

THE COMPANIES ACT 2006

PRIVATE CHARITABLE COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

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## **Handicabs (Lothian)**

### **ARTICLES OF ASSOCIATION (10th October 2015)**

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Prepared for .....Handicabs (Lothian) ..... by:

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**Handicabs (Lothian) Limited**

**ARTICLES OF ASSOCIATION**

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## PART ONE: Defined terms and interpretation

- 1 In these Articles:
- a. **'the Company'** means Handicabs Lothian (Limited), the company which is regulated by these Articles;
  - b. **'the Act'** means the Companies Act 2006;
  - c. **'the Articles'** means these Articles of Association which, pursuant to section 20(1)(b) of the Act, shall exclude in their entirety the model articles of association prescribed by Schedule 2 of the Companies (Model Articles) Regulations 2008;
  - d. **'the Memorandum'** means the Memorandum of Association of the Company;
  - e. **'the constitution'** of the Company means the Articles and any special resolution and any resolution agreed to by all the members of the Company that would have been effective for its purpose if passed as a special resolution and any resolution passed or agreement made by virtue of an enactment;
  - f. **'the purposes'** means the purposes of the Company as provided for in Article 4;
  - g. **'charity'** means a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts and **'charitable'** in describing the purposes of the Company shall mean a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the applications of the Taxes Acts ;
  - h. **'the Board of Directors'** means the governing body of the Company (and **'the Directors'** shall have a corresponding meaning) and any person occupying the position of Director by whatever name called, who shall also be understood to be the Trustees of the Company for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.
  - i. **'member'** unless the context admits or requires otherwise means a member of the Company as defined in section 112 of the Act;
  - j. **'person'** means any individual (natural) person only and excludes any company or other form of corporate body;
  - k. **'organisation'** means any corporate body, unincorporated association, society, trust or aggregate of persons, voluntary or otherwise, including any local or public authority;

- l. **'the Office'** means the registered office of the Company;
  - m. **'the Secretary'** means the Company Secretary of the Company or any other person appointed to perform the duties of the Company Secretary of the Company, including a joint, assistant or deputy Company Secretary;
  - n. **'clear days'** in relation to the period of a notice means the 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;
  - o. **'electronic form'** has the meaning given to it by section 1168 of the Act and **'electronic copy'** has a corresponding meaning;
  - p. **'the United Kingdom'** means Great Britain and Northern Ireland.
- 2 Subject to Article 1, words or expressions contained in these Articles and in the Memorandum shall, unless the context requires otherwise, bear the same meaning as in the Act but excluding any statutory modification not in force when these regulations become binding upon the Company.
- 3 Words importing the single number only shall, unless the context requires otherwise, include the plural number and *vice versa*.

## 2. PART TWO : Purposes

### a. Statement of charitable purposes

- 4 The purposes for which the Company is established shall be wholly and exclusively charitable.
- 5 In particular the purposes of the Company shall be:
- 5.1 To provide transport for disabled people who are resident within the Lothian Region
  - 5.2 To provide community bus services within areas where none, little or commercial services are not viable for disabled, ill, disadvantaged and the general public to improve quality of life
  - 5.3 In particular Handicabs is established for the public benefit for the following object: To provide transport for disabled, ill and or disadvantaged people and for health and life saving purposes

### b. Amendment of statement of charitable purposes

- 6 The Company may, by special resolution, amend the statement of purposes in contained in Article 5, provided that:

- 6.1 no amendment shall be made to the statement of purposes without the prior written consent of the Office of the Scottish Charity Regulator under section 16(a) of the Charities and Trustee Investment (Scotland) Act 2005 ; and
- 6.2 no amendment shall be made to the statement of purposes which would have the effect of the Company ceasing to be a charity in Scots law.

### **3. PART THREE : Powers**

- 7 In furtherance of the purposes of the Company, but not for any other purpose, the Company shall have the following powers:
  - 7.1 to raise funds and to invite and receive contributions from any person or organisation by way of subscription, donation or otherwise provided that the Company shall have the right to disclaim any offer, gift, legacy or bequest in whole or in part in such circumstances as the Company thinks fit and provided also that the Company shall comply with all relevant statutory regulations;
  - 7.2 to charge fees for goods or services produced or supplied by the Company as and when the Company considers it appropriate to do so in order to assist the financial viability of the Company's operations, provided that such charging shall not be primarily for the purpose of making profit;
  - 7.3 to enter into contracts with other persons or organisations and to provide and receive goods, services or other consideration on such contracts;
  - 7.4 to operate bank, building society or similar accounts in the name of the Company in which may be deposited all or any part of the funds of the Company and to carry out all lawful financial transactions in respect of such accounts and the funds contained in them;
  - 7.5 to borrow and raise money on loan or advance in such manner and upon such security as the Company shall think fit;
  - 7.6 to invest in the name of the Company any of its funds not immediately required for the furtherance of the purposes in such investments, or upon such securities and property as the Company may think fit and to dispose of and vary such investments and securities, provided that the Company shall obtain any consents and comply with any conditions required by law;
  - 7.7 to spend the funds of the Company in such manner as it thinks most beneficial for the achievement of the purposes;
  - 7.8 to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain, alter or improve any buildings which the Company may think fit;
  - 7.9 to insure to full value against loss or damage any property owned by or in the possession or use of the Company and to pay the premiums for such insurance and any costs connected with ascertaining the value of the said property from the funds of the Company;

- 7.10 to sell, let, grant securities over, turn to account or otherwise dispose of all or any of the assets of the Company;
- 7.11 to employ and pay such staff (who shall not be Directors of the Company) as are necessary for carrying out the purposes and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants;
- 7.12 to employ, engage, commission, hire or retain the services of professional or technical advisors and to pay all reasonable and proper fees, charges, retainers, expenses and other costs for services rendered by them to the Company;
- 7.13 to insure and indemnify all employees and voluntary workers of the Company against loss, accident, death, personal injury, professional liability and all such other risks incurred in the performance of their duties to a value which the Company shall think fit (but which shall at least be to any minimum value required by law) and to pay the premiums for such insurance from the funds of the Company;
- 7.14 to effect all such other insurances are deemed necessary to safeguard the assets and interests of the Company;
- 7.15 to commission, undertake or contribute to research, surveys and audits and to publish or distribute the findings of research or other information in support of the purposes;
- 7.16 to assert, claim and protect any copyright and associated moral rights, to purchase and register trade marks, patents, designs, names and logos and to assign and receive consideration for copyright and any other intellectual property owned by the Company;
- 7.17 to provide, support or assist in the provision of exhibitions, meetings, conferences, displays, seminars, lectures or other similar activities or events in support of the purposes;
- 7.18 to establish or support the establishment of any charitable trusts, associations or institutions formed for all or any of the purposes;
- 7.19 to subscribe to, become a member of, amalgamate or cooperate with other regional, national or international charities, voluntary bodies or other bodies not formed for the purposes of profit, and to cooperate with statutory and other bodies in furtherance of the purposes and to exchange information and advice with them;
- 7.20 to bring together in association voluntary and community organisations throughout Scotland that provide similar services and to facilitate collaborative working between them for the achievement of the purposes;



- 7.21 to establish or help the establishment of any trading company or subsidiary (which shall be wholly owned by the Company) and to receive funds from any such company or subsidiary by way of deed of covenant, gift aid or dividend and to invest funds of the Company in any such company or subsidiary provided that such investment shall only take the form of properly secured loans and provided also that the Company complies with any conditions or obtains any consents required by law;
- 7.22 to initiate or defend legal proceedings relating to the Company, its property, its employees and voluntary workers and its Directors and, subject to Articles 208 and 209, to meet legal costs (where these are not recoverable from other parties) from the funds of the Company;
- 7.23 to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation, incorporation, registration, maintenance and administration of the Company;
- 7.24 to do all other lawful things which may be incidental or conducive to the achievement of the Purposes.

