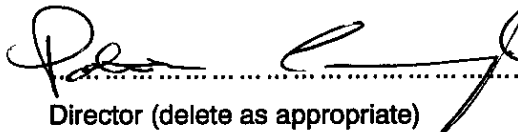


NOTICE OF SPECIAL RESOLUTION
of
QUARRIERS
Incorporated in Scotland, Registered Number SC014361
(Scottish charity number SC001960)

NOTICE, is hereby given that the following Special Resolution was duly passed as a Special Resolution of Quarriers ("**the Company**") at a general meeting on 12 June 2017:

SPECIAL RESOLUTION

"THAT the Company adopt new articles of association in the form of the draft annexed to this written resolution, and signed for the purposes of identification by one of the directors of the Company, in substitution for and to the entire exclusion of the existing memorandum and articles of association."

 Signature
Director (delete as appropriate)

12th June 2017 Date



The Companies Act 2006

Company Limited by Guarantee and not having a share capital

ARTICLES OF ASSOCIATION

of

QUARRIERS

As adopted by special resolution on 12 June 2017

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

QUARRIERS

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GENERAL

Interpretation

1 In these articles, unless the context requires otherwise:

"Act"	means the Companies Act 2006;
"Board Manual"	means the manual for the conduct of the company, which shall include key policy documents and procedures, as approved by the Trustees from time to time, which includes any document, or documents, replacing the manual from time to time;
"charitable body" or "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;
"charitable object"	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;
"Chair of Trustees"	means that Trustee elected by the Trustees under article 54 as Chair of the company;
"Chief Executive Officer"	means an individual employee of the company who has been appointed to lead the Executive Directors and work with the Trustees to deliver the company's objectives and strategic plan;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"electronic form"	has the meaning given in section 1168 of the Act;
"eligible Trustee"	means a Trustee who would be entitled to vote on the matter at a meeting of Trustees (but excluding any Trustee whose vote is not to be counted in respect of the particular matter);
"Executive Directors"	means the company's executive management team, led by the Chief Executive Officer, who have delegated authority for the day to day running of the company; Executive Directors are employees and are not registered as directors with Companies House;
"Model Articles"	means the model articles contained in Schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles;
"OSCR"	means the Office of the Scottish Charity Regulator, being the body set up under the Charities and Trustee Investment (Scotland) Act 2005 to regulate charities in Scotland;
"property"	means any property, heritable or moveable, wherever situated;
"subsidiary"	has the meaning given in section 1159 of the Act;

- “Taxes Acts”** means Part 11 of the Corporation Tax Act 2010 as read with Schedule 6 of the Finance Act 2010;
- “Trustees”** means the directors for the time being of the company, registered as directors with Companies House;
- “Vice Chair”** means that Trustee elected by the Trustees under article 54 as Vice Chair of the company.
- 1.1 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Act shall have the same meanings in these articles.
- 1.2 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles
- 1.3 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.4 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms. Reference in these articles to the singular shall be deemed to include the plural.
- 1.5 These articles shall apply to the company to the total exclusion of the Model Articles.

Objects

2 The company's objects are:

- 2.1 To promote the relief and advancement of life opportunities for those faced with and affected by disadvantage through disability, addiction, chronic and/or terminal illness, mental infirmity, financial hardship and/or poverty and homelessness through person centred care and support in such ways as the company shall from time to time think fit without regard to race, nationality, creed, age, gender, or sexual orientation and without geographical restriction and in particular (but without prejudice to the generality of such objects):
- (a) By establishing, maintaining and conducting residential care and other support services for the reception and care of persons who are suffering from any chronic and/or terminal illness or from any other physical or mental infirmity, disability or disease and by providing medical or other treatment and attention for any such persons.
 - (b) Providing practical care and support of persons suffering from the effects of disability, chronic and/or terminal illness, poverty or suffering (such persons being hereinafter referred to as “the People We Support”) which care and support may include, without prejudice to the foregoing generality, the provision of counselling and emotional, therapeutic, financial, educational and domiciliary support, the provision of information, advice and training, the provision of nursing and medical services, the provision and facilitation of accommodation, the provision

and facilitation of vocational training and employment services and/or other training to the People We Support.

- (c) By conducting or promoting or encouraging research and evaluation into the care, welfare and support of the People We Support and the dissemination of knowledge.
 - (d) By providing or encouraging or assisting in the teaching and/or training of any person connected with the care and/or welfare of the People We Support and by providing or facilitating the provision of vocational training and/or other training services to such persons.
 - (e) By providing counselling services and practical care and support for the relatives and friends and other carers of the People We Support.
- 2.2 To provide advice and assistance to others on matters within the objects of the company either free of charge or subject to such payment as the company may think fit.

