

Company No: SC294227

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY GUARANTEE

SPECIAL RESOLUTION

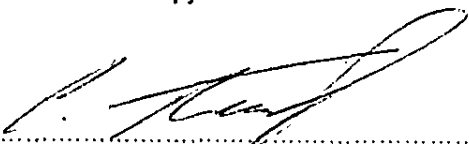
of

SOCIAL ENTERPRISE SCOTLAND (the "Company")

The undernoted resolution was duly approved as a special resolution of the Company at a general meeting on 22 June 2016:

"THAT the draft articles of association in the form circulated with this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company"

Certified a true copy

  
.....  
Director, for and on behalf of  
The Company

28/06/16.  
.....  
Date

WEDNESDAY



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06/07/2016

#321

COMPANIES HOUSE

**INCORPORATED UNDER THE COMPANIES ACT 1985**

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES of ASSOCIATION**

**of**

**SOCIAL ENTERPRISE SCOTLAND**

**Company number SC294227**

This is a print of the Articles of Association as adopted by a resolution approved as a special resolution of the company at a general meeting on 22 June 2016

Secretary

KASSL K6107  
22 JUNE 2016

**INCORPORATED UNDER THE COMPANIES ACT 1985**

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING  
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**ARTICLES of ASSOCIATION**

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**SOCIAL ENTERPRISE SCOTLAND**

**Company number SC294227**

**(adopted by a resolution approved as a special resolution of the company at a  
general meeting on 22 June 2016)**

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accounts, notices

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### **Objects**

1 The company's objects are:

- (a) To promote social enterprise as a means of relieving poverty;
- (b) To advance education in Scotland in respect of social enterprise and its values and benefits; and
- (c) To provide benefit to the community by supporting the development of social enterprise in Scotland.

### **Powers**

2 In pursuance of the objects listed in article 1 (but not otherwise), the company shall have the following powers:-

- (a) To carry on any other activities which further any of the above objects.
- (b) 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,
- (c) 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.
- (d) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- (e) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- (f) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- (g) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (h) 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.

- (i) 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.
- (j) To engage such consultants and advisers as are considered appropriate from time to time.
- (k) To effect insurance of all kinds (which may include officers' liability insurance).
- (l) 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).
- (m) 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.
- (n) 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.
- (o) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (p) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (q) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (r) 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 obtain from any such organisation, government or authority any right, privilege or concession.
- (s) 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**

- 3 The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 1).

- 4 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.
- 5 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.
- 6 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**

- 7 The liability of the members is limited.
- 8 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, to be applied towards:
  - (a) payment of the company's debts and liabilities contracted before he/she ceases to be a member;
  - (b) payment of the costs, charges and expenses of winding up; and
  - (c) adjustment of the rights of the contributories among themselves.

#### **General structure**

- 9 The structure of the company consists of:-
  - (a) the MEMBERS - who have the right to attend general meetings and have important powers under the articles of association and the 2006 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.

#### **Categories of membership**

- 10 For the purposes of these articles:-

"Member" means a member admitted under paragraphs (a), (b) or (c) of article 12;

"Associate" means a (non-voting) member admitted under paragraph (d) of article 12.

### **Qualifications for membership**

- 11 The members of the company shall consist of bodies and individuals who are members of the company as at the time when the resolution adopting these articles is passed; and such other bodies and individuals as are admitted to membership under articles 12 to 21.
- 12 Membership shall be open to:-
  - (a) any national or regional intermediary organisation (as determined from time to time by the directors) which represents, brings together, or provides a support or development function within the social enterprise sector and which wishes to support the aims and activities of the company;
  - (b) any incorporated/unincorporated body which is a social enterprise or supports social enterprise, and wishes to support the aims and activities of the company;
  - (c) any individual who operates a social enterprise (as a sole trader) and wishes to support the aims and activities of the company; and
  - (d) any individual or incorporated/unincorporated body who/which supports social enterprise and wishes to support the aims and activities of the company.
- 13 Any reference in article 12 to an unincorporated body shall be deemed to be a reference to an individual nominated for membership by such unincorporated body.
- 14 No more than one individual nominated by each unincorporated body may be a member of the company at any given time.
- 15 Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

### **Application for membership**

- 16 Any incorporated body eligible for membership under article 12 which wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require, stipulating the category of membership applied for), signed on its behalf by one of its authorised officers.
- 17 Any individual who wishes to become a member on the basis of nomination by an unincorporated body in accordance with article 12 (as read with article 13) shall lodge with the company a written application for membership (in such form as the directors require, stipulating the category of membership applied for), signed by him/her and also signed by one of the authorised officers of the body nominating him/her for membership.