#### **4. PART FOUR : Income and property**

- 8 The income and property of the Company shall be used solely for the promotion of the purposes. Subject to the exceptions of Article 9 no part of the income or property shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Company and no Director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or benefit in money or money's worth from the Company.
- 9 Article 8 shall not prevent the payment in good faith by the Company of:
  - 9.1 the usual professional charges for business done by any Director who is engaged in a profession, or by her or his partner or firm, when instructed by the Company to act in a professional capacity on its behalf; provided that:
    - 9.1.1 the remuneration to be received by any Director is, in the opinion of the other Directors, reasonable in the circumstances; and
    - 9.1.2 at no time shall a majority of the Directors benefit under this provision;
    - 9.1.3 and a Director shall withdraw from any meeting at which her or his appointment or payment, or that of her or his partner or firm, is under discussion; and

- 9.1.4 the maximum amount of the remuneration to be received by any Director is set out in a written agreement between the Company and the said Director, or that of her or his partner or firm.
- 9.2 reasonable and proper payment for any services rendered to the Company by any member, officer or agent of the Company who is not a Director;
- 9.3 interest on money lent by any member or Director of the Company at a reasonable and proper rate per year not exceeding the published base lending rate of a clearing bank to be chosen by the Directors;
- 9.4 fees, remuneration or other benefit in money or money's worth to any other company of which a Director may also be a member holding not more than one hundredth part of the issued capital of that company;
- 9.5 reasonable and proper rent not exceeding the open market value for premises let to the Company by any member or Director;
- 9.6 reasonable payments to reimburse any Director for out-of-pocket expenses incurred by her or him in the course of carrying out her or his duties as a Director.

**a. Disposal of property upon dissolution**

- 10 If, in the event of the Company being wound up or dissolved and after all its debts have been settled and all its liabilities have been met, including the return of any assets on loan or the repayment of any unspent portion of any grant or donation where this was an express condition of the grantor or donor, there remains any property, it shall not be paid or distributed among the members of the Company or its Directors or its employees, but shall be given or transferred for nil consideration to some other charity or charities having purposes the same as or similar to the purposes of the Company, chosen by the members of the Company at or before the time of dissolution or, if that cannot be done, then to some other charitable purpose.

## **5. PART FIVE : Membership**

**a. Limited liability**

- 11 The liability of each member of the Company is limited to £1 (one pound sterling), being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up while she, he or it is a member or within 1 (one) year after she , he or it ceases to be a member, for:
  - 11.1 payment of the Company's debts and liabilities contracted before she, he or it ceases to be a member; and

- 11.2 payment of the costs, charges and expenses of winding up the Company; and
- 11.3 adjustments of the rights of the contributories among themselves.

**b. Membership of the Company**

12 The subscribers to the Memorandum and such other persons and organisations as are admitted to membership in accordance with these Articles shall be members of the Company.

13 There shall be no limit to the number of persons and organisations who may be admitted to any class of membership of the Company.

**c. Classes of member**

14 There shall be two classes of membership of the Company as follows: Corporate Membership, and Individual Membership.

15 Subject to Articles 19 and 20, **Corporate Membership** shall be open to any voluntary organisation or other body not formed for the purpose of profit that:

15.1 is a company or other incorporated body; and

15.2 provides or has an interest in the provision of transport services in Scotland; and

15.3 wishes to further the purposes of the Company.

16 Subject to Articles 17, 18 and 22, the Directors may, at their discretion, invite applications for **Individual Membership** from any person aged 16 (sixteen) years or over who wishes to further the purposes of the Company.

**d. Employees and secondees as Individual Members**

17 Subject to Article 18, any employee of the Company or any person seconded to or otherwise placed with the Company as if she or he were an employee shall be eligible to be an Individual Member of the Company.

18 An employee of or a secondee to the Company invited into Individual Membership under Article 16 shall not have the right:

18.1 to hold office as a Director of the Company; or

18.2 to propose another member to hold office as a Director of the Company as provided for by Article 119; or

18.3 to vote on any resolution or participate in any ballot, either in person or by proxy, for appointing or electing a Director or Directors, as provided for by Articles 123 and 124; or

18.4 to put to a general meeting or vote, either in person or by proxy, on any resolution for the removal of a Director as provided for by Articles 134 and 135.

**e. Application for membership**

19 No organisation shall be admitted as a Corporate Member of the Company unless and until its application for membership is approved by the Directors.

20 An organisation wishing to become a Corporate Member shall lodge with the Secretary a written application for membership in such form as the Directors shall from time to time decide, signed by one of its authorised officers.

21 An individual wishing to become an individual member shall lodge with the secretary a written application for membership in such form as the Directors shall from time to time to decide, signed by one of its authorised officers.

22 A person invited by the Directors to apply to become an Individual Member of the Company shall, before being admitted, make an application to the Directors in such form as they from time to time decide.

23 All applicants for membership of the Company shall provide the Directors with such other information in support of their admission as the Directors may require or in accordance with any rules of membership made under Article 211.

**f. Admission to membership**

24 Each application for membership and (where applicable) other supporting evidence shall be considered by the Directors at their first meeting after its receipt.

25 If the Directors decide at any meeting to admit an applicant to membership, they shall notify the applicant in writing accordingly within a period of 14 (fourteen) days after the decision and such notification shall include:

25.1 details of the class of membership to which the applicant has been assigned; and

25.2 where applicable, a request for payment of any annual subscription fee applicable to the class of membership for the time being in force.

26 Any decision by the Directors to admit an applicant to membership shall be deemed conditional upon the payment by the applicant of the full amount of any

annual membership subscription for the time being in force except in circumstances where the Directors exercise the discretion granted them under Article 39 to waive, reduce or defer payment of the full amount of the said subscription.

**g. Refusal of membership**

- 27 The Directors may at their discretion refuse to admit any person (including any person from whom an application for Individual Membership has been invited) or organisation into membership notwithstanding that the person or organisation in question fulfils the conditions for membership, in such cases where they consider there are reasonable grounds to do so.
- 28 Any person or organisation whose application for membership is subject to refusal shall have the right to be heard (either in person or by her, his or its representative) by the Directors before a final decision is taken.
- 29 If the Directors decide at any meeting to refuse admission of an applicant to membership they shall notify the applicant in writing accordingly within a period of 14 (fourteen) days after the meeting at which their decision was made and such notification shall include:
- 29.1 the reasons why the decision to refuse admission to membership was made; and
- 29.2 details of the applicant's right to be heard as provided for in Article 28.

**h. Representation of Corporate Members**

- 30 Subject to Article 31 an organisation admitted into Corporate Membership under shall appoint and authorise any person aged 16 (sixteen) years or over it thinks fit to act as its representative at a general meeting of the Company.
- 31 No Corporate Member may authorise as its representative an employee of the Company and the Directors shall have the right to refuse to accept representation of the Corporate Member by any person who:
- 31.1 is already the authorised representative of another Corporate Member under Article 30; or
- 31.2 is already entered as an Individual Member in the Register of Members; or
- 31.3 has previously had her or his application as an Individual Member of the Company refused by the Directors under Article 27 or who has been previously removed from membership by resolution of the Company under Article 47.

**i. Register of members**

- 32 The Directors shall keep a Register of Members. Pursuant to section 113 of the Act, there shall be entered on the Register:
- 32.1 the full name and address of each member: and
  - 32.2 the date on which the member was admitted to membership; and
  - 32.3 the date on which the member ceased to be a member (where applicable): and
  - 32.4 the class of membership to which the member has been admitted; and
  - 32.5 in the case of a member who is or becomes an employee of or a secondee to the Company, a note to that effect.
- 33 The Directors may at any time, by notice in writing, request any member to provide the Company with such evidence and particulars as are necessary and reasonable for the purpose of making up the Register.
- 34 Pursuant to section 114 of the Act, the Register of Members shall be kept at the Office or at such other place permitted in regulations made under section 1136 of the Act.

