

## **Standard clauses for Company constitutions**

### **Income and Property**

The income and property of the Company shall be applied solely towards the promotion of main object(s) as set forth in this Constitution. No portion of the Company's income and property shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to members of the Company.

No Director shall be appointed to any office of the Company paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Company. However, nothing shall prevent any payment in good faith by the Company of:

- a) reasonable and proper remuneration to any member or servant of the Company (not being a Director) for any services rendered to the Company;
- b) interest at a rate not exceeding 1% above the Euro Interbank Offered Rate (Euribor) per annum on money lent by Directors or other members of the Company to the Company;
- c) reasonable and proper rent for premises demised and let by any member of the Company (including any Director) to the Company;
- d) reasonable and proper out-of-pocket expenses incurred by any Director in connection with their attendance to any matter affecting the Company;
- e) fees, remuneration or other benefit in money or money's worth to any company of which a Director may be a member holding not more than one hundredth part of the issued capital of such company;
- f) Nothing shall prevent any payment by the Company to a person pursuant to an agreement entered into in compliance with section 89 of the Charities Act, 2009 (as for the time being amended, extended or replaced).

### **Additions, alterations or amendments**

The Company must ensure that the Charities Regulator has a copy of its most recent Constitution. If it is proposed to make an amendment to the Constitution of the Company which requires the prior approval of the Charities Regulator, advance notice in writing of the proposed changes must be given to the Charities Regulator for approval, and the amendment shall not take effect until such approval is received.

### **Winding-up**

If upon the winding up or dissolution of the Company there remains, after satisfaction of all debts and liabilities, any property whatsoever, it shall not be paid to or distributed among the members of the Company. Instead, such property shall be given or transferred to some other charitable institution or institutions having main objects similar to the main objects of the Company. The institution or institutions to which the property is to be given or transferred shall prohibit the distribution of their income and property among their members to an extent at least as great as is imposed on the Company under or by virtue of the Income and Property clause hereof. Members of the Company shall select the relevant institution or institutions at or before the time of dissolution, and if and so far as

effect cannot be given to such provisions, then the property shall be given or transferred to some charitable object with the agreement of the Charities Regulator. Final accounts will be prepared and submitted that will include a section that identifies and values any assets transferred along with the details of the recipients and the terms of the transfer.

Note that should a company wish to make an application to the Companies Registration Office to dispense with “company limited by guarantee” or Irish equivalent in the name of the charitable company – an alternative winding up provision is required by the Companies Registration Office pursuant to section 1180 of the Companies Act, 2014 – see alternative text below for the winding-up clause in this instance

*If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, it shall not be paid to or distributed among the members of the Company. Instead, such property shall be given or transferred to some other company or companies (being a charitable institution or institutions) having main objects similar to the main objects of the Company. The company or companies (being a charitable institution or institutions) to which the property is to be given or transferred shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company under or by virtue of the Income and Property clause hereof. Members of the Company shall select the company or companies (being a charitable institution or institutions) at or before the time of dissolution. Final accounts will be prepared and submitted that will include a section that identifies and values any assets transferred along with the details of the recipients and the terms of the transfer.*