

RIVERSIDE INVERCLYDE ("the Company")

(Company number: SC304355)

(Scottish charity number: SC037806)

MEMBERS' WRITTEN SPECIAL RESOLUTION

Circulation Date: 17 December 2013

In accordance with sections 288 to 300 of the Companies Act 2006, we, being members of the Company who represent not less than 75% of the voting rights of those members who are entitled to vote on this resolution on its Circulation Date, agree to the following resolution, which is proposed as a special resolution of the Company:

That the regulations set out in the document annexed to this resolution be adopted as the Company's articles of association in substitution for, and to the exclusion of, the existing articles of association (including, for the avoidance of doubt, those provisions of the Company's memorandum of association which are treated, under the Companies Act 2006, as provisions of the Company's existing articles of association).

Rene Bellend
for and on behalf of
Scottish Enterprise

17 December 2013

Date



for and on behalf of
Inverclyde Council

Date

TUESDAY



SCT 31/12/2013 #108
COMPANIES HOUSE

NOTES:

- 1 In order for the above member's written resolution to be passed as special resolution of the Company, the resolution must be agreed by members holding in aggregate not less than 75% of the total voting rights of those members who are entitled to vote on the resolution on the Circulation Date.
- 2 The relevant statutory provisions state that members may signify their approval of the written resolution by delivering to the Company an authenticated document (in hard copy or electronic form) identifying the resolution and indicating agreement to its terms. It is therefore not necessary

to physically sign the written resolution; however, signing the written resolution in the space above the member's name is a valid and effective method of signifying approval.

- 3 If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the company.
- 4 Unless by the end of the period of 28 days beginning with the Circulation Date noted above, sufficient agreement has been received for the resolution to pass, it will lapse.

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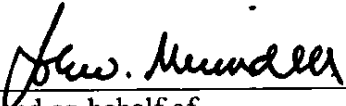
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for and on behalf of
Scottish Enterprise

Date



for and on behalf of
Inverclyde Council

19/12/13

Date

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THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
ARTICLES of ASSOCIATION
of
RIVERSIDE INVERCLYDE
(as adopted by special resolution dated 19 December 2013)


for and on behalf of Burness Paull LLP, Secretary

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION

of

RIVERSIDE INVERCLYDE

(as adopted by special resolution dated 19 December 2013)

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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

- 2 In these articles of association, unless the context requires otherwise:-
 - 2.1 "Act" means the Companies Act 2006;
 - 2.2 "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;

- 2.3 “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 sections 505 and 506 of the Income and Corporation Taxes Act 1988;
 - 2.4 “electronic form” has the meaning given in section 1168 of the Act;
 - 2.5 “OSCR” means the Office of the Scottish Charity Regulator;
 - 2.6 “property” means any property, heritable or moveable, real or personal, wherever situated; and
 - 2.7 “subsidiary” has the meaning given in section 1159 of the Act.
- 3 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:-
- 4.1 The promotion for the public benefit of urban regeneration in areas of social and economic deprivation (and in particular within Inverclyde (“the Operating Area”)) by all or any of the following means:
 - 4.1.1 the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
 - 4.1.2 the provision or assistance in the provision of housing for those who are in conditions of need and in the improvement of housing in the public sector or in the ownership of a charity or charities (provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing);
 - 4.1.3 the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
 - 4.1.4 the promotion of public safety and prevention of crime;
 - 4.1.5 the provision of public artworks; and
 - 4.1.6 such other means as may from time to time be determined, subject to the directors having satisfied themselves that such other means can reasonably be regarded as being in direct furtherance of a charitable purpose.