**j. Termination of membership**

- 35 Membership of the Company shall not be transferable and shall cease upon:
- 35.1 the death of an Individual Member, the dissolution of a Corporate Member; or
  - 35.2 the voluntary withdrawal from membership of a member as provided for by Article 36; or
  - 35.3 the lapse of membership by default due to the failure of a member to renew her, his or its membership or to pay any annual subscription for the time being in force under Article 44; or
  - 35.4 the removal of a member by resolution of the Company under Article 47.

**k. Withdrawal from membership**

- 36 Any person or organisation wishing to withdraw from membership shall lodge with the Secretary a written notice of withdrawal signed by her or him or, in the case of an organisation, by one of its authorised officers.
- 37 Upon receipt of a notice of withdrawal from membership by the Company the member in question shall cease with immediate effect to be a member of the

Company; provided that after such withdrawal the number of members remaining is not fewer than 2 (two).

**I. Membership subscriptions and annual renewal**

- 38 The Company may, by ordinary resolution in general meeting, introduce an annual subscription for membership, and determine the amount of such subscription and vary the amount from time to time and from one class of member to another.
- 39 The Company may authorise the Directors to adopt whatever methods they think most expedient to collect payment of any subscription charge and to use their discretion to apply any reduction or waiver or to agree to receive payment by instalments in cases where they think fit.
- 40 Any annual subscription for the time being in force shall be due on each accounting reference date of the Company and shall (subject to Articles 41 and 55) be deemed to relate to the period from one accounting reference date to the next.
- 41 In the case of a person or organisation admitted to membership of the Company on a date other than the accounting reference date, the Directors may calculate the subscription to be paid by her, him or it in the first part-year of membership on a *pro rata* basis.
- 42 Whether or not any subscription for membership is in force, membership of the Company shall be subject to renewal annually on the accounting reference date of the Company.
- 43 The Secretary shall give to all members not less than 14 (fourteen) days' notice of the accounting reference date. Such notice shall:
- 43.1 advise the member that her, his or its membership falls due for renewal on the accounting reference date; and
  - 43.2 contain particulars of the member currently held on the Register of Members; and
  - 43.3 where applicable, specify the amount and request payment of membership subscription due under Article 38, and
  - 43.4 request from the member confirmation of her, his or its wish to renew membership, the accuracy and currency of the particulars held on the Register of Members; and
  - 43.5 state the possible consequences of failure to renew membership under Article 44.

**m. Lapse of membership due to failure to renew**

- 44 Provided the requirements of Article 43 have been complied with, any membership in respect of which a renewal has not been received by the Secretary by the end of the 28<sup>th</sup> (twenty-eighth) day after the accounting reference date on which it fell due shall be deemed to have lapsed.
- 45 The Secretary shall, in the event of a membership lapsing under Article 44, give notice to the member concerned advising her, him or it of the fact and of the reasons.
- 46 A lapsed member in receipt of a notice under Article 45 may renew her, his or its membership (including payment of the required annual subscription where applicable) within a further 28 (twenty eight) days from the date of the notice, after the expiry of which any attempt by the lapsed member to renew her, his or its membership shall be treated by the Directors as a new application.

**n. Removal from membership**

- 47 The Company may, by special resolution in general meeting, terminate the membership of any person or organisation in cases where:
- 47.1 the Company believes that the actions of the member in question have brought, or risk bringing the Company into disrepute; or
- 47.2 the Company believes that the member in question has repeatedly or purposely breached any explicit rules of the Company or other reasonable rules or standards of good order.
- 48 Any member wishing to propose the removal of another member shall lodge with the Directors a written notice of her, his or its intention to do so (identifying the member or members concerned and stating the grounds for the proposed removal) not less than 28 (twenty eight) days before the date of the next general meeting of the Company.
- 49 The Directors shall put all proper proposals to remove a member made under Article 48 to the next general meeting of the Company, which shall consider the proposal and resolve as it thinks fit.
- 50 The Directors shall, on receipt of a notice under Article 48, send at the earliest possible time a copy of the notice to the member or members concerned who shall have the right to make written representations to the Directors with regard to the notice.
- 51 If the Directors receive any written representations made under Article 50 they shall (unless they are received too late for them to do so):
- 51.1 state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed; and



51.2 send a copy of the representations to every person or organisation to whom notice of the meeting was or is given.

52 Whether or not a copy of written representations has been given to each of the persons entitled to receive notice of the meeting under Article 51.2, a member in question shall have the right to be heard (either in person or by her, his or its representative) at the meeting before a final resolution is made.

53 Failure to follow correctly any of the provisions of Articles 47 to 52 shall render invalid any resolution for the removal of a person or organisation from membership.

54 A person or organisation removed membership under Article 47 shall cease to be a member with effect from the time at which the resolution to remove her, him or it was passed.

**o. Non-refundable subscription**

55 Any person or organisation who ceases to be a member of the Company for whatever reason shall not be entitled to a refund of all or any part of any annual subscription paid by her, him or it, whatever the period between the date on which the membership subscription was last paid and the date of ceasing to be a member.

## **6. PART SIX: General meetings**

**a. Annual General Meeting**

56 Subject to Article 57 the Company shall hold an Annual General Meeting in each year at such time and place as the Directors shall decide, in addition to any other general meetings.

57 Not more than 15 (fifteen) months shall elapse between one Annual General Meeting and the next; provided that so long as the Company holds its first Annual General Meeting within 18 (eighteen) months of its incorporation, it need not hold it in the year of its incorporation or in the following year.

**b. Other general meetings**

58 The Directors may call a general meeting at any time.

59 The Directors shall convene a general meeting pursuant to section 303 of the Act on the requisition of the members of the Company representing not less than 5% (one-twentieth) of the total voting rights at the date on which the requisition is made, unless less than 12 (twelve) months has elapsed since the end of the last

general meeting requisitioned under this Article, in which case the required percentage shall be 10% (one-tenth).

60 The Directors shall convene a general meeting pursuant to section 518 of the Act on the requisition of a resigning auditor.

61 Directors required to convene a general meeting under Articles 59 or 60 shall do so within 21 (twenty one) days from the date on which they become required to do so and a general meeting convened in this manner shall be held on a date not more than 28 (twenty eight ) days after the date of the notice convening it.

**c. Notice of general meetings**

62 Subject to Article 63, a general meeting of the Company (other than an adjourned meeting), including an Annual General Meeting, shall be called by not less than 14 (fourteen) days notice.

63 A general meeting may be called by shorter notice if so agreed by a majority in number of the members who together hold not less than 90% (ninety per cent) of the total voting rights at that meeting of all the members.

64 The notice of all general meetings shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of the Annual General Meeting shall specify the meeting as such.

65 The notice of all general meetings shall be given to all members of the Company and its Directors and to the auditors of the Company (if any).

66 Notice of a general meeting shall contain a statement informing each member of her, his or its right to appoint another person as proxy to exercise all or any of her, his or its rights to attend, speak and (where applicable) vote at the meeting.

67 Notice of a general meeting of the Company shall be given either in hard copy form or electronic form or, subject to Article 68, by means of a website, or partly by one such means and partly by another.

68 Publication of a notice of a general meeting of the Company on a website shall only be valid if:

68.1 it is accompanied by a notice to each member of the presence of the notice on the website. Such notification shall state that it concerns a notice of a general meeting and shall specify the place, date and time of the meeting; and

68.2 it is available on the website throughout the period beginning with the date of that notification and ending with the conclusion of the general meeting of which it gives notice.

- 69 Where the Company gives notice of a general meeting or of a resolution intended to be moved at a general meeting, any accidental omission to give the notice to, or the non-receipt of the notice by, any person or organisation entitled to receive notice shall not invalidate the proceedings at that meeting.