- 18 Any individual eligible for membership under article 12 who wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require, stipulating the category of membership applied for), signed by him/her.
- 19 An application for membership submitted under articles 16, 17 or 18 must be accompanied by a remittance to meet the annual membership subscription.
- 20 The directors may, at their discretion, refuse to admit any person to membership.
- 21 The directors shall consider each application for membership at the first directors' meeting which is held after receipt of the application (and accompanying remittance); the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application and, if the decision was to refuse admission, shall return to the applicant the remittance lodged by him/her/it under article 19.

#### **Membership subscription**

- 22 The amount of the annual membership subscription applicable to each category of member (and such that the directors may, for this purpose, split the members into such categories as they may deem appropriate from time to time) shall, in respect of the period from the date of incorporation of the company until the first annual general meeting, be determined by the directors from time to time and, as from the first annual general meeting of the company, shall be determined by ordinary resolution passed at each annual general meeting.
- 23 The annual membership subscription shall be due on each accounting reference date of the company and shall (subject to articles 19 and 27) be taken to cover the period from one accounting reference date to the date falling immediately prior to the next accounting reference date.
- 24 The directors shall give to the members at least two weeks' notice of each accounting reference date; each notice shall specify the amount of the membership subscription which will be due and shall state the possible consequence (under the following article) of failure to make payment.
- 25 If the company has not received a member's annual membership subscription within three months after the accounting reference date on which notice was given to the member under article 24 (or by such later date as the directors may determine), the directors may by resolution expel that individual or body from membership.
- 26 Any person who/which wishes to withdraw from membership shall sign (in the case of a corporate body, through an appropriate officer), and lodge with the company a written notice to that effect; on receipt of the notice by the company, he/she/it shall cease to be a member.



- 27 Any person who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

### **Register of members**

- 28 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she/it was admitted to membership, and the date on which any individual or body ceased to be a member; in the case of a member who was admitted on the basis of nomination by an unincorporated body, the entry against his/her name shall also include details of the unincorporated body which nominated him/her for membership.

### **Expulsion from membership**

- 29 Any person may be expelled from membership by special resolution (see article 65) providing the following procedures have been observed:-
- (a) 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;
  - (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

### **Termination/transfer**

- 30 Membership shall cease on death or (in the case of a corporate body) on receivership, liquidation, dissolution or striking off of the body which constituted the member.
- 31 An unincorporated body which has nominated an individual for membership may withdraw its nomination at any time by written notice to the company to that effect; on receipt of the notice by the company, the individual in question shall automatically cease to be a member of the company.
- 32 A member may not transfer his/her/its membership to any other person.

### **General meetings (meetings of members)**

- 33 The directors 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.
- 34 Not more than 15 months shall elapse between one annual general meeting and the next.
- 35 The business of each annual general meeting shall include:-
- (a) a report by the chair on the activities of the company;

- (b) consideration of the annual accounts of the company; and
  - (c) the election/re-election of directors, as referred to in articles 78 to 81.
- 36 Subject to articles 33, 34 and 37, the directors may convene general meetings at any time.
- 37 The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the 2006 Act) or a requisition by a resigning auditor (under section 518 of the 2006 Act).

#### **Notice of general meetings**

- 38 At least 14 clear days' notice of general meetings must be given to all the members, directors and (if auditors are in office at the time) to the auditors.
- 39 The reference to "clear days" in article 38 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.
- 40 A notice calling a meeting shall specify the time, date and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting; (b) if a special resolution (see article 65) (or a resolution requiring special notice under the 2006 Act) is to be proposed, state that fact, giving the exact terms of the resolution; and (c) contain a statement informing members of their right to appoint a proxy.
- 41 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 42 Notice of every general meeting shall be given:-
- (a) in hard copy form;
  - (b) (where the individual or body 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 2006 Act) by means of a website.

