

THE COMPANIES ACTS 1985 AND 2006

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

Articles of Association of London Metropolitan University (registered number 00974438)

1 Interpretation

1.1 In these Articles, words and expressions have the meanings they are given in Schedule 1.

2 Name

2.1 The name of the company is London Metropolitan University (“the University”).

3 Articles

3.1 These Articles (including the Schedules) are the Instrument and Articles of Government of the University as required by section 129B of the Education Reform Act 1988.

3.2 The model articles for private companies limited by guarantee contained in schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the University.

4 Object

4.1 The University’s Object is to advance education (including industrial, commercial, professional and scientific training) for the benefit of the public by carrying on, conducting and developing a university and by promoting teaching and research.

5 Powers

5.1 The University shall have the powers set out in Schedule 2, which may be exercised only in promoting the Object and subject to the Education Acts.

6 Conduct of the University

6.1 The University shall be conducted in accordance with the provisions of the 2006 Act and the Education Acts, any relevant regulations, orders or directions made by the Secretary of State or by the Privy Council and, subject thereto, in accordance with the provisions of these Articles and any Regulations made under these Articles.

7 Application of income and property

7.1 The income and property of the University shall be applied only to promote the Object and no part of that income or property shall be paid, transferred or otherwise applied for the benefit of any Governor except in accordance with the provisions of Article 14.

8 Winding up / dissolution

8.1 Every Member undertakes to contribute to the assets of the University in the event of it being wound up while he is a Member, or within one year after he ceases to be a

Member, for payment of the debts and liabilities of the University contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of contributories among themselves, such amount as may be required not exceeding One Pound.

8.2 If on the winding up or dissolution of the University and after the satisfaction of all its debts and liabilities, there is any property remaining, it shall not be paid or distributed among the Members, but shall be given or transferred to some other charitable institution or institutions selected by the Members which:

- (a) have objects similar to the Object of the University; and
- (b) prohibit the distribution of its or their income and property among its or their members to an extent at least as great as imposed on the University by Article 7.1,

provided that if effect cannot be given to the above, then such property of the University shall be applied to some other charitable objects.

9 **Members**

9.1 The Members of the University shall be the Governors for the time being.

9.2 Membership is terminated if the Member concerned ceases to be a Governor.

9.3 The University must maintain a register of Members.

9.4 Membership is not transferable.

10 **General Meetings of Members**

10.1 The Governors shall each year hold a General Meeting of the University and may call any other General Meeting at any time. A General Meeting shall also be called in accordance with the 2006 Act.

10.2 The arrangements for and proceedings at General Meetings shall be subject to the provisions of the 2006 Act and Regulations made by the Board.

11 **The Board**

11.1 The Board is responsible for determining the educational character and mission of the University, for stewardship of its resources and for oversight of its activities.

11.2 The Board shall consist of no fewer than 11 Governors and no more than 15 Governors and shall comprise:

- (a) no fewer than 7 and no more than 11 Independent Governors appointed by a resolution of a simple majority of the Independent Governors;
- (b) the Vice-Chancellor, acting ex-officio;
- (c) 1 Academic Governor nominated by the Academic Board in accordance with Regulations;
- (d) 1 Student Governor who shall be the President of the Students' Union acting ex-officio; and

- (e) 1 Staff Governor elected by and from the Staff of the University in accordance with Regulations.

11.3 No person shall be appointed as an Academic Governor, Student Governor or Staff Governor unless and until his or her appointment has been confirmed by a resolution of the Board passed in accordance with any Regulations made by the Board for that purpose.

12 Eligibility

12.1 Eligibility criteria for appointment as a Governor are set out in Schedule 4.

13 Duration and termination of office

13.1 Governors shall hold office for the terms provided for in Schedule 4 and their terms of office shall terminate in accordance with the provisions set out in that Schedule.

14 Governor benefits

14.1 No part of the income or property of the University may be paid, transferred or applied by way of Benefit to any Governor except as provided for in Schedule 6.

14.2 A Governor shall not receive a Benefit from any Subsidiary Company except in accordance with Schedule 6 (which applies as if references to the University were references to any Subsidiary Company).

