



Transgressive North
47 Willowbrae Avenue
EDINBURGH
EH8 7HF

Tel: 07870 314 176

mike@transgressivenorth.com
www.transgressivenorth.com

Monday 30th June 2014

DECLARATION OF RESOLUTION

The Directors of Transgressive North hereby certify to Companies House that

FIRST: They wish to submit newly amended Transgressive North Articles of Association to Companies House, to replace any previous Articles of Association. The amended Articles are enclosed with this document.

SECOND: The amended Articles have been duly approved and advised by the Transgressive North Directors as required by law and they are currently in effect.

Signed and approved by:

Jamie Chambers
Director
Transgressive North

Signature: 

Date: 30/6/14

Michael Brogan
Director
Transgressive North

Signature: 

Date: 30/6/2014

THURSDAY



S3BDCOH4

SCT

03/07/2014

#654

COMPANIES HOUSE

Company Number: SC409782

The Companies Act 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

MEMORANDUM AND ARTICLES OF ASSOCIATION

TRANSGRESSIVE NORTH

Incorporated on 20th October 2011.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
MEMORANDUM OF ASSOCIATION OF
TRANSGRESSIVE NORTH

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Name of each subscriber

MICHAEL BROGAN
JAMIE CHAMBERS

DATED:- 1ST JULY 2014

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES of ASSOCIATION
of
TRANSGRESSIVE NORTH

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 (hereinafter referred to as "TN").

Defined terms

2 In these articles of association, unless the context requires otherwise:-

- (a) "Act" means the Companies Act 2006;
- (b) "Directors" means those registered as a Director of TN at Companies House;
- (c) "electronic form" has the meaning given in section 1168 of the Act;
- (d) "property" means any property, heritable or moveable, real or personal, wherever situated; and
- (e) "subsidiary" has the meaning given in section 1159 of the Act;
- (f) "TN" means Transgressive North - a Not-For-Profit Social Enterprise.

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.

Aims

4 TN will focus on two areas: Art and Outreach

The TN aims to develop and promote the collective creative work of its members and contractors, and to channel collected energies into selected outreach projects. Principally, TN will focus on producing music and film projects, and releasing them as a record label and film production company. Whilst the TN will be working predominantly in the United Kingdom, TN also aims to represent Scotland around the world as cultural ambassadors in cross-cultural arts projects. Through its aims, the TN is committed to making a progressive cultural contribution to global society.

Objects

5 In pursuance of the aims listed in article 4 (but not otherwise), the TN will seek:-

- (a) (i) To use its resources to achieve artistic excellence in collaborative arts projects.

- (ii) To use its resources to help projects achieve recognition and develop audiences
 - (iii) To focus, where possible, on projects that feature the input of a number of TN members and contractors, as opposed to solo projects
 - (iv) To commit a proportion of its energy and resources to develop occasional outreach and educational work across Scotland, and with communities around the world.
 - (v) To produce and sell albums and live performances in collaboration with members and associates of the TN.
 - (vi) To produce and sell short and feature films in collaboration with members and associates of the TN
 - (vii) To organise film or music workshops in schools and communities, and collaborative projects with other organisations.
 - (viii) To treat everyone equally within the context of their activity, regardless of sex, ethnic origin, religion, disability, sexual orientation, financial circumstances or political persuasion.
 - (ix) To treat the safety of children as of paramount importance and operate in accordance with the TN Child Protection Policy.
- (b) To carry on any other activities which further any of the above objects.
- (c) To promote other companies whose activities may further one or more of the above objects, or may generate income to support the activities of TN, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of TN, all such functions as may be associated with a holding company.
- (d) 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 TN's activities.
- (e) To purchase, take on lease, hire, or otherwise acquire, any property or rights that are suitable for TN's activities.
- (f) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of TN.
- (g) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the TN.
- (h) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (i) To borrow money, and to give security in support of any such borrowings by TN, in support of any obligations undertaken by the TN or in support of any guarantee issued by TN.
- (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 TN's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).

(m) To liaise with voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering TN's objects.

(n) To establish and/or support any charity, and to make donations for any charitable purpose.

(o) To take such steps as may be deemed appropriate for the purpose of raising funds for the TN'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 TN'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 TN, and to enter into any arrangement for co-operation or mutual assistance with any charity.

(s) To do anything which may be incidental or conducive to the furtherance of any of the TN's objects.

Restrictions on use of the TN's assets

6 (a) The income and property of the TN shall be applied solely towards promoting the TN's aims (as set out in section 4) and TN's objects (as set out in section 5).