- 4.2 The preservation, restoration and improvement of the environment in and around the Operating Area through the provision, maintenance and/or improvement of public open space and other public amenities and other environmental and townscape regeneration projects, and on the basis that in doing so, the company shall seek wherever appropriate (but subject to appropriate safeguards to ensure that the public benefit so arising clearly outweighs any private benefit thereby conferred on private landowners) to carry out works of reclamation, remediation, restoration and other operations to facilitate the use for those purposes of land whose use has been prevented or restricted because of previous use.
- 4.3 The promotion for the public benefit of the preservation (whether wholly or in part) of buildings and other structures of historic and/or environmental significance within the Operating Area.
- 4.4 The promotion of education, and with particular reference to increasing knowledge of local heritage and culture within the Operating Area.
- 4.5 The relief of ill health and the promotion of good health among residents of the Operating Area.
- 4.6 The promotion, operation and/or support of other similar projects and programmes, in furtherance of a charitable purpose or charitable purposes, which are for the benefit of the community, and particularly those living within 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 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 the notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects set out in article 4 (but not otherwise) the company shall have the following powers:-
 - 7.1 To initiate, promote, conduct, participate in (whether via a wholly-owned subsidiary, a joint venture company or a limited liability partnership or otherwise), co-ordinate, monitor and/or assist (whether financially or otherwise), projects, initiatives and schemes of all kinds which further any of the objects of the company.
 - 7.2 To advise in relation to, prepare, organise, conduct and/or support conferences, seminars and workshops, and educational and training events, courses and programmes of all kinds.

- 7.3 To commission and/or conduct research, and to publish and promote the results of such research.
- 7.4 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, and to create and maintain a database or databases.
- 7.5 To provide information, advisory, support and/or consultancy services which further the objects and aims of the company.
- 7.6 To liaise with European, UK, Scottish and local government authorities and agencies, local enterprise companies, local economic development companies, voluntary sector bodies and others, all with a view to maximising the effectiveness of the company in pursuing its objectives.
- 7.7 To carry on any other activity which may be appropriately carried on in connection with any of the objects of the company.
- 7.8 To establish and/or participate in joint ventures and to promote companies and/or other bodies 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, stocks, debentures and other interests in such companies or other bodies, 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.
- 7.9 To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the company.
- 7.10 To purchase, take on lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the company.
- 7.11 To improve, manage, enhance, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
- 7.12 To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
- 7.13 To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
- 7.14 To borrow money and give security for the payment of money by, or the performance of other obligations of, the company or any other person.
- 7.15 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments.

- 7.16 To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the company and the spouse, widow/er, relatives and dependants of any such individual; to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- 7.17 To oppose or object to any application or proceedings which may prejudice the company's interests.
- 7.18 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 obtain from any such organisation, government or authority any right, privilege or concession.
- 7.19 To enter into any arrangement for co-operation or mutual assistance with any body, whether incorporated or unincorporated.
- 7.20 To effect insurance against risks of all kinds.
- 7.21 To invest funds not immediately required for the purposes of the company's activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous, and to dispose of and vary such investments and securities.
- 7.22 To establish and support any association or other unincorporated body which is a charity having objects altogether or in part similar to those of the company and to promote any company or other incorporated body which is a charity formed for the purpose of carrying on any activity which the company is authorised to carry on.
- 7.23 To subscribe and make contributions to or otherwise support charities, 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.
- 7.24 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust, for any of the objects of the company.
- 7.25 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.

- 7.26 To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- 7.27 To do anything which may be incidental or conducive to the attainment of any of the objects of the company.

Restrictions on use of the company's assets

- 8 The income and property of the company shall be applied solely towards the promotion of its objects (as set out in article 4).
- 9 No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company by way of dividend, bonus or otherwise.
- 10 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.
- 11 No benefit (whether in money or in kind) shall be given by the company to any director except:-
- 11.1 repayment of out-of-pocket expenses; or
 - 11.2 reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

Liability of members

- 12 Each member undertakes that if the company is wound up while it is a member (or within one year after it ceases to be a member), it will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- 12.1 payment of the company's debts and liabilities contracted before it ceases to be a member;
 - 12.2 payment of the costs, charges and expenses of winding up; and
 - 12.3 adjustment of the rights of the contributories among themselves.

Membership

- 13 The membership of the company shall consist of such bodies as are admitted to membership under the articles of association of the company in force from time to time.

- 14 Membership shall cease on the dissolution, winding-up, striking-off or receivership of the body which constituted the member or on receipt of a notice of retiral of the relevant body from membership under article 20.
- 15 A member may not transfer its membership to any other individual or body.