15 Conflicts of Interest

15.1 The Governors shall comply with the provisions of Schedule 7 in relation to the declaration of Interests and the management of Conflicts of Interest.

16 Delegation

16.1 Subject to these Articles and any Regulations, the Board may delegate the exercise of all or any of its powers to:

- (a) any Committee of the Board;
- (b) the Academic Board;
- (c) the Chair or Vice-Chair(s) of the Board or chair or vice-chair of any Committee; and
- (d) the Vice-Chancellor

in accordance with such Regulations (which may include a Scheme of Delegation in respect of the powers delegated to the Vice-Chancellor) as it shall from time to time make or amend.

16.2 The Board shall not delegate any of its powers or duties in respect of the matters set out in Schedule 3.

16.3 The Board may appoint any person as agent or attorney of the University on such terms as it shall determine. The Board may revoke or vary such appointment at any time (provided that no person dealing in good faith and without notice of such revocation or variation shall be affected by it).

17 **Proceedings of the Board**

17.1 The Board shall conduct its proceedings in accordance with the provisions set out in Schedule 5.

18 **Appointment of the Chancellor, Vice-Chancellor, Secretary and Senior Staff**

18.1 The Board may appoint a Chancellor of the University on such terms and with such functions and responsibilities as the Board may determine. The Chancellor shall not be a member of Staff and shall not receive any Benefit for acting (except reimbursement of his or her expenses).

18.2 The Board shall appoint a Vice-Chancellor as chief executive of the University on such terms and conditions of employment and with such functions and responsibilities as the Board may determine.

18.3 The Board shall appoint a Secretary of the University on such terms and conditions of employment and with such functions and responsibilities as the Board may determine. The Board may at any time suspend or remove the person so appointed in accordance with Regulations.

18.4 The Board shall nominate at least one Independent Governor to sit on the interview panel with the Vice-Chancellor for the appointment of Senior Staff on such terms and conditions of employment and with such functions and responsibilities as the Remuneration Committee may determine in respect of each such appointment.

19 **Staff procedures**

19.1 The provisions in relation to Staff in articles 46 to 63 of the University's articles of association which apply immediately prior to the adoption of these Articles shall continue to apply unless and until they are amended following consultation with Staff.

19.2 Subject to these Articles and Regulations, the Vice-Chancellor shall have the power to appraise, promote, suspend, discipline or dismiss all Staff.

19.3 Subject to these Articles the Vice-Chancellor shall have the power to appoint all Staff with the exception of Senior Staff who shall be appointed in accordance with Article 18.4.

19.4 The Board shall make Regulations governing the appointment of Senior Staff.

19.5 In making Regulations the Board shall have regard to the need to ensure that the Staff have freedom within the law to question and test received wisdom in their academic disciplines and to put forward new ideas and unpopular opinions without placing themselves in jeopardy of losing their jobs or any privileges they may have at the University.

20 **The Academic Board**

20.1 The Board shall establish an Academic Board in accordance with Regulations made for that purpose.

21 **Students' Union**

21.1 The Board shall make arrangements for the establishment and operation of a Students' Union (as defined by the Education Act 1994) with the power to manage its own affairs

and funds and shall take such steps as are reasonably practicable to secure its operation in accordance with that Act.

22 Accounts and audit

22.1 The Board shall ensure that accounts are kept and external auditors are appointed in accordance with the provisions of the 2006 Act and shall act in accordance with all other obligations.

23 The Seal

23.1 The Board shall provide for the safe keeping of the Seal and ensure that its use is in accordance with any applicable Regulations.

24 Indemnity

24.1 The University shall indemnify a Governor against any liability incurred by him or her in that capacity to the extent permitted by sections 232 to 234 of the 2006 Act.

24.2 For the purposes of this Article, "a Governor" includes any former Governor of the University.

25 Regulations

25.1 The Board may by simple majority resolution agree and amend Regulations for the governance and conduct of the University. No Regulation shall have effect if it is inconsistent with these Articles.

25.2 The Board shall not make or amend any Regulations under Articles 11.2(c) or 20 or any other Regulations which, in the opinion of the Board, relate to the role, functions or any delegated powers of the Academic Board unless the Academic Board has been given the opportunity to consider and report on a draft thereof and until any report made by it has been considered by the Board.

