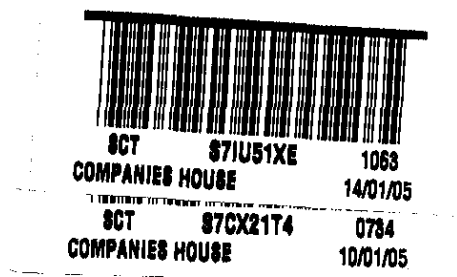


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Annandale & Eskdale
Sports & Leisure Trust

MEMORANDUM & ARTICLES
of
ASSOCIATION



THE COMPANIES ACT 1985 AND 1989

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION OF Annandale and Eskdale Sports and Leisure Trust

1. The Company's name is Annandale and Eskdale Sports and Leisure Trust.
2. The Company's registered office is situated in Scotland and the address is Council Offices, High Street, Annan, DG12 6AQ.
3. The objects for which the Company is established which are hereby declared for the avoidance of doubt to be exclusively charitable are:
 - A (1) In the interests of social welfare to provide or assist in the provision of facilities for recreation and other leisure time occupation for the inhabitants of the former Annandale and Eskdale District Council Area and the inhabitants of any other area which is in need of such provision or assistance being facilities which:-
 - a) are provided with the object of improving the conditions of life of the said inhabitants ; and
 - b) are either available to the public at large or to persons who have need of them by reason of their youth age infirmity or disablement poverty or social and economic circumstances.

B For the purposes foresaid, but not otherwise, the Company shall have the following powers:

- (1) To act in a consultative capacity to assist others in achieving objectives similar to those of the Company.
- (2) To promote and organise co-operation in the achievement of the above objects by the bringing together of persons, societies, institutions, local authorities and other organisations and any person, firm or corporation engaged in business or commerce interested in the objects of the Company
- (3) To enter into partnership or into any arrangement for joint, shared or mutual promotion, investment or development, union of interests, reciprocal concession or co-operation with any person, partnership company, carrying on, engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business capable of being conducted so as to directly or indirectly further the objects of the Company and to take or otherwise acquire and hold shares or stock in, or securities of and to make grants to or otherwise assist any person, partnership or company and to sell, hold, re-issue with or without guarantee, or otherwise deal with such shares, stock or securities.
- (4) To purchase, take on lease or otherwise acquire and hold, sell, excamb, feu, lease, mortgage, charge, hire or otherwise deal with or dispose of any lands, houses, buildings, equipment, goods and other property, heritable or moveable, real or personal and any rights or privileges necessary or convenient for the purposes of the Company to erect, construct, lay down, enlarge, alter and maintain and from time to time renew any buildings and other works necessary or convenient for the objects of the Company.
- (5) To make personal or written appeals or hold public meetings or otherwise for the purpose of procuring contribution to the funds of the Company and to receive and accept by way of gifts, donations, legacies, bequests, grants, deeds of covenant, subscriptions or otherwise money and property, both heritable and moveable, for the purpose of furthering the objects of the Company.
- (6) To provide or arrange the provision of information of advisory, technical, financial, estate and business management and other services and facilities to Leisure and Recreation activities in general.
- (7) To repair, renovate, restore, rebuild and generally promote the preservation of any buildings or land vested in the Company or in any other body.
- (8) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, warrants, debentures and other negotiable or transferable instruments.
- (9) To carry on any activity which may seem to the Company capable of being conveniently carried on in connection with any activity which the

Company is authorised to carry on or may seem to the Company calculated directly or indirectly to benefit the Company or to enhance the value of or render profitable any of the Company's properties or rights.