Qualifications for membership

- 16 Membership shall be open only to the following:-

16.1 Scottish Enterprise; and

16.2 Inverclyde Council.

Application for membership

- 17 Any incorporated body eligible for membership under article 16 which wishes to become a member shall (subject to article 19) lodge with the company a written application for membership (in such form as the directors require); the application for membership shall be signed on the relevant body's behalf by an authorised officer of that body.
- 18 A body eligible for membership under article 16 shall automatically constitute a member of the company immediately upon receipt by the company of the application for membership, duly signed in accordance with article 17.
- 19 For the avoidance of doubt, a member which is a body eligible for membership under article 16 as at the time when these articles of association are adopted shall remain as a member, without any requirement to lodge an application for membership under article 17.

Withdrawal from membership

- 20 Any body which wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors require), signed on its behalf by an authorised officer of that body; on receipt of the notice by the company, it shall cease to be a member.

Register of members

- 21 The directors shall procure that a register of members is maintained in accordance with the provisions of the Act and shall ensure that the appropriate entries in the register of members are made immediately after any change in the membership of the company occurs.

General meetings

- 22 The directors 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).
- 23 Subject to the preceding article, the directors may convene general meetings whenever they think fit.

Notice of general meetings

- 24 At least 14 clear days' notice must be given of general meetings.
- 25 The reference to "clear days" in article 24 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.
- 26 A notice calling a meeting shall specify the date, time and place of the meeting; it shall (a) indicate the general nature of any business to be dealt with at the meeting; (b) if a special resolution (see article 28) (or a resolution requiring special notice under the Act) is to be proposed, also state that fact, giving the exact terms of the resolution; and (c) contain a statement informing members of their right to appoint a proxy.
- 27 Notice of every general meeting shall be given: -
- 27.1 in hard copy form;
- 27.2 (where the body to which notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
- 27.3 (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

- 28 For the purposes of these articles, a "special resolution" means a resolution of the members, which is either:
- 28.1 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 24 to 27 (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); or

- 28.2 passed by members representing not less than 75% of the total voting rights of eligible members when passed by way of a written resolution, in accordance with articles 31 to 34.
- 29 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution:
- 29.1 to alter its name;
- 29.2 to alter any provision of these articles or adopt new articles of association.
- 30 For the purposes of these articles, an “ordinary resolution” means a resolution of the members, which is either:
- 30.1 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 24 to 27; or
- 30.2 passed by members representing a simple majority of the total voting rights of eligible members, when passed by way of a written resolution in accordance with articles 31 to 34.

Written resolutions

- 31 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 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).
- 32 For the purposes of the preceding article: -
- 32.1 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 (a) 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 Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);
- 32.2 the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the Act, as follows: -
- 32.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 31) by members representing a simple majority of the total voting rights of eligible members;

32.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 31) 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.

- 33 For the avoidance of doubt, a resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 31.
- 34 For the purposes of article 31, 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 article 32) and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Proceedings at general meetings

- 35 No business shall be transacted at any meeting unless a quorum is present; two members, represented by authorised representatives or by proxy, shall be a quorum.
- 36 If the quorum required under article 35 is not present within half an hour after the time appointed for the meeting, or if during a meeting such 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.
- 37 The Chair shall (if present and willing to act) preside as chairperson of the meeting; if the Chair is not present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the Vice Chair shall act as chairperson of the meeting.
- 38 If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after 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.
- 39 Each of the directors shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting.
- 40 The chairperson of the meeting 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.

Votes of members

- 41 Every member shall have one vote, which may be given either via its duly authorised representative present at the meeting or by proxy.