26 Amendment of the Articles

26.1 These Articles may be amended by a special resolution of the Members at a General Meeting of the University subject to the consent of the Privy Council and, where necessary, the Charity Commission and any other relevant external regulatory authority or statute.

Schedule 1 Definitions

1. In these Articles:

Academic Governor means a member of the Teaching Staff appointed as a Governor in accordance with Article 11

the 2006 Act means the Companies Act 2006

these Articles means these articles of association

Benefit means any payment of money or the provision or other application of any other direct or indirect benefit in money or money's worth

Board means the Board of Governors of the University

Chair means the Chair of the Board who shall be an Independent Governor appointed in accordance with Article 11.2(a)

Charity Commission means the Charity Commission for England and Wales

Committee means a committee of the Board established in accordance with Article 16

Conflict of Interest means any Interest of a Governor (or any person Connected to a Governor) that conflicts, or may conflict, with the interests of the University and includes a conflict of interest and duty and a conflict of duties

conflicted Governor means a Governor who has a Conflict of Interest

Connected Person means any person falling within one of the following categories:

- (a) any spouse or civil partner of a Governor;
- (b) any parent, child, brother, sister, grandparent or grandchild of a Governor who is financially dependent on such Governor or on whom the Governor is financially dependent;
- (c) any other person in a relationship with a Governor which may reasonably be regarded as equivalent to that of a spouse or civil partner; or
- (d) any company, LLP or partnership of which a Governor is a paid director, member, partner, consultant or employee or a holder of more than 1% of the share capital or capital; and

any person who is a Connected Person in relation to any Governor is referred to in these Articles as **Connected** to that Governor or Member.

Education Acts means the Education Acts 1944 to 1996 and the Education Reform Act 1988

General Meeting means a general meeting of the Members from time to time

Governor means each of the directors of the University under the 2006 Act duly appointed in accordance with these Articles (and **Governors** means all of the directors)

Independent Governor means a person who is committed to the mission and goals of the University and has the experience and skills to make a positive contribution to its effective governance and success. The criteria used for the selection of Independent Governors shall be determined by the Independent Governors.

Interest means any direct or indirect interest (and includes any interest a Governor or any person Connected to a Governor may have as a consequence of any duty he or she may owe to any other person) and where a Governor (or any person Connected to a Governor) has any such interest in any matter or situation or transaction or arrangement the Governor is **Interested** in it

Member and **Membership** refer to the members and their membership of the University for the purposes of, and as defined by, the 2006 Act.

Month means calendar month

Object means the charitable object referred to in Article 4.1

Regulations means regulations made from time to time by the Board

Scheme of Delegation means a delegation in writing by the Board to the Vice-Chancellor in accordance with Article 16, which shall constitute Regulations for the purposes of the Articles

Seal means the common seal of the University

Secretary of State means the Secretary of State for Business, Innovation and Skills (or such other Minister of the Crown who may from time to time have the functions, duties and responsibilities of the Secretary of State as at the date of adoption of these Articles insofar as they relate to the educational facilities provided by the University)

Secretary means the Secretary of the University or if no Secretary has been appointed, the person carrying out the duties of the Secretary of the University

Senior Staff means the Vice-Chancellor, the Deputy Vice-Chancellor, the Deputy Chief Executive, the Secretary, and the Director of Finance and the holders of such other posts as the Board may from time to time determine by Regulations

Staff means the Teaching Staff and other persons employed by the University (but excluding, for the avoidance of doubt, consultants and contractors not so employed)

Staff Governor means a member of Staff appointed as a Governor in accordance with Article 10

Student means a person enrolled on a course of study or instruction at the University or a sabbatical officer of the Students' Union

Student Governor means the President of the Students' Union

Students' Union means any students' union (as defined in the Education Act 1994) that is established and operated in accordance with these Articles

Subsidiary Company means any company in which the University holds:

- (a) more than 50% of the shares; or

- (b) more than 50% of the voting rights attached to the shares; or
- (c) the right to appoint one or more of the directors of the company

Teaching Staff means teaching and research staff of the University, being staff involved in teaching, research and/or delivery or direction of teaching or research and any other person to whom the Board (after consultation with the Academic Board) shall resolve to grant the status of a member of the teaching staff

unconflicted Governors means those Governors who are not conflicted Governors

University means the company limited by guarantee known (in accordance with Article 2) as "London Metropolitan University"

Vice-Chair means any vice-chair(s) of the Board appointed in accordance with Article 14

Vice-Chancellor means the chief executive of the University as provided for by Article 18

written or in writing refers to a legible document on paper (including a fax message) or in electronic form (including an e-mail)

year means calendar year.