**d. Quorum at general meetings**

- 70 No business shall be transacted at any general meeting of the Company, other than the appointment of a chairperson of the meeting, unless a quorum is present. Subject to Article 71, 10 (ten) persons entitled to vote upon the business to be transacted, each being a member, an authorised representative of a Corporate Member or a proxy for a member, shall constitute a quorum.
- 71 In the event that the total membership of the Company becomes fewer than 10 (ten) there shall be a quorum when a majority of the members entitled to vote upon the business to be transacted is present (in person or by proxy) at a general meeting.
- 72 A person shall be deemed to be present at a general meeting when she or he is in a position to communicate to all those attending the meeting, during the meeting, on the nature of the business being transacted, regardless of whether she or he is in the same place as all or any other person present.
- 73 If the quorum required under Articles 70 or 71 is not present within half an hour from the time appointed for the commencement of the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be determined by the chairperson of the meeting.

**e. Presiding at general meetings**

- 74 Subject to Article 207, the Chairperson of the Board of Directors shall, if present and willing to act, preside over general meetings. If the Chairperson is not present or willing to act within half an hour from the time appointed for the commencement of the meeting, the Directors present shall appoint one of their number to preside over the meeting or, if only one Director is present and willing to act, she or he shall preside over the meeting.
- 75 If no Director willing to preside is present within half an hour from the time appointed for the commencement of the meeting, the members present shall appoint one of their number to preside over the meeting. For the avoidance of doubt, an authorised representative of a Corporate Member or a duly appointed proxy for a member may be appointed to preside at a general meeting under this Article.

**f. Adjournment of general meetings**

- 76 The chairperson may, with the consent of a general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place; provided that no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had an adjournment not taken place.
- 77 When a meeting is adjourned for more than 14 (fourteen) days, at least 7 (seven) clear days' notice shall be given to the same persons to whom notice of the Company's general meetings is required to be given, specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

**g. Resolutions**

- 78 A resolution of the members of the Company shall be passed either at a general meeting of the Company in accordance with Articles 80 to 86 or as a written resolution in accordance with Articles 104 to 106.
- 79 An ordinary resolution means a resolution that is passed by a simple majority of the votes cast. A special resolution means a resolution that is passed by a majority of not less than 75% (three quarters) of the votes cast. Anything that may be done by ordinary resolution may also be done by special resolution.

**h. Resolutions at general meetings**

- 80 A resolution put to the vote of a meeting shall be decided upon by a show of hands unless before, or on the declaration of the result of, the show of hands a ballot (poll) is duly demanded. Subject to the provisions of section 321 of the Act, a ballot may be demanded by:
- 80.1 the chairperson of the meeting; or
  - 80.2 the Directors of the Company; or
  - 80.3 at least 2 (two) members, or proxies for members, having the right to vote at the meeting; or
  - 80.4 Members and proxies for members, representing at least 10% (one tenth) of the total voting rights of all the members entitled to vote upon the resolution.
- 81 Unless a ballot is demanded in accordance with Article 80, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution.

- 82 The demand for a ballot may be withdrawn before the ballot is taken, but only with the consent of the chairperson. The withdrawal of a demand for a ballot shall not invalidate the result of a show of hands declared before the demand for a ballot was made.
- 83 If a ballot is demanded in accordance with Article 80 it shall be taken at once by means of a secret ballot of all the persons present and entitled to vote (whether as members or proxies for members) and shall be conducted in such a manner as the chairperson shall direct. The chairperson may appoint scrutinisers (who need not be members) and may fix the time and place for declaring the results of the ballot.
- 84 The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot is demanded and taken.
- 85 If the chairperson directs that the result of a ballot is not to be declared immediately this shall not prevent the continuance of a meeting for the transaction of any other business other than the question on which the ballot was taken.
- 86 In the event of an equality of votes cast on an ordinary resolution, the required majority shall not have been attained and the resolution shall be deemed not to have been passed. For the avoidance of doubt, the chairperson of the meeting shall not be entitled to any second or casting vote.
- 87 Where a resolution is passed at an adjourned meeting of the Company, the resolution shall be treated as having been passed on the date on which it was in fact passed and not on any earlier date.

**i. Amendments to resolutions**

- 88 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 88.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 (forty eight) hours before the meeting is to take place; and
- 88.2 the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- 89 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 89.1 the chairperson of the meeting proposes the amendment at the general meeting at which the special resolution is to be proposed; and
- 89.2 the amendment does not go beyond what is necessary to correct grammatical or other non-substantive error in the resolution.

90 If the chairperson of a general meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

**j. Votes of members at general meetings**

91 Subject to Article 93 every member of the Company and every Director of the Company (whether or not she or he is a member of the Company) shall have 1 (one) vote at general meetings of the Company, exercisable in person or by proxy. For the avoidance of doubt, a Director who is also a member of the Company shall only have 1 (one) vote.

92 A Corporate Member shall exercise its right to vote through its representative duly authorised under Article 30 or through a proxy for the said representative.

93 No member of the Company shall be entitled to vote at any general meeting unless all monies then payable by her, him or it to the Company in the form of subscriptions or otherwise have been paid in full, except in circumstances where the Directors have agreed to reduce or waive any such payment or permit payment to be made by instalments under Article 39.

94 No objection shall be raised to the validity of any vote or the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

**k. Appointment of proxy**

95 A member and a Director (whether or not she or he is a member) shall have the right to appoint a proxy to attend, speak and vote on her, his or its behalf at any general meeting or adjourned meeting. A proxy may be any person aged 16 (sixteen) years or over, who need not be a member of the Company but who shall not be an employee of the Company, provided that no person may act as a proxy for more than 1 (one) member or Director at the same meeting.

96 A member or Director wishing to appoint a proxy under Article 95 shall lodge with the chairperson of the meeting not less than 24 (twenty four) hours prior to its commencement a proxy notice in writing or by means of electronic communication in such form as the Directors may decide, subject to Article 97, signed by her or him or, in the case of a Corporate Member, by its duly authorised representative.

97 A proxy notice made under Article 96 shall:

97.1 state the name of the member or Director or authorised representative of a Corporate Member appointing the proxy; and

- 97.2 identify the person appointed to be the proxy of that member or Director or representative; and
- 97.3 identify the general meeting in relation to which that person is appointed.
- 98 A proxy notice made under Article 96 may, for each resolution on which a vote is to be taken at the meeting, either:
- 98.1 instruct the proxy to cast her or his vote in favour or against the resolution or to abstain from voting; or
- 98.2 indicate that the proxy may exercise her or his own judgement in deciding how to cast her or his vote.
- 99 A member and a Director shall not be entitled to appoint more than 1 (one) proxy to attend the same general meeting.
- 100 A proxy properly appointed to attend any general meeting in place of a member or Director shall have the same right as the person she or he is replacing to speak and (if applicable) vote, including the right to vote by show of hands, to vote on any amendment to a resolution and to demand and vote in a ballot. No proxy shall have the right to vote if she or he is replacing a member who is not eligible to vote under Article 93.
- 101 A member entitled to attend, speak or vote at a general meeting of the Company remains so entitled in respect of that meeting or any adjournment of it even though a valid proxy notice has been delivered by that member, provided that the member and her or his proxy may exercise only 1 (one) vote between them.

#### **I. Termination of a proxy's appointment**

- 102 An appointment of a proxy made under Article 95 may be revoked by the member or Director or representative making it by delivering to the Company a notice in writing to that effect.
- 103 A notice revoking a proxy only takes effect if it is delivered before the start of the general meeting or adjourned meeting to which it relates and any revocation notice received after the start of the meeting does not affect whether the proxy counts in deciding whether there is a quorum at the meeting or the validity of any action taken by the proxy during the course of the meeting.

#### **m. Written resolutions**

- 104 A resolution in writing signed by the necessary majority of the members entitled to attend and vote at a general meeting and received by the Secretary within 28 (twenty eight days) after the date on which notice was given of the said resolution shall be as effectual as if it had been passed at a general meeting.

- 105 A member signifies agreement to a proposed written resolution when the Company receives from her, him or it an authenticated document identifying the resolution to which it relates and indicating her, his or its agreement with the resolution. Such document may be sent to the Company in hard copy or in electronic form.
- 106 The Company may publish a proposed written resolution on a website. To be valid, such resolution or statement shall be available on the website throughout the period beginning with the circulation date and ending on the date on which the resolution lapses.