- 42 A member which wishes to appoint a proxy to vote on its behalf at any meeting (or adjourned meeting):
- 42.1 shall lodge with the company, at the company's registered office, not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting), a written instrument of proxy (in such form as the directors require), signed by an appropriate officer of that member; or
- 42.2 shall send to the company at such address as may have been notified to the members by the company for that purpose, an electronic communication containing the appointment of a proxy, providing such electronic communication is received by the company at such address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).
- 43 An instrument of proxy or electronic communication containing the appointment of a proxy, which does not conform with the provisions of article 42, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 44 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member which appointed him/her to speak at the meeting and need not be a member of the company.
- 45 A member which is an incorporated body may authorise an individual to act as its representative at any general meeting of the company, providing particulars of the individual so authorised and of the body which he/she is to represent are received by the company prior to the commencement of the general meeting; the individual so authorised shall be entitled to exercise the same powers on behalf of the member which he/she represents as that incorporated body could exercise if it were an individual member.
- 46 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.
- 47 A vote given by proxy or by the duly authorised representative of a member which is an incorporated body shall be valid notwithstanding that the authority of the person voting had terminated prior to the giving of such vote unless notice of such termination was received by the company at the company's registered office before the commencement of the meeting or adjourned meeting at which the vote was given.

Categories of director

- 48 For the purposes of these articles:
- 48.1 "Partner Director" means a director appointed or re-appointed under articles 51 to 53;
- 48.2 "Co-opted Director" means a director appointed or re-appointed under articles 54 to 63.

Number of directors

- 49 The maximum number of directors shall be 9, of whom a maximum of 4 directors shall be Partner Directors and a maximum of 5 directors shall be Co-opted Directors.

Composition of the board

- 50 Subject to any vacancies which may exist from time to time, the composition of the board shall be as follows:
- 50.1 three directors appointed by Inverclyde Council;
 - 50.2 one director appointed by Scottish Enterprise;
 - 50.3 one director drawn from the local community;
 - 50.4 three director drawn from the private sector;
 - 50.5 one director nominated by Greenock Chamber of Commerce (or any successor to that body).

Appointment, removal, retirement, etc: Partner Directors

- 51 Subject to article 53, each of the members may, by notice in writing signed on its behalf by an appropriate officer and given to the company:
- 51.1 appoint any person (other than an employee of the company) who is willing so to act to be a director (a "Partner Director"); or
 - 51.2 remove any Partner Director appointed by that member from office as a director.
- 52 Any appointment or removal of a director under article 51 shall have effect from the date on which the relevant notice is given to the company.
- 53 The powers conferred by article 51 shall be deemed to be limited such that
- 53.1 the maximum number of individuals appointed by each of the members who may hold office as a director at any given time shall be as follows:
 - 53.1.1 Inverclyde Council – three directors;
 - 53.1.2 Scottish Enterprise – one director;

Appointment, vacating of office, re-appointment: Co-opted Directors

- 54 Subject to article 49 and articles 55 to 58, the directors may at any time appoint any individual (other than an employee of the company) to be a director (a "Co-opted Director") providing he/she is willing so to act.

- 55 The directors shall exercise their powers under article 54 in such a way as to secure (so far as reasonably practicable) that at any given time the Co-opted Directors reflect the following balance:
- 55.1 one director drawn from the local community;
 - 55.2 one director nominated by Greenock Chamber of Commerce (or any successor to that body); and
 - 55.3 up to three directors drawn from the private sector.
- 56 The directors shall give effect without undue delay to any notice given in pursuance of article 55 by a body named in that article, nominating an individual for appointment as a director.
- 57 The directors shall, prior to exercising their powers under article 54 (as read with article 55) in relation to the appointment of a director drawn from the local community, consult with Inverclyde Alliance (being the Community Planning Partnership for Inverclyde).
- 58 The directors shall be guided by the Nominations Committee (as defined in article 118) in relation to the selection of appropriate individuals for appointment as directors drawn from the private sector.
- 59 Any individual to be appointed by the directors to serve as Chair of the company must first be recommended for that office by the Nominations Committee and must be a Co-opted Director drawn from the private sector.
- 60 At the conclusion of the last board meeting which falls prior to the financial year end of the company, in each year, one third (to the nearest round number) of the Co-opted Directors shall vacate office (excluding the Chair); the directors to vacate office under the preceding provisions of this article shall be those who have been longest in office since they were last appointed or re-appointed (and on the basis that as between two directors appointed/re-appointed on the same date, the question of which of them is to retire shall be determined by some random method).
- 61 The Chair of the company, at the time when these articles are adopted, shall vacate office (both as Chair and as a director) at the conclusion of the last board meeting which falls prior to the financial year end of the company during the financial year in which these articles are adopted; if re-appointed, he/she shall vacate office (both as Chair and as a director) at the conclusion of the last board meeting which falls prior to the financial year end of the company, in the third year following his/her re-appointment (and every third year thereafter).
- 62 If an individual is appointed in place of the individual vacating office as Chair under article 61, he/she shall hold office until the conclusion of the last board meeting which falls prior to the financial year end of the company, in the third year following his/her appointment (and, if re-appointed, every third year thereafter).

