceed any number fixed as the maximum number of Directors.

## **Disqualification and Removal of Directors**

30. A Director shall cease to hold office if he or she:
- (1) ceases to be a Director by virtue of any provision in the Act or is prohibited by law from being a director;

- (2) Is disqualified from acting as a Trustee by virtue of section 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision);
- (3) Ceases to be a member of the Charity;
- (4) Becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
- (5) Resigns as a Director by notice to the Charity (but only if at least three Directors will remain in office when the notice of resignation is to take effect); or
- (6) Is absent without the permission of the Directors from all their meetings held within a period of six consecutive months and the Directors resolve that his or her office be vacated.

### **Directors' Remuneration**

- 31. The Directors must not be paid any remuneration unless it is authorised by clause 5 of the Memorandum.

### **Proceedings of Directors**

- 32. (1) The Directors may regulate their proceedings as they think fit, subject to the provisions of the Articles and may appoint of their number to any unremunerated office.
- (2) Any Director may call a meeting of the Directors which shall be called a meeting of the Board or a meeting of Council.
- (3) The secretary must call a meeting of the Directors if requested to do so by a Director.
- (4) Questions arising at a meeting shall be decided by a majority of votes.
- (5) In the case of an equality of votes, the person who chairs the meeting shall have a second or casting vote.
- 33. (1) No decision may be made by a meeting of the Directors unless a quorum is present at the time the decision is purported to be made.
- (2) The quorum for a meeting of the Directors shall be five (comprising the person appointed to chair the meeting and four other Directors) or the number nearest to five eighths of the total number of Directors, whichever is the lesser or such larger number as may be decided from time to time by the Directors.
- (3) A Director shall not be counted in the quorum present when any decision is made about a matter upon which that Director is not entitled to vote.

34. If the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
35. (1) The members in general meeting shall appoint a Director to chair meetings of the Directors and general meetings and may at any time revoke such appointment.
- (2) If no-one has been appointed to chair meetings of the Directors or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the Directors present may appoint one of their number to chair that meeting.
- (3) The person appointed to chair meetings of the Directors shall have no functions or powers except those conferred by these Articles or delegated to him or her by the Directors.
36. (1) A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held.
- (2) The resolution in writing may comprise several documents containing the text of the resolution in like form each signed by one or more Directors.

### **Delegation**

37. (1) The Directors may delegate any of their powers or functions to a committee or committees – also called departments - of two or more Directors but the terms of any delegation must be recorded in the minute book. Such committees may co-opt members to advise or report to the committee subject to any conditions laid out under Article 37(2).
- (2) The Directors may impose conditions when delegating, including the conditions that:
- (a) the relevant powers are to be exercised exclusively by the committee to whom they delegate;
- (b) no expenditure may be incurred on behalf of the Charity except in accordance with a budget previously agreed with the Directors.
- (3) The Directors may revoke or alter a delegation.
- (4) All acts and proceedings of any committees must be fully and promptly reported to the Directors.
38. 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 Charity and any personal interest (including but not limited to any personal financial interest).

39. (1) Subject to paragraph 39(2), all acts done by a meeting of Directors, or of a committee of Directors, shall be valid notwithstanding the participation in any vote of a Director:
- (a) who was disqualified from holding office;
  - (b) who had previously retired or who had been obliged by the constitution to vacate office;
  - (c) who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;

if without:

- (d) the vote of that Director; and
- (e) that Director being counted in the quorum;

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

- (2) Paragraph 39(1) does not permit a Director to keep any benefit that may be conferred upon him or her by a resolution of the Directors or of a committee of Directors if, but for paragraph 39(1), the resolution would have been void, or if the Director has not complied with Article 38.

#### **Audit Committee**

40. (1) The members of the Charity may by ordinary resolution in a general meeting appoint a committee of four Associate who are willing to act to form an audit committee to scrutinise the activities of the Directors in terms of their conduct and management of the funds and operations of the Charity and which shall be entitled to receive from the Directors all such documents and things which they may reasonably require for such audit and scrutiny including without limitation the minutes of Directors' meetings, the draft accounts (in addition to the annual accounts) of the Charity and all financial information relevant to the preparation of those accounts, all correspondence and documents concerning the Charity, its funds and operations;
- (2) The members of the Charity may by ordinary resolution impose conditions and restrictions upon the power and authority of the Audit Committee (including conditions and restrictions inconsistent with Article 40(1)) but the terms of any such conditions or restrictions must be recorded in writing in minutes available for inspection by all members. The Audit Committee shall have for its expenditure such budget as is from time to time approved and agreed by the Directors out of the funds of the Charity.