## 7. PART SEVEN: Board of Directors

### a. Board of Directors

- 107 The business of the Company shall be managed and administered by a Board of Directors whose members shall be understood to be directors of the Company for the purposes of the Act, who shall be registered as directors with the Registrar of Companies and who shall also be understood to be the Trustees of the Company for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.
- 108 There shall be a minimum of 5 (five) and a maximum of 12 (twelve) Directors comprised as in Articles 109 and 110.
- 109 Subject to Article 114, there shall be a minimum of 5 (five) and a maximum of 10 (10) **Member Directors** who are members of the Company and who are either:
- 109.1 proposed prior to and appointed at an Annual General Meeting as provided for by Articles 119 to 124; or
  - 109.2 appointed by the Directors to fill vacancies among the Member Directors under Article 125.
- 110 There shall be a maximum of 2 (two) **Co-opted Directors**, who need not be members of the Company, co-opted by the Directors as provided for by Article 127.
- 111 In addition, the Chief Executive Officer of the Company will be an ex-officio non-voting attendee of meetings of the Board of Directors
- 112 The Board of Directors shall appoint from amongst themselves a Chairman, Vice Chairman, Secretary (as per Article 183) and Treasurer.
- 113 The first Directors shall be those persons named in the statement delivered pursuant to section 12 (1)(a) of the Act, who shall be deemed to have been appointed under the Articles. Future Directors shall be appointed as provided for subsequently in these Articles.



**b. Eligibility to be a Member Director**

114 Provided she or he is not disqualified from serving as a Director under the provisions of Articles 18 or 131, the Company may appoint as a Member Director any person who is a full Individual Member or who is:

114.1 the representative for the time being of a Corporate Member authorised under Article 30.

**c. Retirement and reappointment of Member Directors**

115 At the conclusion of the first Annual General Meeting every Member Director shall retire from office, but may then be eligible for reappointment as a Member Director provided that she or he is eligible as per Article 117.1, 117.2 and 117.3

116 A Member Director who ceases to be a member of the Company during her or his term of office may continue to serve as a member Director until the conclusion of the next Annual General Meeting, at which time she or he shall retire and may stand again for re-election.

117 A Member Director retiring at the conclusion of an Annual General Meeting shall be eligible to be re-appointed for a term of office provided that she or he:

117.1 continues to be eligible to be a Member Director of the Company under one of the conditions of Article 114; and

117.2 is not disqualified from serving as a Director under the provisions of Article 131; and

117.3 is duly proposed in accordance with Article 119.

118 For the avoidance of doubt, the 'term of office' of a Member Director shall be regarded as the period commencing with her or his appointment and ending with her or his retirement, regardless of the length of time of the said period.

**d. Proposal of Member Directors**

119 Not less than 42 (forty two) days before each Annual General Meeting the Secretary shall send an invitation to all members of the Company (subject to Article 18) inviting them to propose themselves (*unless an Individual Member*) or another member of the Company for appointment as a Member Director at the said Annual General Meeting. To be valid, such proposal shall:

119.1 be in writing, in such form as the Directors shall from time to time decide and signed by the proposing member; and

119.2 be supported by the signature of a second member of the Company; and

- 119.3 in the case of a proposal made on behalf of another member, include an indication of the willingness of the member proposed to hold office as a Member Director; and
- 119.4 include a statement in support of the proposed member, subject to such limits on length or content as the Directors may from time to time decide; and
- 119.5 be received by the Secretary not less than 21 (twenty one) days before that date of the Annual General Meeting.

**e. Appointment of Member Directors at an Annual General Meeting**

- 120 Subject to Articles 18, 122 and 124, at an Annual General Meeting the Company may, by ordinary resolution, appoint or re-appoint as a Member Director any member of the Company or authorised representative of a Corporate Member of the Company (as provided for by Article 114) in respect of whom a written proposal has been received by the Secretary in compliance with Article 119.
- 121 Particulars of each person seeking appointment or re-appointment as a Member Director, including any personal statements supplied by such persons, shall be included in the notice calling the Annual General Meeting.
- 122 No person shall be appointed as a Member Director of the Company under Article 120 if, as a result, the number of Member Directors would exceed the maximum number of Member Directors permitted under Article 109.
- 123 In the event of the sum of the Member Directors seeking re-appointment and the valid proposals lodged with the Secretary in compliance with Article 119 exceeding the number of vacancies, a secret ballot shall be held among the members (subject to Article 18) present in person or represented by proxy at an Annual General Meeting. Those persons receiving the greatest number of votes in favour of their appointment, up to but not exceeding the maximum number of vacant places available, may by ordinary resolution (subject to Article 124) be appointed as Member Directors.
- 124 Subject to Article 123, the appointment at an Annual General Meeting of more than 1 (one) Member Director shall take the form of a single ordinary resolution to appoint all proposed Member Directors unless before, or at the time of, such resolution being put to the meeting, a request is made for each appointment to be voted on separately by either:
  - 124.1 the chairperson of the meeting; or
  - 124.2 at least 2 (two) persons having the right to vote at the meeting.

**f. Vacancies among Member Directors**

125 The Directors may appoint any member to fill any vacancy among the Member Directors that arises between one Annual General Meeting and the next provided that no member shall be appointed in this manner who:

125.1 is disqualified from serving as a Director under the provisions of Article 131.

126 A Member Director appointed to fill a vacancy under Article 125 shall hold office only until the conclusion of the next Annual General Meeting at which time she or he shall retire and shall be eligible for re-appointment as a Member Director provided that she or he:

126.1 continues to be eligible to be a Member Director of the Company under one of the conditions of Article 114; and

126.2 is not disqualified from serving as a Director under the provisions of Article 131; and

126.3 is duly proposed in accordance with Article 119.

**g. Co-opted Directors**

127 The Directors may at any time co-opt any person aged 16 (sixteen) years or over, who may but need not be a member of the Company, to be a Co-opted Director in cases where they consider the person in question has knowledge, skills or experience that would assist them in the performance of their duties, provided that no person shall be co-opted under this Article if:

127.1 as a result, the number of Co-opted Directors would exceed the maximum number provided for in Article 110; or

127.2 as a result the number of Co-opted Directors would equal or exceed the number of Member Directors for the time being; or

127.3 she or he is disqualified from serving as a Director under the provisions of Article 131.

128 A Co-opted Director shall hold office only until the conclusion of the next Annual General Meeting at which time she or he shall be due to retire but may, at the discretion of the Directors, be co-opted to serve for a further term without limit to the number of consecutive terms she or he may serve.

**h. Register of Directors**

129 Pursuant to sections 162 to 165 of the Act the Directors shall maintain and keep at the Office or at a place specified in regulations under section 1136 of the Act, a Register of Directors containing for each Director her or his:

- 129.1 present full name and former names by which she or he has been known since the age of 18 (eighteen) and within the past 20 (twenty) years; and
  - 129.2 a service address and the Director's usual residential address (if different); and
  - 129.3 the country, state or part of the United Kingdom in which she or he is usually resident; and
  - 129.4 nationality; and
  - 129.5 date of birth; and
  - 129.6 business occupation (if any).
  - 129.7 date of appointment and (if applicable) date of retirement as a Director.
- 130 Pursuant to section 167 of the Act the Directors shall give notice to the Registrar of Companies in the prescribed form of any change to the particulars of its Register of Directors within 14 (fourteen) days of the date on which the change occurred.

**i. Disqualification from serving as a Director**

- 131 A person shall not be appointed or reappointed to serve as a Director (whether Member or Co-opted) and a serving Director shall cease to hold office with immediate effect if she or he:
- 131.1 is below the age of 16 (sixteen) years; or
  - 131.2 is the subject of a disqualification order issued by any court of law under the Company Directors Disqualification Act 1986; or
  - 131.3 is disqualified from acting as a company director by virtue of any provision of the Companies Acts or from acting as a trustee of a Scottish charity under section 69 of the Charities and Trustee Investment (Scotland) Act 2005 (or any statutory re-enactment or modification of this Act); or
  - 131.4 is or becomes an employee of the Company or is seconded to or otherwise placed with the Company as if she or he were an employee of the Company; or
  - 131.5 is or has become, in the written opinion of a medical practitioner made to the Company, physically or mentally incapable of acting as a Director and may remain so for more than 3 (three) months; or
  - 131.6 is the subject of an order made by a court which, by reason of her or his mental health, wholly or partly prevents her or him from personally exercising any powers or rights which she or he would otherwise have.