Powers

3 In pursuance of the objects in article 2 (but not otherwise), the company shall have the following powers:

- 3.1 To carry on any activities which further any of the above objects.
- 3.2 To support and encourage 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.
- 3.3 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.
- 3.4 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- 3.5 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- 3.6 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- 3.7 To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- 3.8 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.
- 3.9 To employ such staff as are considered appropriate for the proper conduct of the company's activities; agree the terms of engagement and remuneration of anyone so employed; to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants; and, where it is in the best interests of the company, agree the terms of any ex-gratia payment to any employee or former employee outwith that person's terms and conditions of employment.

- 3.10 To engage such consultants and advisers as are considered appropriate from time to time.
- 3.11 To effect insurance of all kinds (which may include officers' liability insurance).
- 3.12 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).
- 3.13 To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
- 3.14 To establish and/or support any other charitable body, and to make donations for any charitable purpose falling within the company's objects.
- 3.15 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 3.16 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- 3.17 To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 3.18 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 charitable body.
- 3.19 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

Use of Company assets

4 Subject to article 5:

- 4.1 The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 2).
- 4.2 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.
- 4.3 No Trustee of the company shall be appointed as a paid employee of the company; no Trustee shall hold any office under the company for which a salary or fee is payable.
- 4.4 No benefit (whether in money or in kind) shall be given by the company to any Trustee 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.

5 The company shall, notwithstanding the provisions of article 4, be entitled:

- 5.1 to pay interest at a rate not exceeding the commercial rate on money lent to the company by any Trustee or member of the company;
- 5.2 to pay rent at a rate not exceeding the open market rent for premises let to the company by any Trustee or member or purchase assets from, or sell

assets to, any Trustee or member of the company providing such purchase or sale is at market value.

Liability of members

- 6 The liability of the members is limited. Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

General structure

- 7 The structure of the company consists of:
- 7.1 The **members** – who have the right to attend any general meeting (including the annual general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as Trustees and take decisions in relation to changes to the articles themselves.
 - 7.2 The **Trustees** – who are company directors and hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the Trustees are responsible for monitoring the financial position of the company.

MEMBERS

Qualifications for membership / Trustee appointment

- 8 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 9 to 13.
- 9 Membership shall be open to persons who support the objects of the company (as set out at article 2), and shall include the Trustees.
- 10 Any person who wishes to become a new member after the date of adoption of these articles (for the purposes of this article, referred to as an “**Applicant**”) shall only be admitted to membership following the application procedure set out in the Board Manual. The Trustees have absolute discretion to admit, or refuse to admit, any person to membership. If an Applicant also seeks appointment as a Trustee under either article 49 or 51 there may be additional procedures set out in the Board Manual that such an Applicant must follow in respect of the recruitment of new Trustees (who are also members).
- 11 If a Trustee resigns or vacates office as Trustee for any reason, they will also withdraw as a member of the company.
- 12 Employees of the company shall not be eligible for membership and appointment as a Trustee; a person who becomes an employee of the company after admission to membership and appointment as Trustee shall automatically cease to be a member and Trustee.
- 13 Any person who is appointed as a Trustee under Articles 49 to 51 becomes a member.

Membership subscription

- 14 No membership subscription shall be payable.

Register of members

- 15 The Trustees 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

- 16 Any person who wishes to withdraw from membership of the company shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, he/she shall cease to be a member. If a Trustee withdraws from membership, article 52.9 will apply and the Trustee will vacate office.

Expulsion from membership

- 17 Any person may be expelled from membership by special resolution of the members (see article 30), providing the following procedures have been observed:
- 17.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion;
- 17.2 the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 18 Membership shall cease on death.
- 19 A member may not transfer his/her membership to any other person.