(b) A Director shall also be entitled to hold any office in TN for which a salary or fee is payable, and may also be paid for their work undertaken as Directors.

(c) Any money received by TN for the explicit purpose of funding outreach work must be spent solely on outreach work and not on standalone arts projects of TN.

Liability of members

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

(a) payment of TN'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

8 The structure of the TN consists of:-

(a) THE DIRECTORS - as registered with Companies House, who have automatic annual membership to TN without the need for subscription payments. Directors hold regular meetings during the period between annual general meetings, and generally control and supervise the activities

of TN; in particular, the Directors are responsible for monitoring the financial position of the TN. The Directors may not be voted out of their position by General Members.

(b) GENERAL MEMBERS - who have the right to attend and vote at the annual general meeting (and any extraordinary general meeting), and to submit project proposals to the Directors at any time.

Qualifications for membership

9 The members of TN shall consist of the subscribers to the memorandum of TN and such other persons as are admitted to membership under articles 12 to 14.

10 Membership shall be open to:-

All collaborators (teachers, musicians, composers, filmmakers, technical specialists and other volunteers) involved with the management and implementation of TN projects, subject to their payment of subscriptions (see Article 15). An individual will only be formally be acknowledged as having General Membership by confirmation of the Directors. General Members shall be entitled to vote at the AGM. All new applicants will undergo a trial period of General Membership, the length and termination of which is at the discretion of the Directors, as is whether the person shall retain or be refused their membership at the end of the trial period. The Directors also reserve the right to refuse both a trial period, and membership.

11 Employees or contractors of the TN (ie any external organisation paid by the TN to produce or distribute any aspect of a TN project) shall not be automatically eligible for membership, but must request consideration of membership from the Directors.

Application for membership

12 Any person who wishes to become a member must sign, and lodge with TN Directors, a written application for membership.

13 The Directors may, at their discretion, refuse to admit any person to membership.

14 The Directors shall consider each application for membership at the first Directors' meeting that is held after receipt of the application; the Directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.

Subscription Rate

15 All General Members (but not the Directors) are required to pay annual subscriptions. Subscription rates may vary annually, and these rates shall be set by the TN Directors. Further to this, subscriptions may be required for specific projects, and these rates shall be set by the Directors and any sub-committees responsible for the specific projects.

Register of members

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

Withdrawal from membership

17 Any person who wishes to withdraw from membership shall sign, and lodge with TN, a written notice to that effect; on receipt of the notice by TN, he/she shall cease to be a member.

Expulsion from membership

18 Any person may be expelled from membership by special resolution (see article 31), 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

19 Membership shall cease on death.

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

General meetings (meetings of members)

21 The Directors shall convene an annual general meeting in each year (but excluding the year in which the TN is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the TN.

22 Not more than 15 months shall elapse between one annual general meeting and the next.

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

(a) a report by the Directors on the activities of the TN

(b) consideration of the annual accounts of the TN

(c) acknowledgment of the election/re-election of Directors, as referred to in articles 49 to 51.

24 The Directors may convene an extraordinary general meeting at any time.

25 The Directors must convene an extraordinary general meeting if there is a valid requisition by General Members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

26 At least 14 clear days' notice must be given of an annual general meeting or extraordinary general meeting.

27 The reference to “clear days” in article 26 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 included.

28 A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 22) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.

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

30 Notice of every general meeting may be given in one of the following formats

(a) in hard copy form; or

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

(c) (subject to TN Directors 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

31 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 26 to 30; 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 Full members absent from the meeting.

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

(a) to alter its name

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

33 For the purposes of these articles, an “ordinary resolution” means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with articles 26 to 30.

Procedure at general meetings

34 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be two Directors and any number of (including zero) General Members.

35 If a quorum is not present within 30 minutes after the time at which a general meeting was due to commence - or if, during a 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.

36 A Director of TN shall preside as chairperson of each general meeting.

37 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.

38 Every General Member entitled to vote shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.

39 Any General Member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):

(a) shall lodge with the TN Directors, at the TN's registered office, a written instrument of proxy (in such form as the Directors require), signed by him/her; or

(b) shall send by electronic means to the TN, at such electronic address as may have been notified to the General Members by the TN 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 Directors at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).

40 An instrument of proxy which does not conform with the provisions of article 39, or which is not lodged or sent in accordance with such provisions, shall be invalid.

41 A General Member shall not be entitled to appoint more than one proxy to attend on the same occasion.

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

43 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 TN at TN's registered office (or, where sent by electronic means, was received by the TN at the address notified by the TN to the Full members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

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

45 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 in person at the meeting and entitled to vote. 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.