**j. Resignation of Directors**

- 132 A Director may resign from her or his office by giving written notice to the Directors, but only if at least 5 (five) Member Directors will remain in office when the notice of resignation is to take effect.

**k. Removal of a Director by the Directors**

- 133 The Directors may agree, by a majority of not less than two-thirds of their number at a Directors' meeting at which a quorum is present, to remove from office any Director who:
- 133.1 is absent without good reason, in the opinion of the Directors, from 3 (three) consecutive meetings of the Directors; or
  - 133.2 has breached any explicit rules of the Company or code of conduct to which the Directors have agreed or is in breach of her or his general duties under sections 170 to 177 of the Act or section 66 of the Charities and Trustee Investment (Scotland) Act 2005 or other reasonable standards of behaviour and, in the opinion of the Directors, such breach is sufficiently serious or persistent to warrant her or his removal as a Director.

**l. Removal of a Director by the members**

- 134 Subject to Articles 17 and 135 to 138 (inclusive) and to the requirements under sections 168 and 169 of the Act, the Company may by ordinary resolution in general meeting remove a Director before the expiration of her or his period of office notwithstanding any agreement she or he may have with the Company.
- 135 A meeting at which a resolution is to be put to remove one or more Directors under Article 134 shall be called by special notice; that will involve at least 28 (twenty eight) days' notice being given to the Company of the member's intention to propose the resolution, and the Company giving at least 14 (fourteen) days' notice of the general meeting at which the resolution is to be put. On receipt of a notice from a member of her, his or its intention to propose such a resolution a copy shall be sent to the Director or Directors concerned.
- 136 A Director who is the subject of a resolution for her or his removal under Article 134 shall have the right:
- 136.1 to attend and to be heard (either in person or through her or his representative) at the meeting at which the resolution is put; and
  - 136.2 to make written representations to the Directors prior to the meeting and to request their notification to members of the Company.

- 137 The Directors shall, on receipt of written representations made under Article 136.2, unless the representations are received too late for them to do so, send a copy of the representations to every member of the Company to whom notice of the meeting is or was sent.
- 138 If written representations made under Article 136.2 are not sent to the members of the Company, for whatever reason, a Director making the representations may require that they shall be read out at the meeting.
- 139 Failure to follow correctly any of the procedures provided for in Articles 135 to 138 (inclusive) shall render invalid any resolution for the removal of a Director.

**m. Powers of the Directors**

- 140 Subject to the provisions of the Act, these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.
- 141 No alteration to the Articles and no direction by special resolution shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

**n. Validity of acts of Directors**

- 142 The acts of a person acting as a Director shall be valid notwithstanding that it is afterwards discovered that there was a defect in her or his appointment, that she or he was disqualified from holding office, had ceased to hold office or was not entitled to vote on the matter in question.

**o. Directors to act in a personal capacity**

- 143 There shall be no provision for the appointment of alternate Directors and no Director shall have the right to be represented at a meeting of the Board of Directors by any other person or to request another Director to cast a vote on her or his behalf.

**p. General duties of Directors**

- 144 Pursuant to sections 170 to 177 of the Act a Director shall, in performing her or his duties as a Director, act at all times with due regard to the general duties she or he owes to the Company, namely:

- 144.1 to act in accordance with the constitution of the Company and only to exercise her or his powers for the purposes for which they are conferred; and

144.2 to act in ways which she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members and beneficiaries; and

144.3 to exercise independent judgement; and

144.4 to exercise reasonable care, skill and diligence to the extent that may reasonably be expected of a person carrying out the functions she or he performs in relation to the Company; and

144.5 to avoid situations in which she or he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, in particular with regard to the exploitation of any property, information or opportunity of the Company;

144.6 not to accept any benefit from a third party conferred by reason of her or his being a Director or doing (or not doing) anything as a Director.

**q. Directors' remuneration and expenses**

145 Subject to the permissible exceptions in Articles 9 and 146 no Director shall be entitled to any remuneration, whether in respect of her or his serving as a Director or as a holder of any executive office under the Company.

146 A Director may be paid all reasonable travel, subsistence and other expenses incurred by her or him in connection with her or his attendance at meetings of the Directors, sub-committees of the Directors, general meetings of the Company or otherwise in connection with the discharge of her or his duties.

**r. Chief Executive Officer**

147 The Directors shall have the power to appoint and fix the remuneration and terms and conditions of employment of a Chief Executive Officer who shall not be a Director of the Company but will act as an ex-officio non-voting attendee of meetings of the Board of Directors as per Article 111. The Directors may delegate such duties to a Chief Executive Officer as they think fit, provided that all acts carried out by a Chief Executive on behalf of the Directors shall be fully and promptly reported to them.

**s. Directors' appointments to executive office**

148 Subject to the provisions of the Act, the Directors shall appoint from among their number a Chairperson, Vice Chair Person and Treasurer and may appoint any other such executive officer as they consider appropriate. For the avoidance of doubt both Member Directors and Co-opted Directors shall be eligible for appointment as executive officers.

- 149 Appointments to executive office under Article 148 shall, subject to Article 153, be made at a meeting of the Directors held as soon as reasonably practicable after the incorporation of the Company and thereafter at a meeting of the Directors held as soon as reasonably practicable after each Annual General Meeting.
- 150 Subject to Article 152 a Director shall hold an executive office until the conclusion of the Annual General Meeting which next follows her or his appointment at which time she or he shall retire.
- 151 An executive officer whose term of office expires under Article 150 may be re-appointed to such office or to any other executive office without limit to the number of consecutive terms of office she or he may hold, provided that she or he is willing to act and continues to be a Director.
- 152 The appointment of any executive officer shall terminate if she or he ceases, for whatever reason, to be a Director or if she or he resigns from such executive office by written notice to the Directors or if she or he is removed from such executive office for whatever reason by resolution of the Directors.
- 153 In the event that the appointment of any Director to any executive office terminates under Article 152, the Directors shall, at a meeting held as soon as reasonably practicable after such termination, appoint another of their number to hold such office in her or his place, unless the executive office is such that the Directors may, at their discretion, resolve not to appoint a replacement. Any executive officer appointed under this Article shall hold such office until the conclusion of the next Annual General Meeting which follows her or his appointment.

**t. Proceedings of Directors' meetings**

- 154 Except where specifically provided for by these Articles, the Directors may regulate proceedings at their meetings as they think fit.
- 155 Any Director may, and the Secretary if requested by a Director shall call a meeting of the Board of Directors at a reasonable time and giving a reasonable period of notice provided that there shall be no fewer than 4 (four) meetings of the Directors in each financial year of the Company.
- 156 It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom.
- 157 No proposal may be voted upon at a meeting of Directors, other than a proposal to call another meeting, unless a quorum is present. The Directors may decide upon a quorum for the transaction of business at their meetings, provided that they shall not fix a number which is less than 5 (five) Directors.



- 158 A Director is deemed to be present at a meeting of Directors when:
- 158.1 the meeting has been called and takes place in accordance with these Articles; and
  - 158.2 she or he can communicate information or opinions on the business of the meeting to all others present at the meeting, regardless of the means of communication used or whether all or any of the Directors are in the same place.
- 159 In the event that a meeting of the Directors is held at which not all of the Directors are in the same place, the Directors may decide at which place the meeting is deemed to be held for the purpose of the record of the meeting.
- 160 The Directors may act notwithstanding any vacancies in their number, but if the number of remaining Directors is fewer than the number fixed as a quorum, or if the number of remaining Member Directors is less than the minimum provided for in Article 109 the continuing Director or Directors may act only for the purpose of appointing further Directors or of calling a general meeting so as to enable the members to appoint further Directors.
- 161 The Chairperson shall chair meetings of the Directors, but if the Chairperson is not present within 15 (fifteen) minutes after the time appointed for the commencement of the meeting, or if she or he is unwilling to act, the Directors present may appoint another among their number to chair the meeting.