2. Expressions defined in the 2006 Act have the same meaning as in that Act.
3. References to an Act of Parliament are to the relevant Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

Schedule 2 Powers of the University

- 1 To do all such lawful things which the University may think necessary for, conducive or incidental to the advancement of the Object.
- 2 To provide and to admit Students to facilities for instruction, study, training and research both full-time and part-time including, without limiting the generality of the foregoing, having regard to the educational and training needs of the public in the communities of London and the traditions of the University's antecedent institutions.
- 3 To grant to persons approved by the University degrees, honorary degrees, diplomas, licences, certificates, credits, academic distinctions or awards and to withhold or withdraw the same if the University shall consider that there are good grounds for such withholding or withdrawal.
- 4 To co-operate and collaborate with other institutions and individuals and to award joint degrees or other awards.
- 5 To promote, arrange, organise and conduct seminars, lectures, classes, conferences and courses of study, instruction and training for Students and other persons and to provide opportunities and facilities for persons to undertake study and research.
- 6 To establish subsidiary undertakings, companies and trusts, and to accept appointment as trustee, and to enter into joint ventures and partnerships, to subscribe, underwrite, purchase or otherwise acquire, and to hold, dispose of and deal with any shares or other securities in subsidiary undertakings of the University, joint ventures or partnerships or other companies for any purpose.
- 7 So far as permitted by charity law, to give guarantees, indemnities and other forms of security for the performance of obligations undertaken on behalf of the University by any of the University's subsidiary undertakings, joint ventures, partnerships and other companies organisations and associations which may directly or indirectly further the Object.
- 8 Subject to such consents as may be required by law, to borrow and raise money and secure or discharge any debt or obligation of or binding on the University and to enter into financial instruments which are ancillary or incidental to the exercise of such powers.
- 9 To solicit, receive and administer grants, financial assistance, donations, endowments, gifts, bequests, legacies, rents and loans of money and other property (subject or not to any specific trusts or conditions).
- 10 To invest the University's funds not immediately required for its purposes in such investments, securities or property as the University shall think fit and to delegate the management of investments to any person authorised to conduct investment business under the Financial Services and Markets Act 2000 in accordance with a written policy agreed by the Governors.
- 11 To employ or engage the services of such persons as are considered necessary for the furthering the Object and to make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of persons employed or formerly employed by the University or any subsidiary undertaking of the University or their dependents and to make payment towards the insurance of such persons.
- 12 To found or maintain fellowships, exhibitions, scholarships, bursaries, studentships, prizes and similar encouragements to academic work and to make grants and donations.
- 13 To acquire, own, manage, lease, let, develop, dispose of and otherwise deal with land and other property.
- 14 To license, deal in, develop and in any way turn to account any processes, inventions, discoveries, patents, copyrights, designs, trademarks or written or other materials in which the University or any Students or Staff may have been involved and to apply for patents or copyrights and other protections for them.