- 63 Immediately following the board meeting referred to in articles 60, 61 and 62, the directors may (with the prior approval in writing of both members of the company, in a case where the individual is to re-appointed as the Chair) reappoint any Co-opted Director who vacated office under articles 60, 61 or 62; the directors may alternatively appoint someone in his/her place (subject to article 58 and 59) or resolve not to fill the vacancy.
- 64 The directors shall endeavour to establish the Nominations Committee within a reasonable period after the incorporation of the company; until such time as it is established, the references in the preceding articles to the directors being guided by the Nominations Committee, and to the Chair being appointed following a recommendation to that effect by the Nominations Committee, shall be disregarded.

Disqualification and removal of directors

- 65 A director shall vacate office if

- 65.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director or a charity trustee (within the meaning of the Charities and Trustee Investment (Scotland) Act 2005);
- 65.2 he/she is sequestered;
- 65.3 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity has continued, or is expected to continue, for a period of more than six months;
- 65.4 he/she becomes an employee of the company;
- 65.5 in the case of a Partner Director, the body which appointed him/her ceases to be a member of the company ;
- 65.6 in the case of a Co-opted Director appointed on the basis of nomination by a body named in article 55, if the body withdraws his/her nomination by notice to the company to that effect;
- 65.7 in the case of the Chair, if he/she ceases to hold office as Chair of the company;
- 65.8 he/she resigns office by notice to the company;
- 65.9 he/she is absent (without permission of the directors) from more than three consecutive meetings of directors and the directors resolve to remove him/her from office;
- 65.10 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the conflict of interest rules and/or code of conduct for directors in force from time to time (as referred to in article 80); or

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

66 A resolution under 65.10 shall be valid only if

66.1 the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;

66.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote;

66.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Appointments to offices

67 The director who is to serve as Chair shall be appointed in accordance with the provisions of article 54 (as read with article 59); in addition, directors may be appointed to such other offices (which may include the office of Vice Chair) as the directors may consider appropriate.

68 The appointments under article 67 (disregarding the reference to the Chair) shall be made at meetings of directors.

69 Each office (other than the office of Chair) shall be held (subject to article 70) until the conclusion of the last board meeting which is held prior to the financial year end of the company, following appointment; a director whose period of office expires under this article may be re-appointed to that office under article 67 (providing he/she is willing to act).

70 The appointment of any director as Chair, or as holder of an office under article 67, shall terminate if he/she ceases to be a director or if he/she resigns from that office by notice to the company.

71 If the appointment of a director to any office under article 67 (disregarding the reference to the Chair) terminates, the directors shall appoint another director to hold the office in his/her place.

Directors' interests

72 Subject to the provisions of the Act and to the Charities and Trustee Investment (Scotland) Act 2005 and articles 8 to 11 and provided that he/she has disclosed to the directors the nature and extent of any personal interest which he/she has (unless immaterial) and has complied with the conflict of interest rules (as referred to in article 80, a director (notwithstanding his/her office):

- 72.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;
- 72.2 may be a party to, or have some other personal interest in, any transaction or arrangement in which the company or any associated company has an interest;
- 72.3 may be a director or secretary of, or employed by, or have some other personal interest in, any associated company; and
- 72.4 shall not, because of his/her office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such company

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

- 73 For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers; the references to "associated company" shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.
- 74 Without prejudice to article 72, a director may be an officer, elected representative or employee of Inverclyde Council or Scottish Enterprise; the duty of directors under section 175 of the Act to avoid situations under which they have, or could have, a direct or indirect interest that conflicts or possibly might conflict with the interests of the company, shall not extend to any such relationship with Inverclyde Council or Scottish Enterprise.
- 75 In addition to the authorisation given by article 74, the directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any Conflict Situation that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 76 For the purposes of article 75, a "Conflict Situation" means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company; and such that the situations and matters which fall within this definition may include (without limitation):-
 - 76.1 a situation where a director of the company becomes an employee, director, member of the management committee, officer or elected representative of a body which is a party to a significant contract with the company (or which is competing with the company in the context of any grant application);

76.2 any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity).