41. (1) No person may be appointed a member of the Audit Committee at any general meeting unless he or she is an Associate Member of the Charity and:-
- (a) is present at the meeting or is a Delegate; or
  - (b) not less than fourteen nor more than thirty five clear days before the date of the general meeting at which a vote is to be taken for the appointment of a person as a member of the Audit Committee, the Charity has been given a notice that:-
    - (i) is signed by a Delegate (other than the person to be appointed) entitled to vote at the meeting;
    - (ii) states the Delegate's intention to propose the appointment of a person as a member of the Audit Committee;
    - (iii) contains the full name, full address and date of birth of the person to be appointed;
    - (iv) contains the statement that the person is a Delegate or an Associate Member; and
    - (v) is signed by the person who is to be appointed to show his or her willingness to be appointed and serve as a member of the Audit Committee.
- (2) A current serving Director may not be appointed or hold office as a member of the Audit Committee.
- (3) The members of the Audit Committee may appoint any Delegate or Associate Member who is willing to act to be an additional member of the Audit Committee to replace a member of the Audit Committee who is unable or unwilling to act provided that the number of persons specified in Article 40(1) as the maximum number of persons constituting an audit committee is not exceeded by such appointment. Any person appointed under this Article shall serve as an additional member of the Audit Committee until the next following general meeting.
- (5) The function of the Audit Committee is to supplement the powers of the members of the Charity as conferred on the members by the Act, the Memorandum, these Articles or any rule of law but shall not operate or act to the exclusion of the rights and powers of the members. The Audit Committee shall derive its power and authority from the members in general meeting and not from the Directors.

## Seal

42. If the Charity has a seal it must only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so

determined it shall be signed by a Director and by the secretary or by a second Director.

### **Minutes**

43. (1) The Directors must keep minutes of all:-
- (a) appointments of officers made by the Directors;
  - (b) proceedings at meetings of the Charity;
  - (c) meetings of the Directors and committees of Directors including;
    - the names of the Directors present at the meeting;
    - the decisions made at the meetings; and
    - where appropriate the reasons for the decisions.
- (2) The minutes kept under Article 43(1) shall, where practicable, be signed by all Directors present at the meeting or at least by the chair of the meeting and shall be kept available for inspection by the Audit Committee (if any) appointed pursuant to these Articles.

### **Accounts and Budgets**

44. (1) The Directors must prepare for each financial year accounts as required by sections 394, 395 and 396 (or, if applicable, sections 399, 403, 404, 406 and 407) of the Act. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.
- (2) The Directors must keep accounting records as required by sections 386, 387, 388 and 389 of the Act.
- (3) The Directors must prepare for each financial year a 12-month budget for the Charity which shall be laid before the annual general meeting in each year.

### **Annual Report and Return and Register of Charities**

45. (1) The Directors must comply with the requirements of the Charities Act 2011 with regard to:
- (a) the transmission of the statements of account to the Charity;
  - (b) the preparation of an annual report and its transmission to the Commission;

- (c) the preparation of an annual return and its transmission to the Commission.
  - (2) The Directors must notify the Commission promptly of any changes to the Charity's entry on the Central Register of Charities.
46. Any notice to be given to or by any person pursuant to the Articles:
- (1) Must be in writing; or
  - (2) Must be given using electronic communications.
47. (1) The Charity may give any notice to a member either:
- (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the member at his or her address; or
  - (c) by leaving it at the address of the member; or
  - (d) by giving it using electronic communications to the member's address.
- (2) A member who does not register an address with the Charity or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Charity.
48. A member present by its Delegate or in person at any meeting of the Charity or by their proxy shall be deemed to have received notice of the meeting and of the purposes for which it was called.
49. (1) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- (2) Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.
- (3) A notice shall be deemed to be given:
- (a) 48 hours after the envelope containing it was posted; or
  - (b) in the case of an electronic communication, 48 hours after it was sent.

### **Indemnity**

50. The Charity shall indemnify every Director or other officer or auditor of the Charity against any liability incurred by him or her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the Director or in which the Director is acquitted or in connection with any application in

which relief is granted to the Director by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charity.

## **Rules**

51. (1) The Directors may from time to time make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the Charity. These rules must be approved at a General Meeting of the members.
- (2) The bye laws may regulate the following matters but are not restricted to them:
- (a) the rights and privileges of members of the Charity and, with the approval of the members in a general meeting, the entrance fees, subscriptions and other fees, contributions or payments to be made by members;
  - (b) the conduct of members of the Charity as individuals, organisations, Branches or Groups in relation to the Charity, and to the Charity's employees and volunteers;
  - (c) the setting aside of the whole or any part or parts of the Charity's premises at any particular time or times or for any particular purpose or purposes;
  - (d) the procedure at general meetings and meetings of the Directors in so far as such procedure is not regulated by the Act or by these Articles;
  - (e) generally, all such matters as are commonly the subject matter of company rules;
- (3) The Charity in a general meeting has the power to alter, add to or repeal the rules or bye laws.
- (4) The Directors must adopt such means as they think sufficient to bring the rules and bye laws to the notice of members of the Charity.
- (5) The rules or bye laws shall be binding on all members of the Charity. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or the Articles or the Statutes of the DVF.