Schedule 3 Matters Reserved to the Board

- 1 The Board may not delegate its powers or duties in respect of the following matters:
 - 1.1 The determination of the educational character and objectives of the University.
 - 1.2 The approval of the annual estimates of income and expenditure of the University.
 - 1.3 Ensuring the solvency of the University and ensuring the safeguarding of its assets, this shall include the recommendation of the annual accounts to the University in General Meeting.
 - 1.4 The authorisation of expenditure or the disposal of any assets of the University except within such limits as the Board deems reasonably necessary for the proper performance by such person or body of the functions assigned to that person or body and notified to them accordingly.
 - 1.5 The termination of the appointment of any person as a Governor and Member.
 - 1.6 The recommendation to the University in General Meeting for the approval, revoking, amendment or variation of these Articles or any of them.
 - 1.7 The approval, revoking, amendment or variation of the Regulations or any of them other than the regulations made by the Academic Board hereunder.
 - 1.8 The policy for pay and general conditions of employment of all members of Staff.
 - 1.9 Any act or thing which under or by virtue of any provision of the 2006 Act is required to be carried out by the Vice-Chancellor or the Board.
- 2 The Board may exercise all of the powers of the University which are not required to be exercised by the Members by the 2006 Act or by these Articles.
- 3 In relation to matters pertaining to the employment of Vice-Chancellor, and the Senior Staff of the University, the reserved powers may only be exercised by Independent Governors and not by the Academic, Staff or Student Governor.
- 4 The Board may not delegate its powers or duties in respect of:
 - 4.1 The appointment, suspension, discipline and dismissal of the Vice-Chancellor and of the University Secretary, and his or her right to appeal.
 - 4.2 The right to appeal in the case of suspension, discipline or dismissal of other members of the Senior Staff.

Schedule 4 Duration, Eligibility and Termination of a Governor's office

1. Duration of term of office

- 1.1 With the exception of the Vice-Chancellor, a Governor shall normally hold office for three years from the date of his or her appointment. Subject to remaining eligible to be a Governor, any Governor may be re-appointed or re-elected for further terms of three years. After a Governor has served for three terms of office, he or she shall not be eligible for re-appointment or re-election unless the Board considers that, because of an ongoing matter or project in which the Governor is involved or because of some other requirement for his or her particular expertise or experience, it would be in the best interests of the University for him or her to be eligible for re-appointment or re-election for such additional term of office (not exceeding one year) as the Board shall resolve. This maximum period of office applies to Independent Governors and to the Academic and Staff Governors.
- 1.2 The Student Governor shall hold office as a governor only while holding office as President of the Students' Union.

2. Eligibility

2.1 No person who:

- 2.1.1 is or becomes employed by the University (except the Vice-Chancellor or the Academic Governor or the Staff Governor, or the Student Governor) or;
- 2.1.2 is a parent, sibling, child, spouse or civil partner of a member of Staff or is otherwise financially interdependent with or financially dependent on such a member of Staff or on whom the member of Staff is financially dependent or any other person in a relationship with a Governor which may reasonably be regarded as an equivalent relationship to that of a spouse or civil partner;

shall be eligible to be a Governor unless the Board by resolution determines otherwise and for the avoidance of doubt, the eligibility of any person for appointment as a Governor in accordance with this Paragraph 2.1 shall be determined by the Board at its absolute discretion.

- 2.2 A Student is not eligible for appointment as a Governor except as the Student Governor.
- 2.3 No person shall be eligible to hold office as a Governor unless they also meet all the requirements to hold office as a charity trustee and as a company director.

3. Disqualification

3.3 A Governor's term of office terminates if he or she:

- 3.3.1 is subject to a disqualification order made under the Company Directors Disqualification Act 1986, is disqualified under the Charities Act 2011 from acting as a charity trustee or is otherwise prohibited by law from acting as a director;
- 3.3.2 becomes a patient as defined in the Mental Health Act 1983 or is, in the opinion of the Board, unable or unfit properly to fulfil his or her duties by reason of illness, disability or infirmity and the Board resolves by a simple majority that his or her office be vacated;

- 3.3.3 is absent from three consecutive meetings of the Board or all meetings of the Board for no less than 12 months (whichever period is the shorter) without the consent of the Board and the Board resolves by a simple majority that his or her office is vacated;
- 3.3.4 holds office subject to conditions for eligibility (whether under these Articles or under Regulations made by the Board) for such appointment and ceases to satisfy such conditions;
- 3.3.5 is directly or indirectly Interested in any contract with the University and fails to declare the nature of his or her interest in the manner required by the 2006 Act, Article 15 and Schedule 7 and the Board passes a resolution that by reason of such failure he or she should cease to be a Governor;
- 3.3.6 is removed as a Governor by the Members pursuant to the 2006 Act;
- 3.3.7 resigns by one month's written notice to the Board (such resignation being effective from the later of the date of receipt of such notice or the date of resignation specified in the notice);
- 3.3.8 becomes bankrupt, has an interim receiving order made against him or her, makes any arrangement or compounds with his or her creditors generally or applies to the Court for an interim order in respect of a voluntary arrangement;
- 3.3.9 in the case of the Vice-Chancellor, the Academic Governor, the Staff Governor, or the Student Governor, ceases to be employed by the University;
- 3.3.10 is or has been convicted of an offence and the Board resolves that it is undesirable in the interests of the University that he or she remains a Governor;
- 3.3.11 ceases to be a Member of the University;
- 3.3.12 in the case of the Academic Governor, the Staff Governor or the Student Governor, is removed by a resolution of a simple majority of the Independent Governors; or
- 3.3.13 in the case of an Independent Governor, is removed by a resolution of a simple majority of the Independent Governors (provided that any Independent Governor who is the subject of a resolution for removal shall be excluded from voting).

