THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND

NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

MIDLOTHIAN VOLUNTARY ACTION

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**Constitution of company**

1. The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

**Defined terms**

1. In these articles of association, unless the context requires otherwise:-
2. “Act” means the Companies Act 2006;
3. “charity” means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its objects are limited to charitable purposes;
4. “charitable purpose” means 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 application of the Taxes Acts;
5. “electronic form” has the meaning given in section 1168 of the Act;
6. “OSCR” means the Office of the Scottish Charity Regulator;
7. “property” means any property, heritable or moveable, real or personal, wherever situated; and
8. “subsidiary” has the meaning given in section 1159 of the Act.
9. Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

**Objects**

4. The company’s objects are:-

(i) To advance education among the residents of Midlothian (“the Operating Area”).

(ii) To relieve poverty among the residents of the Operating Area.

(iii) To relieve the needs of individuals resident in the Operating Area who are elderly or suffering from any mental/physical disability, illness or impairment and their carers.

(iv) To provide facilities for recreation and other leisure time occupation for the benefit of the residents of the Operating Area with a view to improving their conditions of life.

(v) To establish, implement and/or support other schemes and projects of a charitable nature for the benefit of the residents of the Operating Area.

5 The company’s objects are restricted to those set out in article 4 (but subject to article 6).

6 The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company’s objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

# Powers

7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-

1. To promote, establish, operate and/or manage a centre providing facilities for training and education and incorporating accommodation for community, educational, cultural and/or recreational events and activities, childcare facilities, elderly day club facilities and refreshment facilities.
2. To advise in relation to, prepare, organise and/or conduct educational and training courses and programmes, exhibitions, lectures and seminars.
3. To stimulate the formation of, and support, community groups and other bodies operating within the voluntary sector whose activities further the aims of the company or are otherwise directed towards some charitable purpose.
4. To liaise with public authorities, potential employers, community groups, voluntary bodies and others, all with a view to furthering the objects of the company.
5. To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multimedia products and display materials.
6. To carry on any other activities which further any of the above objects.
7. To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company.
8. To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company’s activities.
9. To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company’s activities.
10. To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
11. To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
12. To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
13. To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.
14. To draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments.
15. To employ such staff as are considered appropriate for the proper conduct of the company’s activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
16. To engage such consultants and advisers as are considered appropriate from time to time.
17. To effect insurance of all kinds (which may include officers’ liability insurance).
18. To invest any funds which are not immediately required for the company’s activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
19. To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the company and to promote any company or other incorporated body formed for the purpose of carrying on any activity which the company is authorised to carry on.
20. To establish and/or support any other charity; to subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the company or with the furtherance of its objects.
21. To take such steps as may be deemed appropriate for the purpose of raising funds for the company’s activities.
22. To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds (and to accept any reasonable conditions attaching to them).
23. To oppose, or object to, any application or proceedings which may prejudice the company’s interests.
24. To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity.
25. To do anything which may be incidental or conducive to the furtherance of any of the company’s objects.

**Restrictions on use of the company’s assets**

8 (a) The income and property of the company shall be applied solely

towards promoting the company’s objects.

 (b) No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.

 (c) No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.

 (d) No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

**Liability of members**

9 Each member undertakes that if the company is wound up while he/she is a member (or within one year after he/she ceases to be a member), he/she will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:

1. payment of the company’s debts and liabilities contracted before he/she ceases to be a member;
2. payment of the costs, charges and expenses of winding up; and
3. adjustment of the rights of the contributories among themselves.

**General structure**

10 The structure of the company consists of:-

(a) the MEMBERS - who have the right to attend the annual general meeting (and any extraordinary general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves

(b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

**Qualifications for membership**

11 The members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 14 to 20.

12 Subject to article 13, full membership shall be open to:

(a) any individual who has special knowledge or experience of the works of the company and wishes to support the aims and activities of the company

(b) any incorporated body which operates in Midlothian (“the Operating Area”) and is interested in the aims and activities of the company

(c) any individual nominated by an unincorporated body which operates in the Operating Area and is interested in the aims and activities of the company.