GENERAL MEETINGS (meetings of members)

General meetings (meetings of members)

- 20 The Trustees shall convene an annual general meeting in each year (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
- 21 Not more than 15 months shall elapse between one annual general meeting and the next.
- 22 The business of each annual general meeting shall include:
- 22.1 a report by the Chair on the activities of the company;
 - 22.2 consideration of the annual accounts of the company;
 - 22.3 the election/re-election of Trustees, as referred to in articles 49 to 51.
- 23 The Trustees may convene a general meeting at any time.
- 24 The Trustees must convene a 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

- 25 Unless consent to short notice is given by the members in accordance with Section 307 of the Act, at least 14 clear days' notice must be given of any general meeting.
- 26 The reference to "**clear days**" in article 25 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 in electronic form, the day after it was sent) and also the day of the general meeting, should be excluded.
- 27 A notice calling a general meeting shall specify the time and place of the general meeting; it shall
- 27.1 indicate the general nature of the business to be dealt with at the general meeting; and
 - 27.2 if a special resolution (see article 30) (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.
- 28 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 29 Notice of every general meeting shall be given (either in writing or, where the party to whom notice is given has notified the company of an address to be used for the purpose of electronic communications, in electronic form) to all the members and Trustees, and (if there are auditors in office at the time) to the auditors.

Special resolutions and ordinary resolutions

- 30 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 a general meeting, providing proper notice of the general meeting and of the intention to propose the resolution has been given in accordance with articles 25 to 29; 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 general meeting.

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

- 31.1 to alter its name (if OSCR has given its prior approval);
- 31.2 to alter its memorandum of association with respect to the company's objects (if OSCR has given its prior approval);
- 31.3 to alter any provision of these articles or adopt new articles of association.

Any alteration noted in this article 31 must be notified to OSCR within three months of the company agreeing the alteration.

- 32 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, and (as applicable) the chairperson's casting vote), at a general meeting, providing proper notice of the general meeting has been given in accordance with articles 25 to 29.

Procedure at general meetings

- 33 No business shall be dealt with at any general meeting unless a quorum is present. The quorum for a general meeting shall be 5 persons entitled to vote, each being a member or a proxy for a member.
- 34 If a quorum is not present within 30 minutes after the time at which a general meeting was due to commence – or if, during a general meeting, a quorum ceases to be present – the general meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the general meeting.
- 35 The Chair of the company shall (if present and willing to act as a chairperson) preside as chairperson of each general meeting. If the Chair is not present and willing to act as chairperson within 15 minutes after the time at which the general meeting was due to commence, the Vice Chair shall (if present and willing to act as a chairperson) preside as chairperson of the general meeting. If neither the Chair nor the Vice Chair is present and willing to act as chairperson within 15 minutes after the time at which the general meeting was due to commence, the members present at the general meeting shall elect from among themselves the person who will act as chairperson of that general meeting.
- 36 The chairperson of a general meeting may, with the consent of the general meeting, adjourn the general meeting to such time and place as the chairperson may determine.
- 37 Every member shall have one vote, which (whether on a show of hands or on a poll) may be given either personally or by proxy.

Proxies

- 38 A proxy need not be a member of the company and a proxy shall hold no more than one proxy vote at any one time.
- 39 A member shall not be entitled to appoint more than one proxy to attend the same general meeting. A proxy appointed to attend and vote at any general meeting instead of a member shall have the same right as the member who appointed him/her to speak at the general meeting.

Content of proxy notices

40

- 40.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Trustees may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 40.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 40.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 40.4 Unless a proxy notice indicates otherwise, it must be treated as allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the general meeting, and appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the general meeting itself.

Delivery of proxy notice

41

- 41.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that general meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
- 41.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the general meeting or adjourned general meeting to which it relates.
- 41.3 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Voting

- 42 If there is an equal number of votes for and against any resolution, the chairperson of the general meeting shall be entitled to a casting vote.
- 43 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a poll is demanded by the chairperson (or by at least two persons present in person at the general meeting and entitled to vote, whether members or proxies for members); a poll may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared. A demand for a poll may be withdrawn if: (a) the poll has not yet been taken, and (b) the chairperson consents to the withdrawal.
- 44 If a poll is demanded, it shall be taken at the general meeting and shall be conducted in such a manner as the chairperson may direct; the result of the poll shall be declared at the general meeting at which the poll was demanded.

Amendments to resolutions

45

- 45.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if notice of the proposed amendment is given to the company in writing by a person entitled to vote at the said general meeting not less than 48 hours before the general meeting is to take place (or such later time as the chairperson of the general meeting may determine), and the proposed amendment does not, in the reasonable opinion of the chairperson, materially alter the scope of the resolution.
- 45.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if the chairperson proposes the amendment at the said general meeting and the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 45.3 If the chairperson, 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.

Written resolutions

- 46 A resolution in writing signed by members of the company who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed, or by their duly appointed attorneys or representatives, shall be as valid and effectual as if it had been passed at a general meeting of the company duly convened and held, if the appropriate number of members (per article 30 re special resolutions and article 32 re ordinary resolutions) have signed the said written resolution. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their duly appointed attorneys or representatives.