77 For the avoidance of doubt, article 75 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that nature shall be governed by the provisions of articles 72 and 73 and articles 100 to 104 and the code of conduct referred to in article 80.

Conduct of directors

78 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 4) and will be in the 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.

79 Without prejudice to the principle set out in article 78, each of the directors shall have a duty, in exercising functions as a charity trustee, to act in the interests of the company; and, in particular, must:

79.1 seek, in good faith, to ensure that the company acts in a manner which is in accordance with its purposes;

79.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

79.3 in circumstances giving rise to the possibility of a conflict of interest between the company and any party responsible for the appointment of that director:

79.3.1 put the interests of the company before that of the other party;

79.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any deliberation or decision of the other directors with regard to the matter in question.

80 Each of the directors shall comply with the code of conduct prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct rules shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct rules in force from time to time.

Directors' remuneration and expenses

81 No director shall be entitled to any remuneration, whether in respect of his/her office as director, as holder of the office of Chair or as holder of any office under article 67.

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

Powers of directors

- 83 Subject to the provisions of the Act, and these articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company; no alteration of these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 84 The powers conferred by article 83 shall not be limited by any special power conferred on the directors by these articles.
- 85 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

Proceedings of directors

- 86 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 87 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 88 Questions arising at any meeting of directors shall be decided by a majority of votes; the chairperson of a meeting of directors shall be entitled to a casting vote.
- 89 A director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.
- 90 The quorum for the transaction of the business of the directors shall (subject to article 91) be 5; a person (other than a director) acting as alternate director shall, if his appointer is not present, be counted in the quorum.
- 91 Subject to article 92, a quorum shall not be deemed to be constituted at any meeting of the directors unless at least one director appointed by Inverclyde Council and one director appointed by Scottish Enterprise are present at the meeting.
- 92 If the quorum required under articles 90 and 91 is not present within half an hour after the time appointed for the meeting, or if during a meeting such 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; if a quorum is not present at the meeting solely because the provisions of article 91 were not satisfied, and the adjourned meeting is

held within the succeeding ten days (and providing that the directors are given not less than three days' notice of the adjourned meeting), the provisions of article 91 shall not apply in relation to the adjourned meeting in determining whether a quorum is present.

- 93 The continuing directors or a sole continuing director may act notwithstanding vacancies; but if the number of remaining directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting.
- 94 Unless he/she is unwilling to do so, the Chair shall preside as chairperson at every meeting of directors at which he/she is present; if the Chair is unwilling to act as chairperson of a meeting of directors or is not present within 15 minutes after the time appointed for the meeting, the Vice Chair (if any director holds the office of Vice Chair at the time) shall preside as chairperson.
- 95 If neither the Chair nor a director holding office as Vice Chair is present and willing to act as chairperson at a meeting of directors within 15 minutes after the time appointed for the meeting, the directors present shall appoint one of their number to be chairperson of the meeting.
- 96 The directors shall be entitled to allow any person to attend and speak (but not vote) at any meeting of the directors; a person invited to attend a meeting of the directors under the preceding provisions of this 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.
- 97 All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 98 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of directors, or (as the case may be) a committee of directors, duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.
- 99 A resolution signed by an alternate director need not also be signed by his appointer; a resolution signed by a director who has appointed an alternate director need not be signed by the alternate director in that capacity.
- 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 the preceding article:
- 101.1 an interest of a person who is taken to be connected with a director for any purpose of the Act shall be treated as a personal interest of the director;
 - 101.2 an interest of the appointer of an alternate director shall be treated as an interest of the alternate director;
 - 101.3 a director shall (subject to paragraph 101.4) be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter
 - 101.4 a Partner Director shall not be deemed to have a personal interest in relation to a particular matter by reason only of the fact that he/she is an employee, director, officer or elected representative of the member which appointed him/her.
- 102 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.
- 103 The company may (subject to the Charities and Trustee Investment (Scotland) Act 2005) by ordinary resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of articles 100 to 102.
- 104 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