- (10) To print, publish, buy and sell books, magazines and other publications relating to or for the objects of the Company,
- (11) To raise money for the purposes of the Company by borrowing on such terms and on such security as may be thought fit and by guarantee, gifts, or donations in response to public appeals or otherwise and in relation to such guarantees, gifts or donations to accept the same either unconditionally or subject to such conditions as may be agreed so, however, that no such conditions shall be inconsistent with the objects of the Company. However, it is expressly stipulated that if a particular gift is undesirable with regard to the objects of the Trust or any other reason which the Directors of the Trust will be deemed to be the sole judges it shall be within the capacity of the Directors to refuse such a gift.
- (12) To lend or grant money to any other charitable company, institution, society, foundation or association having objects altogether or in part similar to those of the Company, or to any individuals or unincorporated bodies for any conditions and consents required by law and to the other provisions of this Memorandum & Articles of Association.
- (13) To sell or otherwise dispose of any part of the undertaking or assets of the Company to such persons and on such terms and conditions as the Directors shall think fit.
- (14) To invest and reinvest the funds and assets of the Company not immediately required in such securities, shares, stocks, debentures, loan stocks or other investments, property whether heritable or moveable real or personal as the Company shall think fit, subject to any limitations and conditions attaching thereto under the terms of the acquisition or holding thereof.
- (15) To grant, pay or provide or procure the grant, payment or provision of donations, pensions, or emoluments to and procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pensions or superannuation fund or arrangement to the benefit of any persons who are or shall have at any time been in the employment or service of the Company or of any charitable company that is a subsidiary of the Company or associated with or allied to the Company or families or dependants of such persons and to enter any necessary agreement or otherwise that may be required with Dumfries and Galloway Council to facilitate superannuation, national insurance payments; to establish, subsidise, subscribe to or support or procure the establishment or subsidy of or subscription or support to any charitable institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid; to make payments for or towards the insurance of any such persons as aforesaid, any necessary agreement or

otherwise that maybe entered into and only in furtherance of the objects of the Company, to subscribe or guarantee money for charitable objects of any public exhibition; and to do or procure to be done any of the matters foresaid by the Company either alone or in conjunction with any other Company or person.

- (16) To amalgamate with any one or more charitable companies, institutions, societies, foundations or associations having objects altogether or in part similar to those of the Company and which prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 3, power to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities, and engagements of any one or more of the charitable companies, institutions, societies, foundations or associations with which the Company is authorised to amalgamate; and power to transfer all or any part of the property, assets, liabilities and engagements of the Company to any one or more of such charitable companies, institutions, societies, foundations or associations or to any charitable trust or company which it is authorised to establish, promote and otherwise assist.
 - (17) To enter into any arrangements with any government or authority, supreme, municipal, local or otherwise, and to obtain from any such government or authority any grants of money, rights, concessions and privileges that may seem conducive to the Company's objects or any of them.
 - (18) To pay all or any expenses incurred in connection with the promotion, formation, incorporation, conduct and winding up of the Company.
 - (19) To promote any charitable trust or company or companies for the purpose of its or their acquiring all or part of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to pay all the expenses of or incidental to such promotions, to act as a holding company for any subsidiary company including a trading subsidiary.
 - (20) To make such charge for any of its services as the Company thinks fit, including without prejudice to the generality of the foregoing interest or charges on loans made by the Company, and
 - (21) To do all such other lawful things as may be incidental or conducive to the attainment of the objects of the Company.
4. The income and property of the Company however derived shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by profit, to the members or directors of the Company.

Provided that nothing herein shall prevent any payment in good faith by the Company.

- (a) with reference to the Directors of the Company they will be entitled to reasonable expenses incurred in the course of the Company's business (refer to Article 43).
- (b) of interest at a reasonable and proper rate on money lent or reasonable and proper rent for premises let by any member of the Company or its Board of Directors,
- (c) to any member of its Board of Directors of out-of-pocket expenses, incurred by him in or about the performance of his duties,
- (d) of reasonable and proper remuneration to a member of the Company or of its Board of Directors for any goods and services supplied.