#### **Procedure at general meetings**

- 43 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 44 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on the resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 45 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their right to speak or vote at it.
- 46 In determining attendance at a general meeting, it is immaterial whether any twelve or more members (or whether at least 10% of the members) attending it are in the same place as each other.
- 47 Twelve or more members (or 10% of the members) who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- 48 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be: (a) twelve persons entitled to vote; or (b) 10% of the total number of Members, whichever is the greater, each being a Member or a proxy for a Member; for the avoidance of doubt, no account shall be taken of Associates in determining the quorum.
- 49 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - 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.
- 50 The Chairperson shall (if present and willing to act) preside as chairperson of the meeting; if the Chairperson is not present and willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the Vice Chairperson shall (if present and willing to act) preside as chairperson of the meeting.
- 51 If neither the Chairperson nor the Vice Chairperson is present and willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
- 52 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.

#### **Votes of members**

- 53 Every Member shall have one vote, which may be given either personally or by proxy, or (in the case of a Member which is a corporate body) given via its duly authorised representative present at the meeting or by proxy.

- 54 An Associate shall be entitled to attend and speak at a general meeting, but shall not be entitled to vote.
- 55 A Member who/which wishes to appoint a proxy to vote on his/her/its behalf at any 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 (in the case of a Member which is a corporate body) by an appropriate officer of that Member; 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 before the start of the meeting.
- 56 An instrument of proxy, or electronic communication containing the appointment of a proxy, which does not conform to the provisions of article 55, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 57 A proxy need not be a member of the company.
- 58 A Member shall not be entitled to appoint more than one proxy to attend the same meeting.
- 59 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.
- 60 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 communication) before the commencement of the meeting at which the vote was given or the ballot demanded.
- 61 A member which is a corporate body shall be entitled to authorise an individual to attend and vote at general meetings; he/she will then be entitled to exercise the same powers on behalf of the body which he/she represents as that body could have exercised if it had been an individual member of the company.
- 62 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present at the meeting and entitled to vote, whether as members

or as representatives of corporate members or as proxies for members); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.

- 63 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.
- 64 If there is an equal number of votes for and against any resolution, the chairperson of the meeting shall not be entitled to a casting vote.

#### **Special resolutions and ordinary resolutions**

- 65 For the purposes of these articles, a "special resolution" means (but subject to articles 68 to 71) a resolution of the Members, which is passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 38 to 42 (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).
- 66 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the 2006 Act allow the company, by special resolution:-
- (a) to alter its name; and
  - (b) to alter any provision of these articles or adopt new articles of association.
- 67 For the purposes of these articles (but subject to articles 68 to 71), an "ordinary resolution" means a resolution, which is passed by majority vote (taking account only of those votes cast in favour as compared with those votes cast against) at a general meeting, providing proper notice of the meeting has been given in accordance with articles 38 to 42.

#### **Written resolutions**

- 68 A written resolution can be passed by the Members of the company (having been proposed by either the Members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the 2006 Act) and will have effect as if passed by the Members of the company in general meeting; a written resolution is passed when the required majority of eligible Members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the Member's agreement to it (which agreement cannot thereafter be revoked).

69 For the purposes of the preceding article:-

- (a) the reference to “eligible Members” is to those Members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either:- (i) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the 2006 Act; or (ii) if copies are sent or submitted to members on different days, the first of those dates); and
- (b) the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the 2006 Act, as follows:-
  - (i) in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 68) by Members representing a simple majority of the total voting rights of eligible Members; and
  - (ii) in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 68) by Members representing not less than 75% of the total voting rights of eligible Members and the resolution must specifically state that it was proposed as a special resolution.

70 For the avoidance of doubt, a resolution to remove a director (under section 168 of the 2006 Act) or a resolution to remove an auditor (section 510 of the 2006 Act) cannot be proposed as a written resolution under article 68.

71 A proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in paragraph (a) of article 69), and the agreement of any Member to a written resolution will be ineffective if signified after the expiry of that period.

### **Categories of Directors**

72 For the purposes of these articles:-

“**Member Director**” means a director elected, re-elected or appointed under articles 78 to 83; and

“**Co-opted Director**” means a director appointed or re-appointed under articles 85 to 86.

### **Maximum number of directors**

73 The maximum number of directors shall be fourteen; out of that number, no more than thirteen shall be Member Directors (of whom, no more than eight shall be Members admitted under paragraph (a) of article 12 (national or regional intermediary organisations) and no more than eight shall be Members admitted under paragraph (b) or (c) of article 12 (social enterprises) and (subject to article 74) no more than one shall be a Co-opted Director.