**u. Votes of Directors**

- 162 Questions arising at a meeting of the Directors shall be decided by consensus or by a majority of votes cast. Subject to Article 163 all Directors (whether Member or Co-opted) shall have 1 (one) vote, but in the case of an equality of votes the Chairperson or whoever is chairing the meeting shall have a second casting vote.
- 163 Except as otherwise provided for in these Articles, a Director shall not vote at a meeting of the Directors or at a sub-committee of the Directors on any resolution concerning a matter in which she or he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless her or his interest or duty arises from a permitted cause under the provisions of Article 164.
- 164 A Director shall be permitted to vote on any resolution where the case falls within either or both of the following:
- 164.1 the resolution relates to giving her or him a guarantee, security or indemnity in respect of money lent to, or any obligation incurred by her or him for the benefit of the Company or any of its subsidiaries;

- 164.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part (and whether alone or jointly with others) under a guarantee or by the giving of security.
- 165 For the purpose of Article 163, an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the Company), connected with a Director shall be treated as an interest of the said Director. A connected person shall be defined as provided for by sections 252 to 255 (inclusive) of the Act.
- 166 The Company may by ordinary resolution suspend or relax to any extent either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Directors or at a sub-committee.
- 167 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which she or he is prohibited from voting under the provisions of Article 163.
- 168 If a question arises at a meeting of the Directors or at a sub-committee as to the right of any Director to vote, the question may be referred, before the conclusion of the meeting, to the Chairperson or whoever is chairing the meeting, whose decision in relation to any Director other than herself or himself shall be final and conclusive.
- 169 A Director may not vote on any resolution to appoint or remove herself or himself from any executive office of the Directors made under Articles 148, 152 or 153. Where proposals are under consideration for the appointment to or removal from executive office of 2 (two) or more Directors, the proposals may be divided and considered in relation to each Director separately. Provided she or he is not prohibited from voting for another reason each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning her or his own appointment.

**v. Written resolutions of Directors**

- 170 A resolution in writing, signed by a majority of the Directors for the time being, and received by the Secretary within 28 (twenty eight) days after the date on which notice was given of the said resolution, shall be as valid and effective as if it had been passed at a meeting of the Directors. Such a resolution may consist of several documents in the same form, each signed by 1 (one) or more of the Directors.

**w. Directors' meetings: attendance of observers and advisors**

171 The Directors may invite or request the attendance at any of their meetings of any person or representative of any body for the purposes of giving advice, submitting information or evidence or otherwise assisting it in the conduct of its business. The attendance of such persons shall be in a non-voting capacity at the discretion of the Directors and may be for the whole or any part of any meeting or for more than 1 (one) meeting.

**x. Directors' meetings: attendance of Company employees**

172 The Chief Executive Officer of the Company, as ex officio Director as per Article 111 and any employee assigned the duty of making a record of Directors' meetings shall be deemed to have a standing invitation to attend meetings of the Directors but the Directors shall retain the right to request her, his or their withdrawal from all or any part of any of their meetings.

173 The Directors shall comply with their obligations under any recognition agreement with a trade union or other representative body of employees of the Company to which they have signed agreement with regard to the attendance of representatives from such a body or bodies at their meetings.

**y. Delegation to sub-committees or to executive officers**

174 Subject to Article 179 the Directors may appoint 1 (one) or more sub-committees for the purpose of making any inquiry or supervising or performing any function or duty which in their opinion would be more conveniently undertaken or carried out by a sub-committee provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the Directors.

175 The Directors shall determine the membership of any sub-committee provided that a sub-committee shall include at least 1 (one) Director.

176 The Directors may delegate to the Chairperson or to any other executive officer such powers and duties as they consider desirable or appropriate to be delegated to her or him provided that all actions taken by the Chairperson or other executive officer under this provision shall be fully and promptly reported to the Directors.

177 Any delegation of powers or duties by the Directors under Articles 174 and 176 shall be subject to such terms as the Directors may decide and the Directors shall retain the power:

177.1 to revoke or impose limits upon any specific authority or power granted to any sub-committee or executive officer under such terms; and

177.2 to transfer any function or responsibility of any sub-committee to another sub-committee or to their direct control at any time; and

- 177.3 to suspend or dissolve any sub-committee and to re-instate or re-convene any sub-committee at any time in the same or different form and subject to the same or different terms as they think fit.
- 178 Subject to any condition imposed in pursuance of Article 177, the proceedings of a sub-committee shall be governed by the Articles regulating the proceedings of meetings of the Directors insofar as they are capable of applying.
- 179 The following matters shall be excluded from delegation to any sub-committee or executive officer:
- 179.1 any introduction of a new policy or change in policy which is rightly or legally the responsibility of the Directors or which would conflict with the declared policy of the Directors or of the Company; and
- 179.2 any action or decision involving expenditure or financial arrangements or transactions that is not in accordance with the financial regulations of the Company.
- 180 All contracts with third parties in connection with the discharge of the functions of a sub-committee shall be entered into by a Director who is a member of the said sub-committee or, in her or his absence, by some other Director of the Company. No other member of a sub-committee shall contract or hold herself or himself out as contracting on behalf of the Company.
- 181 All acts done by a sub-committee shall be valid, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member of the sub-committee or that any member of the sub-committee was not qualified to act as such.
- 182 A resolution in writing signed by all the members of a sub-committee shall be as valid and effectual as if it had been passed at a meeting of the sub-committee duly convened and held. Such a resolution may consist of several documents in the same form each signed by 1 (one) or more members of the sub-committee.

## **8. PART EIGHT: Administrative and financial arrangements**

### **a. Company Secretary**

- 183 The Directors may, at their discretion, appoint any person aged 16 (sixteen) years or over as Company Secretary for such term, at such remuneration (if not a Director) and upon such conditions as they think fit, and any Company Secretary so appointed may be removed and replaced by the Directors.
- 184 The Directors may delegate to any Company Secretary appointed by them such powers and duties as they consider desirable or appropriate provided that all actions taken by the Company Secretary under this provision shall be fully and promptly reported to the Directors.

185 If the Directors decide not to appoint a Company Secretary:

185.1 any references in the Act and in these Articles to anything required to be sent to, or served on, the Company by being sent to its Secretary shall be treated as being sent to, or served on, the Company itself; and

185.2 anything else required or authorised to be done by or to the Secretary may be done by or to a Director or another person authorised generally or specifically in that behalf by the Directors.

**b. Record of resolutions and meetings**

186 Pursuant to section 355 of the Act the Directors shall keep records for not less than 10 (ten) years of:

186.1 all proceedings at general meetings of the Company and at meetings of the Directors and at any sub-committees, including the names of the Directors and of any other persons present at each meeting; and

186.2 copies of all resolutions of members passed otherwise than at general meetings; and

186.3 all appointments of executive officers made by the Directors.

187 The record of proceedings at a general meeting, if purporting to be signed by the chairperson of that meeting or by the chairperson of the next general meeting, is sufficient evidence of the proceedings at the meeting.

188 The record of a resolution passed otherwise than at a general meeting, if purporting to be signed by a Director or Secretary of the Company, is sufficient evidence of the passing of the resolution.

**c. Notices and means of communication**

189 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any form and by any means permitted by the Act.

190 Any notice to be given to or by any person or organisation pursuant to these Articles shall be in writing, whether in hard copy or electronic form. The Company may give notice to a member or to a Director or other person entitled to receive such notice either personally or by sending it to an address given by that person for the purpose of receiving notices.

191 A member of the Company or a Director or other person or body present in person or represented by proxy at any meeting of the Company shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called.