- 5 The liability of the members is limited.
6. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £15) to the Company's assets if it should be wound up while a member or within one year after ceasing to be a member, for payment of the Company's debts and liabilities contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.
7. If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property assets funds whatsoever the same shall not be paid to or distributed among the members of the Company but shall be given or transferred together with any rights to, in, or over land which may be vested in the Company to Dumfries and Galloway Council or their successors as trustees for the charitable purposes as stated in clause 3 herein or such other charitable purposes as shall then be declared by the said Council

THE COMPANIES ACT 1985 AND 1989

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
OF ANNANDALE & ESKDALE SPORTS & LEISURE TRUST

INTERPRETATION

1. In these regulations:

"the Act" means the Companies Act 1985 and provisions of the Companies Act 1989 which ever is appropriate and both where applicable including any statutory modification or re-enactment thereof of the Companies Acts from time to time in force.

"the articles" means the articles of the company.

"clear days" in relation to the period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"Dumfries and Galloway Council" means a local authority constituted in terms of the Local Government Scotland Act 1994 main office English Street Dumfries.

"executed" includes any mode of execution.

"office" means the registered office of the company.

"the seal" means the common seal of the company.

"secretary" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

"the United Kingdom" means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

"Management Plan" means a method statement comprising the Organisational Structure, Business Orientation and Financial Planning for the Company.

"Authorised Officer" means an officer appointed by the Board of Directors under explanation that for the purposes of the Trust election the authorised officer shall be the Company Secretary.

MEMBERS

- 2
- (a) The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the articles shall be members of the Company. With regard to unincorporated associations the membership would comprise of either the group or selected individuals on behalf of the associations at the Company's discretion.
 - (b) There shall be two classes of member being those sporting groups or individuals that are engaged in or have an interest in the provision of Leisure facilities and activities in general principally in the former Annandale and Eskdale District area and such other bodies or organisations as are admitted to membership at any meeting of the Directors and on the terms and conditions approved by such meeting.
 - (c) Membership specified in Article 2 (b) shall be open either to individuals or to any company, firm, organisation, corporation or others as the Directors may admit provided always that the Directors shall have an absolute discretion as to the admission of any person or body to membership.
 - (d) An applicant for membership shall complete an application form as required by the Directors.

SUBSCRIPTIONS

- 3
- After receipt of the appropriate application form and consent to become a member of the Company, the Directors may then admit the applicant to membership and will be appropriately registered in the necessary statutory register kept for that purpose.

TERMINATION OF MEMBERSHIP

4. A member shall ipso facto cease to be a member of the Company:
- (i) if the member withdraws from the Company by giving at least seven clear days' notice in writing to the Company.
 - (ii) if a Director shall be of the opinion that it is not in the interest of the Company that any member shall continue to be a member, the Directors may convene an extraordinary general meeting of the Company and such member may by ordinary resolution be removed from membership after being given an opportunity to be heard and thereupon the former members' name shall be removed from the register of members and he or the organisation involved shall cease to be a member and shall forfeit his interest and privileges in the Company.
 - (iii) The rights and privileges of a member shall be personal to the member and shall not be transferable by any act of the member or by

operation of law and shall cease on death (in the case of a person) or otherwise on ceasing to be a member.

REGISTER OF MEMBERS

5. The Company and its Secretary shall keep a proper register of its members containing the name and addresses and all other particulars required by law.

GENERAL MEETINGS

6. The Company shall in a calendar year hold a general meeting as its annual general meeting in accordance with the provision of the Companies Acts in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of incorporation or in the following calendar year. The annual general meeting shall be held at such time and place as the Directors shall appoint and instruct the Secretary to call.
7. *All general meetings other than annual general meeting shall be called extraordinary general meetings.*
8. The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. *If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any member of the Company may instruct the Secretary to call a general meeting,*

NOTICE OF GENERAL MEETINGS

9. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but general meeting may be called by shorter notice if it is so agreed:-
 - (a) in the case of an annual general meeting, by all members entitled to attend and vote thereat and
 - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95% of the total voting rights at the meeting of all the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, the specific wording of any extraordinary or special resolutions, in the case of an annual general meeting, shall specify the meeting as such.