- 74 If, following an annual general meeting, or during the period between annual general meetings, there are fewer than the maximum permitted number of Member Directors in office and the directors are, after making reasonable efforts, unable to appoint a Member (who is willing and able to act) to hold office as a Member Director in accordance with article 79 to fill each vacancy, the directors shall be entitled to appoint an additional Co-opted Director in respect of each such vacancy; the maximum number of Co-opted Directors shall not in any event exceed four.

#### **Eligibility**

- 75 A person shall not be eligible for election/appointment as a Member Director unless he/she is a Member of the company or has been nominated for election/appointment as a Member Director by a Member which is a corporate body.
- 76 A person shall not be eligible for election/appointment as a Co-opted Director unless he/she is an Associate of the company or has been nominated for appointment as a Co-opted Director by an Associate which is a corporate body.
- 77 A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.

#### **Election, retiral, re-election: Member Directors**

- 78 At each annual general meeting, the Members may (subject to article 73) elect any Member (providing he/she is willing to act) to be a director (a **"Member Director"**).
- 79 The directors may (subject to article 73) at any time appoint any Member (providing he/she is willing to act) to be a director (a **"Member Director"**).
- 80 A Member which is a corporate body may (subject to article 81) nominate any individual for election/appointment as a director (a **"Member Director"**) he/she will then be deemed to be a Member of the company for the purposes of articles 73, 78 and 79.
- 81 No more than one individual nominated under article 80 by each Member which is a corporate body may serve as a director at any given time.
- 82 At each annual general meeting:-
- (a) any Member Director appointed under article 79 during the period since the preceding annual general meeting shall retire from office; and
  - (b) any Member Director who has held office as a director for a period of three years since he/she was last elected/re-elected as a director shall retire from office.

- 83 For the purposes of article 82:
- (a) the period between the date of appointment of a director and the annual general meeting which next follows shall be deemed to be a period of one year, unless it is of less than six months' duration (in which case it shall be disregarded);
  - (b) the period between one annual general meeting and the next shall be deemed to be a period of one year; and
  - (c) if a director ceases to hold office but is re-appointed as a director within a period of six months, he/she shall be deemed to have held office as a director continuously.
- 84 A director who retires from office under article 82 shall be eligible for re-election.

#### **Appointment/re-appointment: Co-opted Directors**

- 85 In addition to their powers under article 79, the directors may (subject to articles 73, 76 and 77) at any time appoint any individual to be a director (a **"Co-opted Director"**) (providing he/she is willing to act) either on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
- 86 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then be eligible for re-appointment under article 85.

#### **Termination of office**

- 87 A director shall automatically vacate office if:-
- (a) he/she ceases to be a director through the operation of any provision of the 2006 Act or becomes prohibited by law from being a director;
  - (b) is sequestered or made bankrupt;
  - (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) (in the case of a Member Director) he/she ceases to be a Member of the company or (if he/she was nominated by a corporate body) the corporate body which nominated him/her ceases to be a Member of the company;
  - (e) (in the case of the Co-opted Director) he/she ceases to be an Associate of the company or (if he/she was nominated by a corporate body) the corporate body which nominated him/her ceases to be an Associate of the company;



- (f) he/she becomes an employee of the company;
- (g) he/she resigns office by notice to the company;
- (h) 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; or
- (i) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the 2006 Act.

#### **Register of directors**

88 The directors shall maintain:

- (a) a register of directors, setting out the required particulars set out in sections 163, 164 and 166 of the 2006 Act and the name of the corporate Member which nominated each director (if applicable); and
- (b) a register of directors' residential addresses containing the required particulars set out in section 165 of the 2006 Act.

#### **Office bearers**

89 The directors shall elect from among themselves a Chairperson, Vice Chairperson and such other office bearers (if any) as they consider appropriate.

90 Each office bearer shall cease to hold office at the conclusion of the annual general meeting which is held three years after his/her appointment; an office bearer whose period of office expires under this article shall be eligible for re-election under article 89 (providing he/she is willing to act).

91 For the purposes of article 90:

- (a) the period between the date of appointment of an office bearer and the annual general meeting which next follows shall be deemed to be a period of one year, unless it is of less than six months' duration (in which case it shall be disregarded);
- (b) the period between one annual general meeting and the next shall be deemed to be a period of one year; and
- (c) if an office bearer ceases to hold office but is re-appointed as an office bearer within a period of six months, he/she shall be deemed to have held office as an office bearer continuously.