13 No employee of the company may become a member; a person admitted to membership shall automatically cease to be a member if he/she becomes an employee of the company.

**Application for membership**

14 The directors shall be entitled at their discretion to refuse to admit any person to membership even if he/she/it is qualified for membership under article 12 and is not debarred from membership by article 13.

15 Any individual who wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require), signed by him/her and (as applicable) signed by an authorised officer of the unincorporated body nominating him/her for membership;

16 Any body which wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require) signed on its behalf by one of its authorised officers.

17 An individual/body applying for membership shall lodge with the company such information and evidence in support of his/her/its application as the directors require, together with confirmation of the category of membership for which he/she/it is applying.

18 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application (and, if required by the directors, supporting information and evidence) required under articles 15 to 17.

19 In the case of an individual nominated for membership by an unincorporated body, the directors shall be bound to refuse admission if, at the time when the application is lodged, there is already entered in the register of members as a current member the name of an individual who was admitted to membership on the basis of nomination by that body.

20 The directors shall, within a period of seven days after the meeting at which an application for membership is considered, notify the applicant in writing of the directors’ decision as to whether or not to admit him/her/it to membership.

**Membership subscription**

21 Members shall require to pay an annual membership subscription; unless and until otherwise determined by ordinary resolution, the amount of the annual membership subscription shall be determined by the Board.

**Annual re-registration**

22 Each member shall require to re-register annually as a member of the company in accordance with articles 23 to 26.

23 The directors shall, at least eight weeks prior to each annual general meeting, notify the members in writing of the requirement to re-register; each such notification shall be accompanied by a re-registration form (in such terms as the directors may require) and shall include a statement of the possible consequences (under article 26) of failure to re-register.

24 A member shall (subject to article 25) require to return his/her/its re-registration form by the date occurring four weeks prior to the annual general meeting.

25 If the directors fail to issue a notification (complying with article 23) to any member by the date occurring eight weeks prior to any annual general meeting, then the member shall require to return his/her/its re-registration form

(a) by the date occurring four weeks after the written notification (with accompanying form) complying with article 23 was given to him/her/it

or

(b) by the date of the annual general meeting, whichever is the earlier.

26 If a member fails to return his/her/its re-registration form within the period allowed under article 24 or (as applicable) article 25, the directors may, by resolution, expel him/her/it from membership.

# Register of members

27 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member.

**Withdrawal from membership**

28 Any individual or body who/which wishes to withdraw from membership shall lodge with the company a written notice of retrial (in such form as the directors require), signed by him/her or, in the case of an incorporated body, signed on its behalf by one of its authorised officer; on receipt of the notice by the company, he/she/it shall cease to be a member.

29 Any unincorporated body which wishes to withdraw its nomination for membership shall lodge with the company a written notice to that effect (in such form as the directors require), signed on its behalf by one of its authorised officer; on receipt of the notice by the company, the individual named in the notice shall cease to be a member.

**Expulsion from membership**

30 Subject to articles 31 to 35 the company may, by special resolution, expel any individual/body from membership.

31 Any Full Member who/which wishes to propose at any meeting a resolution for the expulsion of any individual/body from membership shall lodge with the company written notice of his/her/its intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than six weeks before the date of the meeting.

32 The company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned, and the member concerned shall be entitled to make written representations to the company with regard to the notice.

33 If representations are made to the company in pursuance of the preceding article, the company shall (unless such representations are received by the company too late for it to do so)

(a) state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed and

(b) send a copy of the representations to every individual/body to whom notice of the meeting is or was given.

34 Whether or not a copy of written representations has been given to each of the individuals/bodies entitled to receive notice of the meeting, the member concerned, or (in the case of a corporate body) the authorised representative of that body, shall be entitled to be heard on the resolution at the meeting.

35 Failure to comply with any of the provisions of articles 31 to 34 shall render any resolution for the expulsion of an individual/body from membership invalid.