Schedule 5 Proceedings of the Board

- 1 The Board may regulate its own proceedings as it sees fit and shall make Regulations in relation to proceedings of the Board (including the appointment of the Chair and any Vice-Chair(s) and the notice to be given in respect of any meeting of the Board).
- 2 No business shall be transacted at a meeting of the Board unless a quorum is present. Six Independent Governors shall form a quorum for a meeting of the Board. If the total number of Independent Governors for the time being is less than the quorum required, the Governors must not take any decision other than a decision to appoint further Governors.
- 3 The Chair or (if the Chair is unable or unwilling to do so) any Vice-Chair or (if no Vice-Chair is also able or willing to do so) another Independent Governor elected by the Independent Governors present will preside as chair at each meeting.
- 4 Questions arising at a meeting shall be determined by a majority of votes and in the case of an equality of votes the chair of the meeting will have a casting vote. A written resolution signed (or agreed to in writing) by all of the Governors who would have been entitled to vote on the matter had it been proposed as a resolution at a Governors' meeting and would have formed a quorum at such a meeting is as valid as a resolution passed at a meeting (and for this purpose the resolution or agreement in writing may be contained in more than one document).
- 5 A meeting of the Board may be held either in person or by suitable electronic means agreed by the Governors in which all Governors participating in the meeting may communicate with all the other participants. If all the Governors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 6 A technical defect in the appointment of a Governor of which the Governors are unaware at the time does not invalidate decisions taken at a meeting of the Board.
- 7 A procedural defect of which the Governors are unaware at the time does not invalidate decisions taken at a meeting.

Schedule 6 Governor Benefits

- 1 No part of the income or property of the University may be paid, transferred or applied by way of Benefit to any Governor except:
 - (a) reasonable and proper premiums in respect of indemnity insurance provided in accordance with the Charities Act 2011;
 - (b) reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) properly incurred in the management and administration of the University;
 - (c) an indemnity in accordance with these Articles;
 - (d) payments to any company in which a Governor has no more than a 1% shareholding;
 - (e) any Benefit provided to a Governor in his or her capacity as a beneficiary of the University;
 - (f) any Benefit which is in furtherance of the Object to another charity of which a Governor is a charity trustee or member and which does not confer any Benefit on that Governor;
 - (g) any Benefit to a Governor who is a member of Staff in respect of their employment by the University (except payments to a Governor in respect of acting as a Governor);
 - (h) payments in respect of the provision of goods or services in accordance with Paragraph 2 of this Schedule; and
 - (i) payments in respect of acting as a Governor in accordance with Paragraph 3 of this Schedule.

- 2 A Governor may enter into a written contract with the University to supply goods or services to the University in return for a Benefit but only if:
 - (a) the goods or services are actually required by the University;
 - (b) the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services supplied;
 - (c) no more than half of the Governors are subject to or affected by such a contract in any financial year (and this provision will apply to a Governor if this Paragraph applies to a person who is Connected to that Governor); and
 - (d) the Governor has declared his or her Interest in the Benefits in accordance with Schedule 7 and the Governors have complied with the procedure in Paragraph 4 of this Schedule.