TRUSTEES

Number of Trustees and Alternates

- 47 The maximum and minimum number of Trustees shall be determined from time to time by ordinary resolution. Subject to and in the absence of any such determination, there shall be no maximum number of Trustees and the minimum shall be 6. If at any time the number of Trustees fall below 6 the only power which the remaining Trustees may exercise shall be under article 50, the power to fill vacancies to bring the number of Trustees up to at least 6.
- 47.1 No Trustee shall be entitled to appoint an alternate Trustee to attend meetings of the board of Trustees.

Eligibility

- 48 Subject to article 47 (number of Trustees) and article 10 (applications for membership / Trustee appointment), a person shall be eligible for election/appointment or re-election as a Trustee under articles 49 to 51 whether or not he/she is a member of the company. Proposed Trustees that are not members of the company will become members automatically if they are elected as Trustees under articles 49 to 51.

Election, retiral, re-election

- 49 At each annual general meeting, the members may (subject to article 10 and article 47) elect any person (providing he/she is willing to act) to be a Trustee.
- 50 Trustees appointed at incorporation and under article 49 shall be subject to retirement by rotation, as follows. At the first annual general meeting following adoption of these articles and at every subsequent annual general meeting one-third of the said Trustees or, if their number is not three or an integral multiple of three, the number nearest to one-third, shall retire from office provided that, for the avoidance of doubt, if there is only one Trustee he shall retire. The Trustees to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed Trustees on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. At each annual general meeting, any Trustee who has retired from office under this article shall then be eligible for re-election.
- 51 The Trustees may at any time appoint any person (providing he/she is willing to act) to be a Trustee (subject to article 10 and article 47). A Trustee so appointed shall hold office only until the next following annual general meeting at which time he/she shall retire. At each annual general meeting, any Trustee who has retired from office under this article shall then be eligible for re-election (under article 49).

Termination of office

- 52 A Trustee shall automatically vacate office if:
- 52.1 he/she ceases to be a Trustee through the operation of any provision of the Act or becomes prohibited by law from being a Trustee;
 - 52.2 he/she becomes debarred under any statutory provision from being involved in the management or control of a charity;
 - 52.3 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;
 - 52.4 he/she becomes an employee of the company;
 - 52.5 he/she resigns office by notice to the company;

- 52.6 he/she is absent (without permission of the Trustees) from more than three consecutive meetings of the Trustees, and the Trustees resolve to remove him/her from office;
- 52.7 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act;
- 52.8 two thirds of the remaining Trustees vote in favour of this at a special meeting of the Trustees convened for the purpose;
- 52.9 he/she withdraws from membership under article 16 or otherwise ceases to be a member of the company.

Register of Trustees

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

Office Bearers

- 54 The Trustees shall elect from among themselves a Chair, a Vice Chair, and such other office bearers (if any) as they consider appropriate.
- 55 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.
- 56 A person elected to any office shall cease to hold that office if he/she ceases to be a Trustee, or if he/she resigns from that office by written notice to that effect.

Powers of Trustees

- 57 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 Trustees, who may exercise all the powers of the company.
- 58 A meeting of the Trustees at which a quorum is present may exercise all powers exercisable by the Trustees.

Personal Interests

- 59 A Trustee 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 Trustees; he/she will be debarred (in terms of article 72) from voting on the question of whether or not the company should enter into that arrangement.
- 60 For the purposes of the preceding article, a Trustee 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 Trustee (or any other party who/which is deemed to be connected with him/her for the purposes of section 252 of the Act), has a personal interest in that arrangement.
- 61 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) article 63 is complied with - a Trustee 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 60) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

Trustees' remuneration and expenses

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

- 63 Where a Trustee provides services to the company or might benefit from any remuneration paid to a connected party for such services, then:
- 63.1 the maximum amount of the remuneration must be specified in a written agreement and must be reasonable; and
 - 63.2 the Trustees 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
 - 63.3 less than half of the Trustees must be receiving remuneration from the company (or benefit from remuneration of that nature).
- 64 The Trustees may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Trustees, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

Conduct of Trustees

- 65 Each of the Trustees shall, in exercising his/her functions as a Trustee of the company, act in the interests of the company; and, in particular, must:
- 65.1 seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out in article 2);
 - 65.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - 65.3 in circumstances giving rise to the possibility of a conflict of interest between the company and any other party:
 - (a) put the interests of the company before that of the other party, in taking decisions as a Trustee;
 - (b) 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 Trustees with regard to the matter in question;
 - 65.4 ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