36 An individual/body expelled from membership under articles 31 to 35 shall cease to be a member with effect from the time at which the relevant resolution is passed

#### Termination/transfer

37 Membership shall cease on death, or in the case of an incorporated body, on the winding-up, dissolution, receivership or striking-off of that body.

38 A member may not transfer his/her membership to any other person.

**General meetings (meetings of members)**

39 Not more than 18 months shall elapse between one annual general meeting and the next.

40 The business of each annual general meeting shall include:-

(a) a report by the convenor on the activities of the company

(b) consideration of the annual accounts of the company

(c) the election/re-election of directors, as referred to in articles 68 to 75.

41 The directors may convene an extraordinary general meeting at any time.

42 The directors must convene an extraordinary general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

**Notice of general meetings**

43 At least twenty one clear days’ notice must be given of (a) an annual general meeting or (b) an extraordinary general meeting at which a special resolution (see article 48) or a resolution requiring special notice under the Act is to be proposed; all other extraordinary general meetings shall be called by at least fourteen clear days’ notice

44 The reference to “clear days” in article 43 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.

45 A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 48) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.

46 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called an extraordinary general meeting.

47 Notice of every general meeting shall be given to all the members and directors, and to the auditors. Notice shall be given:

(a) in hard copy form;

(b) in writing or, (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or

(c) (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

**Special resolutions and ordinary resolutions**

48 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 43 to 47; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

49 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,

 (a) to alter its name

 (b) to alter any provision of these articles or adopt new articles of association.

50 For the purposes of these articles, an “ordinary resolution” means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with articles 43 to 47.

**Procedure at general meetings**

51 The board may make arrangements, in advance of any members’ meeting, to allow members to participate in the members' meeting by means of a conference telephone, video conferencing facility or similar communications equipment - so long as all those participating in the meeting can hear each other; a member participating in a members’ meeting in this manner shall be deemed to be present in person at the meeting.

52 No business shall be dealt with at any general meeting unless a quorum is present; one quarter (to the nearest round number) of the membership, present in person (in the case of an incorporated body, represented by its authorised representative) or represented by proxy, shall be a quorum.

53 If the quorum required under article 51 is not present within half an hour after the time appointed for 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 fixed by the chairperson of the meeting.

54 The convener (or, in his/her absence, the vice convener) shall (if present and willing to act as chairperson) preside as chairperson of the meeting; if neither the convener nor the vice convener is present and willing to act as chairperson within half an hour of the time appointed for holding the meeting, the directors shall elect one of their number to act as chairperson or, if there is only one director present and willing to act, he/she shall be chairperson.

55 A director shall, even if he/she is not a member, be entitled to attend and speak at any general meeting.

56 The chairperson may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.

57 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy. For the avoidance of doubt, a vote given by a member participating in the meeting through any of the methods referred to in clause 51 will be taken to be given personally for the purposes of this clause.

58 Any member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting (or adjourned meeting):

(a) shall lodge with the company, at the company’s registered office,) a written instrument of proxy (in such form as the directors require), signed by him/her or (as the case may be) signed by one of its appropriate officers; or

(b) shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require)

providing (in either case), the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).

59 An instrument of proxy which does not conform with the provisions of article 57, or which is not lodged or sent in accordance with such provisions, shall be invalid.

60 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

61 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and need not be a member of the company.

62 A member which is an incorporated body may authorise an individual to act as its representative at any general meeting of the company; the individual so authorised shall be entitled to exercise the same powers on behalf of the members which he/she represents as that incorporated body could exercise if it were an individual member

63 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the company at the company’s registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

64 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.

65 A resolution put to the vote of a meeting shall be decided on a show of hands unless before the show of hands, or immediately after the result of the show of hands is declared, a secret ballot is requested by the chairperson, or by at least two members present in person (in the case of an incorporated body, present via its authorised representative) or represented by proxy at the meeting.