46 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.

Number of directors

47 The minimum number of Directors shall be not less than 2 – with the titles ‘ Managing Director’ and ‘Artistic Director’

Eligibility

48 A person shall not be eligible for election/appointment as a Director unless he/she has been a General Member of TN for at least one year.

Election, retiral, re-election

49 At each annual general meeting, any General Member may be proposed (providing he/she is willing to act) to be a Director. The final decision on whether this person becomes a Director will lie with the Directors in post at that time.

50 The Directors may at any time appoint any General Member (providing he/she is willing to act) to be a Director (subject to article 47).

51 At each annual general meeting, the Directors shall not be required to retire from office, but shall maintain their office (subject to article 52).

Termination of office

52 A Director shall automatically vacate office if:-

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

(b) he/she becomes 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 four months and the other Directors resolve to remove him/her from office.

(c) he/she resigns office by notice to the TN, either in writing or by email.

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

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

(f) he/she is voted to be removed from office by majority vote of the other Directors and General Members at an extraordinary general meeting

Register of directors

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

Officebearers

54 The Directors may, but are not obliged to, elect from among themselves or General Members a Secretary and a Treasurer, and such other office bearers (if any) as they consider appropriate.

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

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

Powers of directors

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

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

Conflicts of interests

59 (a) If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with another company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(b) But if paragraph (c) applies, a Director who is interested in an actual or proposed transaction or arrangement with another company is to be counted as participating in the decision-making process for quorum and voting purposes.

(c) This paragraph applies when-

- (i) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a Director from being counted as participating in the decision-making process;
- (ii) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (iii) the Director's conflict of interest arises from a permitted cause.

(d) For the purposes of this article, the following are permitted causes-

- (i) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (ii) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and

- (iii) arrangements pursuant to which benefits are made available to employees and Directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(e) For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a directors' meeting.

(f) Subject to paragraph (g), if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.

(g) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the remaining Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Procedure at directors' meetings

60 Any Director may call a meeting of the Directors or request the Secretary to call a meeting of the Directors.

61 Questions arising at a meeting of the Directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.

62 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 2.

63 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.

64 Unless he/she is unwilling to do so, a Director of the TN shall preside as chairperson at every Directors' meeting at which he/she is present. If they are unwilling to act as chairperson or are not present within 15 minutes after the time when the meeting was due to commence, the Director present shall elect from the others present the person who will act as chairperson of the meeting.

65 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.

66 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 TN; he/she must withdraw from the meeting while an item of that nature is being dealt with.

67 For the purposes of article 66, 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.

68 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. In this instance, a quorum of one Director present is permissible.

69 The TN may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 60 to 68.

Conduct of directors

70 Each of the Directors shall, in exercising his/her functions as a Director of the TN, act in the interests of the TN; and, in particular, must

- (a) seek, in good faith, to ensure that TN acts in a manner which is in accordance with its objects (as set out article 4)
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
- (c) in circumstances giving rise to the possibility of a conflict of interest between TN and any other party
 - (i) put the interests of TN before that of the other party, in taking decisions as a Director
 - (ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to TN and refrain from participating in any discussions or decisions involving the other Directors with regard to the matter in question

Delegation to sub-committees

71 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 holder of any other post such of their powers as they may consider appropriate.

72 Any delegation of powers under article 71 may be made subject to such conditions as the Directors may impose and may be revoked or altered.

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

Operation of bank accounts

74 The signature of at least one Director shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the TN.

Secretary

75 The Directors may but are not obliged to appoint a company secretary, and on the basis that the term of the appointment, the remuneration (if any) payable to the company secretary, and the such conditions of appointment shall be as determined by the Directors; and the company Secretary may be removed by them at any time.

Minutes

76 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.

Accounting records and annual accounts

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

78 The Directors shall prepare annual accounts through their accountant, 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.

79 No General Member shall (unless he/she is a Director) have any right of inspecting any accounting or other records, or any document of the TN, except as conferred by statute or as authorised by the Directors or as authorised by ordinary resolution of the TN.

Notices

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

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

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

Winding-up

83 If on the winding-up of TN any property remains after satisfaction of all the TN's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the Directors of TN at or within 6 months before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction).

84 For the avoidance of doubt, a body to which property is transferred under article 83 may be a Director or a General Member of the TN.

Indemnity

86 Every Director or other officer or auditor of the TN shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of TN against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted *or* any

liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of the TN in relation to the affairs of the TN.

87 TN shall be entitled to purchase and maintain for any Director insurance against any loss or liability which any Director or other member or contractor of TN 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).