- 3 A Governor may receive Benefits for acting as a Governor but only if:
 - (a) the remuneration paid to the Governor does not exceed an amount that is reasonable in all the circumstances;
 - (b) the Governors have read, considered and taken into account the published guidance of the Charity Commission (and of any other body which regulates the University) in relation to the remuneration of charity trustees for acting as charity trustees;
 - (c) the Governors are satisfied that it is in the interests of the University to employ or to contract with the Governor rather than with someone who is not a Governor and, in

reaching that decision, the Governors must balance the advantage of employing or contracting with a Governor against the disadvantages of doing so (in particular, the loss of the Governor's services as a result of dealing with the Governor's Conflict of Interest);

- (d) the Governor has declared his or her Interest in the Benefits in accordance with Schedule 7 and the Governors have complied with the procedure in Paragraph 4 of this Schedule.

4 The Governors may only rely upon the authority provided by Paragraphs 1(e), 1(g), 2 and 3 of this Schedule if the Governor concerned:

- (a) declares the nature and extent of his or her Interest at the beginning of any meeting at which the transaction or arrangement or situation or matter which would confer a Benefit is to be discussed (or, at the latest, before such discussion begins);
- (b) withdraws from that part of the meeting at which the transaction or arrangement or situation or matter is to be discussed unless expressly invited to remain in order to provide information;
- (c) is not counted in the quorum for that part of the meeting during which the transaction or arrangement or situation or matter is discussed;
- (d) withdraws during the vote and has no vote on the transaction or arrangement or situation or matter for that part of the meeting; and
- (e) does not sign any written resolution in relation to the transaction or arrangement or situation or matter (except where required to do so to confirm a resolution of the other Governors).

5 In this Schedule, references to a Governor include references to any person who is Connected to that Governor.

Schedule 7 Conflicts of Interest

- 1 Every Governor has a duty to declare to the Governors the nature and extent of any Interest which he or she (or any Connected Person) has in any proposed or existing transaction or arrangement with the University or any situation or matter in relation to the University that is, or possibly may be, a Conflict of Interest.
- 2 Subject to Paragraphs 3 and 4, a Governor has a duty under the Act to avoid a situation or matter (including a transaction or arrangement with the University) in which he or she has, or can have, a Conflict of Interest. This duty applies to the exploitation of any property, information or opportunity (and it is immaterial whether the University could take advantage of the property, information or opportunity).
- 3 The duty referred to in Paragraph 2 is not infringed by a Conflict of Interest arising in relation to any situation or matter or any transaction or arrangement between the University and any Governor which is mentioned in Paragraphs 1(a) to (d) of Schedule 6 (in relation to which, pursuant to section 181(3) of the 2006 Act, the duty referred in Paragraph 2 is disapplied) or which is properly authorised by the Governors in accordance with the procedure in Paragraph 4 of Schedule 6 or Paragraph 4 of this Schedule 7.
- 4 Subject to the foregoing, the Governors may, if they consider it is in the best interests of the University to do so, authorise a transaction or arrangement or situation or matter in which a Governor has, or may have, a Conflict of Interest but which does not confer a Benefit on him or her (each a "**relevant matter**") provided that the unconflicted Governors shall (subject to such terms as they may impose from time to time and to their right to vary or terminate such authorisation) determine the manner in which the Conflict of Interest shall be dealt with and, in doing so, the unconflicted Governors must consider:
 - (a) whether the nature and extent of the interest in the relevant matter will or is reasonably likely to give rise to a Conflict of Interest;
 - (b) whether or not the conflicted Governor should withdraw from that part of any meeting at which the relevant matter is to be discussed unless expressly invited to remain in order to provide information;
 - (c) whether or not the conflicted Governor should be excluded from the receipt of information in relation to the relevant matter;
 - (d) whether or not the conflicted Governor should be counted in the quorum for that part of any meeting during which the relevant matter is discussed; and
 - (e) whether or not the conflicted Governor should withdraw during the vote and have no vote on the relevant matter at the relevant part of any meeting.
- 5 The Independent Governors may, by resolution, require other Governors to withdraw from a discussion when the affairs of named or identifiable members of Staff or Students are to be discussed.
- 6 There shall be a Register of Interests maintained by the Secretary. The Board shall make Regulations for the full and timely declaration of Interests. The Register of Interests shall be made available for inspection on request by any Governor, any member of Staff, any Student or any member of the public.
- 7 In this Schedule, references to a Governor include references to any person who is Connected to that Governor.