66 If a secret ballot is requested in accordance with the preceding article, it shall be conducted in such manner as the chairperson may direct.

**Maximum number of directors**

67 The maximum number of directors (excluding for this purpose alternate directors) shall be fifteen; the minimum number of directors shall be four.

**Eligibility**

68 An individual/body shall not be eligible for election/appointment as a director unless he/she/it is a member of the company.

**Election, retiral, re-election of directors**

69 Any Full Member who wishes to be considered for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that he/she is willing to be appointed; the notice must be signed by him/her and may be lodged with the company at any time up to commencement of the annual general meeting.

70 Any Full Member which is an incorporated body which wishes to nominate and individual for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require) to that effect, and also, confirming that the individual named in the notice is willing to be appointed; the notice must be signed by him/her and by one of the authorised officers of the body and may be lodged with the company at any time up to commencement of the annual general meeting.

71 At each annual general meeting, the members may (subject to article 68) elect any Full Member (providing he/she is willing to act) to be a director, either to fill a vacancy or as an additional director.

72 The directors may at any time appoint any Full Member (providing he/she is willing to act) to be a director (subject to article 67).

73 Any individual nominated for appointment as a director by a Full Member which is an incorporated body, shall be deemed to be a Full Member for the purposes of article 72.

74 At each annual general meeting (other than the first)

(a) any director who was appointed by the directors (under article 72) in the period from the date of the last annual general meeting shall retire from office

and

(b) out of the remaining directors, one-third (to the nearest round number) shall retire from office.

75 The directors to retire under paragraph (b) of article 74 shall be those who have been longest in office since they were last appointed or re-appointed; if two or more directors were appointed or re-appointed on the same date, the question of which of them is to retire under paragraph (b) of article 74 shall be decided by some random method.

76 The company may at any annual general meeting re-elect any director who retires from office at the meeting under article 73 or 74 (providing he/she is willing to act); if any such director is not re-appointed, he/she shall retain office until the meeting appoints someone in his/her place or, if it does not do so, until the end of the meeting.

**Termination of office**

77 A director shall automatically vacate office if:-

(a) he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director

(b) he/she becomes debarred under any statutory provision from being a charity trustee

(c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months

(d) he/she ceases to be a member of the company

(e) he/she becomes an employee of the company

(f) he/she resigns office by notice to the company

(g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office

(h) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

**Register of directors**

78 The directors shall maintain a register of directors, setting out full details of each director, including the date on which he/she became a director, and also specifying the date on which any person ceased to hold office as a director.

**Officebearers**

79 Directors shall be appointed to hold the offices of convener and vice convener, and any other offices which the directors may consider appropriate.

80 The appointments under the preceding article shall be made at meetings of directors.

81 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.

82 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

**Powers of directors**

83 Subject to the provisions of the Act, and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.

84 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

**Personal interests**

85 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 98) from voting on the question of whether or not the company should enter into that arrangement.

86 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her for the purposes of the Act), has a personal interest in that arrangement.

87 Provided

(a) he/she has declared his/her interest

(b) he/she has not voted on the question of whether or not the company should enter into the relevant arrangement and

(c) the requirements of article 89 are complied with,

a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 86) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

88 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.

89 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then

(a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;

(b) the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and

(c) less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).

90 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

**Procedure at directors’ meetings**

91 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.

92 The board may make arrangements, in advance of any directors’ meeting, to allow directors to participate in the members' meeting by means of a conference telephone, video conferencing facility or similar communications equipment - so long as all those participating in the meeting can hear each other; a director participating in a directors’ meeting in this manner shall be deemed to be present in person at the meeting.

93 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote. For the avoidance of doubt, a vote given by a director participating in the meeting through any of the methods referred to in clause 92 will be taken to be given personally for the purposes of this clause.

94 A director who is also an alternate director shall be entitled in the absence of his/her appointer to a separate vote on behalf of his/her appointer in addition to his/her own vote.