92 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**

- 93 Subject to the provisions of the 2006 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.
- 94 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Personal interests**

- 95 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 109) from voting on the question of whether or not the company should enter into that arrangement.
- 96 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 in terms of section 252 of the 2006 Act), has a personal interest in that arrangement.
- 97 Provided he/she has declared his/her interest - and has not voted on the question of whether or not the company should enter into the relevant arrangement - 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 96) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 98 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.
- 99 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.

### **Conduct of directors**

- 100 It is the duty of each director of the company to take decisions (and exercise his/her other powers and responsibilities as a director) in such a way as he/she considers, in good faith, will be most likely to promote the success of the company in achieving its objects (as outlined in article 1) and be in the best interests of the company, and irrespective of any office, post, engagement or other connection which he/she may have with any other body which may have an interest in the matter in question.

### **Procedure at directors' meetings**

- 101 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 102 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 not have a casting vote.
- 103 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be 4.
- 104 Any director or a member of a committee of the directors may participate in a meeting of the directors, or such committee, by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such a meeting.
- 105 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.
- 106 Unless he/she is unwilling to do so, the Chairperson shall preside as chairperson at every meeting of directors at which he/she is present; if the Chairperson is unwilling to act as chairperson of a meeting of directors or is not present within fifteen minutes after the time appointed for the meeting, the Vice Chairperson shall preside as chairperson.
- 107 If neither the Chairperson nor the Vice Chairperson is willing to act as chairperson of a meeting of directors or if neither is present within fifteen minutes after the time appointed for the meeting, the directors may appoint one of their number to be chairperson of the meeting.
- 108 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
- 109 A director shall not vote at a directors' 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.
- 110 For the purposes of article 109, 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.

- 111 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.
- 112 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 109 to 111.

#### **Delegation to sub-committees**

- 113 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.
- 114 Any delegation of powers under article 113 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 115 The rules of procedure for any sub-committee shall be as prescribed by the directors.

#### **Secretary**

- 116 The directors shall (notwithstanding the provisions of the 2006 Act) appoint a company secretary, and on the basis that the term of office, remuneration (if any), and other terms and conditions attaching to the appointment of the company secretary shall be as determined by the directors; the company secretary may be removed by the directors at any time.

#### **Minutes**

- 117 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**

- 118 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.
- 119 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.

- 120 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**

- 121 Any notice to be given in pursuance of these articles shall be in writing.
- 122 The company may give any notice to a member in pursuance of these articles either personally or by sending it by post in a pre-paid envelope addressed to the member at his/her/its registered address or by leaving it at that address; alternatively, in the case of a member who has notified the company of an electronic address to be used for this purpose, the company may give any notice to that member by electronic means.
- 123 A member may give any notice to the company either by sending it by post in a pre-paid envelope addressed to the company at its registered office or by leaving it, addressed to the company secretary, at the company's registered office.
- 124 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four 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.
- 125 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 Institute of Chartered Secretaries and Administrators.

#### **Winding-up**

- 126 If on the winding-up of the company any property remains after satisfaction of all 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 body or bodies (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the company and whose constitution restricts the distribution of income and assets among members to an extent at least as great as does articles 3 to 6.
- 127 The body or bodies to which property is transferred under article 126 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.
- 128 To the extent that effect cannot be given to the provisions of articles 126 and 127, the relevant property shall be applied to some charitable purpose.

## **Indemnity**

- 129 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 2006 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 including, without prejudice to that generality (but only to the extent permitted by those sections of the 2006 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 in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the company.
- 130 For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which he/she 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 2006 Act (negligence etc. of a director).

## **Review of articles**

- 131 The directors shall review these articles every two years, with the first review being conducted on or around the second anniversary of the date on which these articles were adopted; any revisions required shall be made in consultation with a firm of solicitors.

## **Interpretation**

- 132 In these articles:-
- (a) "charitable purpose" means a purpose which is a charitable purpose for the purposes of section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
  - (b) "property" means any property, heritable or moveable, wherever situated; and
  - (c) "the 2006 Act" means (subject to article 133) the Companies Act 2006.
- 133 Any reference in these articles to a statutory provision shall be taken to include any statutory modification or re-enactment of that provision which is in force at the time.
- 134 Reference in these articles to the singular shall be deemed to include the plural.