#### **d. Bank accounts and accounting records**

- 192 Any bank, building society or similar account in which any part of the assets of the Company is deposited shall be operated by the Directors and shall indicate the name of the Company. All cheques and orders for the drawing of money from such an account shall be signed by at least 2 (two) signatories who have been authorised by the Directors to act in this capacity in accordance with the financial regulations of the Company.
- 193 Pursuant to section 386 of the Act, the Directors shall cause accounting records to be kept which are sufficient to show and explain the Company's transactions, which disclose with reasonable accuracy, at any time, the financial position of the Company at that time and which enable the Directors to ensure that any accounts required to be prepared comply with the Act.
- 194 Pursuant to section 388 of the Act, the accounting records of the Company shall be kept at the Office of the Company or at such other place as the Directors think fit, and shall at all times be open to inspection by the officers of the Company.
- 195 The accounting records of the Company kept in accordance with Article 193 shall be preserved for a minimum period of 6 (six) years from the date on which they are made.

#### **e. Financial year and accounting reference date**

- 196 The financial year of the Company shall run from 1 April in each year to 31 March of the following year and the accounting reference date of the Company, for the purpose of making up accounts and for inviting membership renewals and subscriptions (if any) shall be 31 March.

#### **f. Annual accounts**

- 197 Pursuant to sections 393 to 396 of the Act and to the Charities Accounts (Scotland) Regulations 2006 the Directors shall prepare accounts for the Company for each of its financial years which give a true and fair view of the state of affairs of the Company as at the end of its financial year.
- 198 Pursuant to section 414 of the Act the annual accounts of the Company shall be approved by the Directors and the balance sheet of the Company shall be signed on behalf of the Directors by 1 (one) of their number.

#### **g. Directors' report**

- 199 The Directors shall for each financial year of the Company prepare a Directors' Report which shall:
- 199.1 state the names of the persons who, at any time during the financial year, were Directors of the Company; and
  - 199.2 give a fair view of the principal activities and development of the Company in furtherance of its purposes.
- 200 The Directors' Report shall be approved by the Directors and shall be signed on their behalf by the Secretary or by 1 (one) among their number.

**h. Audit or independent examination of annual accounts**

- 201 The Directors shall comply with the requirements of Part 16 Chapter 1 of the Act and the Charities Accounts (Scotland) Regulations 2006 with regard to the audit or independent examination of the annual accounts of the Company.

**i. Circulation of accounts and reports to members**

- 202 The Directors shall lay before the members of the Company in a general meeting such approved and signed accounts, balance sheets and Directors' reports as are prepared and approved in respect of each financial year of the Company.
- 203 Notwithstanding the requirement of Article 202, the Directors shall, pursuant to section 423 of the Act, send to every member of the Company and to any other person entitled to receive notice of general meetings, a copy of the annual accounts and Directors' report, together with a copy of the report of the auditor or independent examiner of the accounts as applicable.
- 204 Annual accounts and reports sent to members of the Company under Article 203 shall be sent not later than either:
- 204.1 the end of the period for filing such accounts and reports with the Registrar of Companies; or
  - 204.2 if earlier, the date on which the accounts and reports are actually filed with the registrar of Companies.

**j. Filing of accounts and reports with the Registrar**

- 205 Pursuant to Part 15 Chapter 10 of the Act the Directors shall, in respect of each financial year of the Company, deliver to the Registrar of Companies a copy of the Company's annual accounts and a copy of the Directors' Report as approved by the Board of Directors and signed on its behalf, together with and a copy of the auditor's or independent examiner's report as applicable within 9 (nine) months after the end of the financial year to which they apply.

## 9. PART NINE: Other provisions

### a. Honorary appointments

- 206 The Company may, by ordinary resolution in general meeting, appoint 1 (one) or more honorary Patrons, an honorary President and any number of honorary Vice-presidents, who shall be *ex officio* members of the Company. Any appointment to honorary office made under this Article may be for life or for such other period as may be specified at the time of appointment.
- 207 The Directors may, at their discretion, invite any honorary officer of the Company to preside over any general meeting of the Company. An honorary officer presiding in this manner shall have all the powers of the chairperson of a general meeting.

### b. Indemnity

- 208 Subject to Article 209 and to the provisions of sections 232 and 234 of the Act a Director or former Director of the Company may be indemnified out of the assets of the Company against any liability incurred by her or him to a person other than the Company (a third party) in connection with any negligence, default, breach of duty or breach of trust.
- 209 The provisions contained in Article 208 shall not indemnify a Director or former Director of the Company against any liability:
- 209.1 to pay a fine imposed on her or him in criminal proceedings; or
  - 209.2 for a sum payable by her or him to a regulatory body by way of a penalty in respect of any non-compliance with any requirement of a regulatory nature, however arising; or
  - 209.3 for the costs of defending criminal proceedings in which she or he is convicted; or
  - 209.4 for the costs of defending civil proceedings brought by the Company, or an associated company, in which judgement is given against her or him; or
  - 209.5 in connection with an application to a court for relief in which the court refuses to grant her or him relief.



**c. Insurance**

210 Pursuant to section 233 of the Act but subject to any provisions of the Charities and Trustee Investment (Scotland) Act 2005 the Directors may decide to purchase and maintain insurance at the expense of the Company for the benefit of any Director or former Director in respect of any loss or liability which has been or may be incurred by her or him in connection with her or his duties or powers in relation to the Company.

**d. Rules**

211 Subject to Article 213 the Directors may from time to time make such rules as they deem necessary or expedient or convenient for the proper management and conduct of the Company, and in particular but without prejudice to the generality of the foregoing, they may by such rules regulate:

211.1 the admission and classification of members of the Company and the rights and privileges of such members insofar as such matters are not regulated by these Articles, by any resolutions affecting the Company's constitution or by the Companies Acts; and

211.2 the conduct of members of the Company in relation to one another, and to the Company's employees, volunteers, Directors, officers and agents; and

211.3 the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes, provided that in so doing the Directors shall not permit the premises of the Company to be used for purposes which are not in furtherance of its charitable purposes; and

211.4 the proceedings at general meetings and meetings of the Board of Directors and of sub-committees of the Board insofar as such proceedings are not regulated by these Articles, by any resolutions affecting the Company's constitution or by the Companies Acts; and

211.5 generally, all such matters as are commonly the subject of company rules.

212 Subject to Article 213 the members of the Company in general meeting shall have power by ordinary resolution to alter, add to or repeal the rules made by the Directors and the Directors shall adopt such means as they think sufficient to bring to the notice of members of the Company all such rules, which shall be binding on all members of the Company.

213 No rule may be made under Articles 211 or 212 by the Directors or by the Company in general meeting which would make obsolete or be inconsistent with

any provision contained in the Articles, or with any resolutions affecting the Company's constitution or with the Act.

**e. Amendment of Articles**

- 214 Subject to the provisions of section 21 of the Act and to Articles 6 and 215, the Company may, by special resolution, amend these Articles. Any amendment so made shall be as valid as if originally contained in the Articles and shall remain subject to further amendment in a like manner.
- 215 No amendment shall be made under Article 214 which is inconsistent with or would be made void by the Act or which would have the effect of the Company ceasing to be a charity under the Charities and Trustee Investment (Scotland) Act 2005.
- 216 Pursuant to section 26 of the Act the Directors shall, within 15 (fifteen) days of the Company passing a resolution to amend its Articles under Article 214, send a copy of the Articles as amended to the Registrar of Companies.
- 217 Pursuant to section 17 of the Charities and Trustee Investment (Scotland) Act 2005 the Directors shall notify the Office of the Scottish Charity Regulator (OSCR) of any amendment to the Articles within 3 (three) months of the date on which the amendment is made.

**These Articles were adopted by special resolution of the members of the Company at a general meeting held on Monday 12<sup>th</sup> October 2015 and replace in their entirety all previous Articles of Association and those provisions in the Company's Memorandum of Association at the date of the Company's incorporation which, under section 28 of the Act, are to be treated as part of the Company's Articles.**