95 The quorum for the transaction of the business of the directors may be fixed by the directors and, unless so fixed at any other number, shall be one third (to the nearest round number) of the directors in office; a person (other than a director) acting as an alternate director shall, if his/her appointer is not present, be counted in the quorum.

96 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.

97 Unless he/she is unwilling to do so, the convener (or, in his/her absence, the vice convener) shall preside as chairperson at every meeting of directors at which he/she is present; if neither the convener nor the vice convener is willing to act as chairperson and present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.

98 The directors may invite any individual to attend and speak at board meetings; for the avoidance of doubt such an individual shall not be entitled to vote.

99 A person invited to attend a meeting of the directors under the preceding article shall not be entitled to exercise any of the powers of a director, and shall not be deemed to constitute a director for the purposes of the Act or any provision of these articles.

100 A director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly, a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the company.

101 For the purposes of article 100, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.

102 An interest of the appointer of an alternate director shall be treated as a personal interest of the alternate director.

103 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.

104 The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 100 to 103.

105 If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; his/her ruling in relation to any director other than himself/herself shall be final and conclusive.

**Alternate directors**

106 Any director (excluding, for the avoidance of doubt, an alternate director) may appoint any other director, or any other person approved by the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him/her

107 Any appointment or removal of an alternate director may be effected by notice to the company signed by the director making or revoking the appointment or may be effected in any other manner approved by the directors.

108 A notice appointing an alternate director may specify that the appointment is to relate only to the particular meeting at which the director will not be present; in the absence of a statement to that effect, the appointment will be deemed to relate to carrying out all the functions of the director until such time as the appointment is revoked.

109 An alternate director shall, subject to the terms of the notice of appointment, be entitled to be given notice of all meetings of directors and of all meetings of committees of directors of which his/her appointer is a member, to attend and vote at any such meeting at which the director who appointed him/her is not personally present and generally to perform all the functions of his/her appointer as a director in his/her absence.

110 An alternate director shall not be entitled to receive any remuneration from the company for his/her services as an alternate director.

111 An alternate director shall, subject to the following article, cease to be an alternate director if his/her appointer ceases to be a director.

112 If a director retires (by rotation or otherwise) but is re-appointed at the meeting at which he/she retires, any appointment of an alternate director made by him/her which was in force immediately prior to retrial shall continue after his/her re-appointment.

113 An alternate director shall alone be responsible for his/her own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing him/her.

114 References in these articles to directors shall, unless the context otherwise requires, be construed as including alternate directors.

**Conduct of directors**

115 Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must

(a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects.

(b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person

(c) in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party

(i) put the interests of the company before that of the other party, in taking decisions as a director

(ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question

(d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

**Delegation to sub-committees**

116 The directors may delegate any of their powers to any sub-committee consisting of two or more directors and such other persons (if any) as the directors may determine; they may also delegate to the convenor of the company (or the holder of any other post) such of their powers as they may consider appropriate.

117 Any delegation of powers under article 114 may be made subject to such conditions as the directors may impose and may be revoked or altered.

118 Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.

**Operation of bank accounts**

119 The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.

# Secretary

120 The directors shall (notwithstanding the provisions of the Act) appoint a company secretary, and on the basis that the term of the appointment, the remuneration (if any) payable to the company secretary, and the such conditions of appointment shall be as determined by the directors; the company secretary may be removed by them at any time.

**Minutes**

121 The directors shall ensure that minutes are made of all proceedings at general meetings, directors’ meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

**Accounting records and annual accounts**

122 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

123 The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.

124 No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company.

**Notices**

125 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the company *or*  (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.

126 Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.

127 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

**Winding-up**

128 If on the winding-up of the company any property remains after satisfaction of all the company’s debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the members of the company at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.

129 For the avoidance of doubt, a body to which property is transferred under article 128 may be a member of the company.

130 To the extent that effect cannot be given to article 128 (as read with article 129), the relevant property shall be applied to some charitable purpose or purposes.

**Indemnity**

131 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted **or** any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.

132 The Company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).

133 Reference in these articles to the singular shall be deemed to include the plural.