- 105 A Partner Director may appoint any other director or any other person willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 106 An alternate director shall, subject to the following article, be entitled to be given notice of all meetings of directors and of all meetings of committees of directors of which his appointer is a member, to attend and vote at any such meeting at which the director who appointed him is not personally present and generally to perform all the functions of his appointer as a director in his absence.
- 107 No notice of a meeting of directors or a meeting of a committee of directors need be given to an alternate director who is absent from the United Kingdom.
- 108 An alternate director shall not be entitled to receive any remuneration from the company for his services as an alternate director.

- 109 An alternate director shall, subject to the following article, cease to be an alternate director if his appointer ceases to be a director.
- 110 If a director vacates office at the conclusion of an annual general meeting but is reappointed immediately following the annual general meeting, any appointment of an alternate director made by him which was in force immediately prior to retirement or vacating of office shall continue after his re-appointment.
- 111 An 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.
- 112 An alternate director shall alone be responsible for his own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing him.
- 113 References in these articles to directors shall, unless the context otherwise requires, be construed as including alternate directors.

Delegation to committees and holders of offices

- 114 The directors may delegate any of their powers to any committee consisting of two or more directors; they may also delegate to the Chair or a director holding any other office such of their powers as they consider appropriate.
- 115 Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
- 116 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.
- 117 In addition to their powers under article 114, the directors may delegate their powers to any committee consisting of one or more directors and such other individuals (who need not be directors or employees of the company) as the directors may consider appropriate; the provisions of articles 115 and 116 shall apply in relation to any such committee, subject to the qualification that the role of any committee formed under the preceding provisions of this article shall be limited (except to the extent that the directors otherwise determine) to the issue of reports and recommendations for consideration by the board of directors.

Nominations Committee

- 118 The directors shall establish a committee (referred to in these articles as "the Nominations Committee") to guide the directors in relation to the selection of appropriate individuals for appointment as directors drawn from the private sector.

- 119 The composition and proceedings of the Nominations Committee shall be governed by such standing orders as may be issued by the directors from time to time.
- 120 In carrying out its functions, the Nominations Committee shall give effect to the following principles:
- 120.1 vacancies for directors falling within the remit of the Nominations Committee (as referred to in article 118) should be advertised widely;
 - 120.2 nominations for directors falling within the remit of the Nominations Committee should also be invited from the members of the company, other partner bodies, and the senior executives of the company;
 - 120.3 all expressions of interest should be considered by the Nominations Committee;
 - 120.4 the Nominations Committee should maintain a register of suitable candidates for future reference.

Secretary

- 121 The directors shall (notwithstanding the provisions of the 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

- 122 The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present, and the minutes of each meeting shall be signed by the chairperson of that meeting.

Accounts

- 123 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 124 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.
- 125 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.

- 126 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as confirmed by statute or as authorised by the directors or by ordinary resolution of the company.

Notices

- 127 Any notice to be given in pursuance of these articles shall be in writing.
- 128 The company may give any notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at its registered address or by leaving it at that address; alternatively, in the case of a member which has notified the company of an address to be used for the purpose of electronic communications, the company may give any notice to that member by way of an electronic communication.
- 129 Any notice contained in an electronic communication shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any electronic communication was 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.
- 130 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.
- 131 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.
- 132 A member present or represented at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

Winding-up

- 133 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 but shall be transferred to some other charity or charities (whether incorporated or unincorporated) operating for the benefit of the Operating Area 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 8 to 11.
- 134 The charity or charities to which property is transferred under article 133 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 or may acquire jurisdiction.
- 135 To the extent that effect cannot be given to the provisions of articles 133 and 134, the relevant property shall be applied to some charitable purpose or purposes.

Indemnity

- 136 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 including, without prejudice to that generality, but only to the extent permitted by those section 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 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 affairs of the company.
- 137 For the avoidance of doubt, 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).