TRUSTEES' MEETINGS

Procedure at Trustees' meetings

- 66 Any Trustee may call a meeting of the Trustees or request the secretary to call a meeting of the Trustees.
- 67 Questions arising at a meeting of the Trustees shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 68 No business shall be dealt with at a meeting of the Trustees unless a quorum is present; the quorum for meetings of the Trustees shall be 5. In determining attendance, it is immaterial whether any two or more attendees are in the same place as each other, so long as they can communicate to all others at the meeting and can vote (whether using telephone conference facilities or otherwise). The Trustees may make any arrangements they consider appropriate to enable all attendees to exercise their rights to speak or vote.
- 69 If at any time the number of Trustees in office falls below the number fixed as the quorum, the remaining Trustee(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 70 Unless he/she is unwilling to do so, the Chair of the company shall preside as chairperson at every Trustees' meeting at which he/she is present. If the Chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Vice Chair shall preside as chairperson at the Trustees' meeting at which he/she is present. If neither the Chair nor the Vice Chair is willing to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Trustees present shall elect from among themselves the person who will act as chairperson of the meeting.
- 71 The Trustees may, at their discretion, allow any person whom they reasonably consider appropriate, to attend and speak at any meeting of the Trustees; for the avoidance of doubt, any such person who is invited to attend a Trustees' meeting shall not be entitled to vote.
- 72 A Trustee shall not vote at a Trustees' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 73 For the purposes of article 72, 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 Trustee, has a personal interest in that matter.
- 74 A Trustee 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.
- 75 Subject always to article 63, 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 72 to 74, provided that despite any such relaxation a Trustee can only attend and / or vote in relation to a matter in which they have a personal interest if they have declared said interest.

Delegation

- 76 The Trustees may delegate any of the powers which are conferred on them under the articles:
- 76.1 to such person or committee;

76.2 by such means (including by power of attorney);

76.3 to such an extent;

76.4 in relation to such matters or territories; and

76.5 on such terms and conditions;

as they think fit.

77 If the Trustees so specify, any delegation of powers under article 76 may authorise further delegation of the Trustees' powers by any person to whom they are delegated.

78 The Trustees may revoke any delegation in whole or in part, or alter its terms and conditions.

79 The rules of procedure for any sub-committee shall be as prescribed by the Trustees.

ADMINISTRATION

Operation of bank accounts

- 80 Two persons out of the authorised persons appointed by the Trustees shall be required to undertake any and all operations (other than lodgement of funds) on the bank and building society accounts held by the company.

Secretary

- 81 Subject to the provisions of the Act, the company secretary may be appointed by the Trustees for such term, at such remuneration (if any and, if the company secretary is a Trustee, subject to article 63), and upon such conditions, as they may think fit; the company secretary may be removed by them at any time.

Minutes

- 82 The Trustees shall ensure that minutes are made of all proceedings at general meetings, Trustees' 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

- 83 The Trustees shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 84 The Trustees 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.
- 85 No member shall (unless he/she is a Trustee) 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 Trustees or as authorised by ordinary resolution of the company.

Notices / communications

- 86 Subject to the articles, any notice or anything sent or supplied by or to the company *under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the company (which includes sending the communication in writing or in electronic form).*
- 87 Subject to the articles, any notice or document to be sent or supplied to a Trustee in connection with the taking of decisions by Trustees may also be sent or supplied by the means by which that Trustee has asked to be sent or supplied with such notices or documents for the time being. A Trustee may agree with the company that notices or documents sent to that Trustee in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

MISCELLANEOUS

Provision for employees on cessation of business

- 88 The Trustees may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a Trustee or former Trustee or shadow Trustee) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

Winding up

- 89 If on the winding-up of the company any property remains after satisfaction of all of the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; that property shall instead be transferred to some other charitable body or bodies (whether incorporated or unincorporated) whose objects are similar (wholly or in part) to the objects of the company.
- 90 The body or bodies to which property is transferred under article 89 shall 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 jurisdiction at the time.
- 91 To the extent that effect cannot be given to the provisions of articles 89 and 90, the relevant property shall be applied to some other charitable object or objects.

Indemnity

- 92 Every Trustee or other officer or auditor of the company shall be indemnified 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, 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.
- 93 The indemnity contained in article 92 shall be subject to the provisions of the Act and is without prejudice to any other indemnity to which a Trustee may otherwise be entitled.