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The notice shall be given to all the members and to the Directors and Auditors by the Secretary.

10. The accidental omission to give notice of a meeting to, or to the non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

11. No business shall be transacted at any meeting unless a quorum is present. At least a fifth of the persons entitled to vote upon the business to be transacted each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
12. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Directors may determine.
13. The Chairman, if any, of the Board of Directors or in his absence some other Director nominated by the Directors shall preside as Chairman of the meeting but if neither the Chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chairman.
14. If no Director is willing to act as Chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chairman.
15. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
16. The Chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall not be necessary to give any such notice.
17. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
 - (a) by the Chairman, or
 - (b) by at least two members having the right to vote at the meeting,

and a demand by a person as proxy for a member shall be the same as a demand by the member.

18. Unless a poll is duly demanded a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
19. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
20. A poll shall be taken as the Chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
21. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.
22. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith or at such time and place as the Chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
23. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place of the meeting at which the poll is to be taken.
24. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon if it had been proposed at a general meeting at which he was present shall be effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTE OF MEMBERS

25. On a show of hands or on a poll every member present in person shall have one vote. The voting will follow the statutory procedure as laid down in the aforesaid Companies Acts.
26. Any corporation which is a member of the company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act

as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation would exercise if it were an individual member of the Company.

27. No resolution for the winding up of a company or for the alteration of the Memorandum and the Articles of the Company shall be proposed except with the prior written consent of a majority of the members and thereafter proceed by special resolution and will require to comply with all statutory requirements including the provisions of the Insolvency Act 1989 and the Companies Act 1985 respectively.
28. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
29. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointee and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)-

" Annandale & Eskdale Sports and Leisure Trust

I/We, , of

being a

member/members of the above named Company, hereby appoint
of

or failing him,

of , as my/our proxy to vote in my/our name(s) and on my/our
behalf at the annual/extraordinary general meeting of the company to be held
on 19, and at any adjournment thereof.

Signed on 19 ."

30. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve)-

" Annandale & Eskdale Sports and Leisure Trust

I/We, , of

, being a member/

members of the above named Company, hereby appoint
of

or failing him,

of , as my/our proxy to vote in my/our name(s) and on
my/our behalf at the annual/extraordinary general meeting of the company to be held
on

19, and at any adjournment thereof.

Resolution No.1 *for *against
Resolution No.2 *for *against
*Strike out whichever is not desired.

Signed this day of 19 ."

- and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- ## DIRECTORS

33. The Company shall have a Board of Directors which consist as follows:-
- (a) Up to 17 directors shall be appointed by special resolution of the members of the company. It is recognised that as a fundamental tenet of community involvement the company should be representative of as widespread interests as possible. It is intended that if possible the directors to be appointed by the members shall each be from specific areas/organisations as follows:

- (i) Eight of which shall be persons resident or working in the following major centres of population: Annan, Gretna, Langholm, Lockerbie, Lochmaben and Moffat and two of which shall be from any of the electoral ward areas of Beattock, Milk, Kirtle and Buccleuch.
- (ii) Two who shall be members of Dumfries and Galloway Council.
- (iii) There shall be no more than seven and not less than four nominated by the aforementioned ten who shall be members of the Trust

Of the directors named in the form 10 delivered to the Registrar of Companies on incorporation of the company, the following directors shall be deemed to have been appointed from the following areas/organisations:

NAME	AREA/ORGANISATION
John Robert Birkett	Annan
Phyllis Kershaw	Gretna
James Leslie Dunion	Langholm
Hugh Andrew Templeton-Young	Lockerbie
Margaret Broadfoot McRae	Lochmaben
<i>No nomination received</i>	<i>Moffat</i>
James Ernest Turpie	Kirtle
Dr Roy Allan Palmer	Milk
Thomas George Alexander Russell	Dumfries & Galloway Council
Ronald Edwin Ogilvie	Dumfries & Galloway Council

Nominations for Directorship from the existing Board from the Trust are as follows:

Mrs Chris Hastings
Dr Adam Lapka
Mr David Wilson

- (b) When any person is appointed to the office of Director pursuant to the provisions of paragraph (a) above, it shall be noted in the register of Directors which area/organisation he is from or if there was no nomination in respect of an area/organisation shall state also that area/organisation which the person appointed is actually from. A Directors term of office will be for 4 years.
- (c) When any person who was appointed pursuant to the provisions of paragraph (a) above ceases to be a Director, the members shall be notified of the vacancy and any member may nominate someone to succeed the Director. If at the expiry of two months from such notification no person from the same area/organisation has been nominated as a successor, nominations shall be sought from other areas/organisations. In the event of there being more than one nomination, a vote by members will take place.

- (d) Any member of the company may by notice in writing signed by them or on their behalf by someone duly authorised nominate any person to office of director in accordance with the provisions of paragraphs (a) to (c) above. Such a nomination will require a seconder. Any such notice shall state the area/organisation which the nominee is from.
- (e) The Secretary shall state the area/organisation which the nominee is from. The secretary shall circulate to all members of the Company at least six days before the general meetings the names of the candidates already nominated for the vacancies on the Board.
- (f) In addition to the above, directors may also resolve from time to time by simple majority to co-opt such other persons to be directors upon a resolution passed by simple majority standing the fact that this increases the number of directors over 17.

POWERS OF DIRECTORS

- 34 Subject to the provisions of the Act, the Memorandum and the 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 the Memorandum or Articles and no such direction 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. The powers given by the regulation shall not be limited by any special power given to the Directors by the articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 35. The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

- 36. The Directors also may delegate any of their powers to any committee consisting of two or more Directors. They may also delegate to the Chairman and Vice-Chairman or any Director holding any other executive office or employee or member such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceeding of Directors so far as they are capable of applying.

BORROWING POWERS

37. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

38. The business of the Company shall be managed by the Directors, although they will interface with Dumfries and Galloway Council in a committee forum as a condition of the substantial financial grant aid that will be provided by the said Council. However, notwithstanding the Directors of the Company may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
39. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
40. The Directors shall instruct the secretary to cause minutes to be made:
- (a) of all appointments of officers made by the Directors;
 - (b) of all resignations of Directors
 - (c) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (d) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors;
41. The Directors of the Company will ensure that the employees of the Company through relevant line management will have full line management responsibility for the day to day running of the Company. The management of the business of the Company will be through the accepted Management Plan. Performance in relation to the Management Plan will be presented to the directors on such basis as required. The management has the flexibility to manage within the framework of the plan. Any major deviation must be ratified by the full board of Directors. The foregoing in no way releases the Directors from their Fiduciary duties in terms of these Articles of Association nor will the statutory responsibility of Directorship in any way transfer to the employees of the Company.

Each Director will give due cognisance the code of conduct issued upon acceptance of position.

Each member of staff will follow the code of conduct issued upon acceptance of position.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

42. The office of a Director shall be vacated if:
- (a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is convicted of a serious criminal offence whether the same be related to the affairs of the Company or not;
 - (d) he is, or may be, suffering from mental disorder and either;
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (iii) he is unable to perform his duties by reason of serious illness or accidents.
 - (e) he resigns his office by notice to the Company; or
 - (f) he has on more than two consecutive meetings been absent without permission of the Directors, or good reason, from meetings of Directors held during that period and the Directors resolve that his office be vacated.
 - (g) if a member is of the opinion that it is not in the interest of the Company that any Director shall continue to be a Director, the Directors shall convene an extraordinary general meeting of the Company and such Director may by special resolution be removed from the directorship after being given an opportunity to be heard.

DIRECTORS' EXPENSES

43. A Director may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors of general meetings, or separate meetings of the

holders of debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

- 44 Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of Managing Director or to any other executive office under the Company and may enter into an agreement or arrangement with any Director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
- 45 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - (d) providing these interests and decisions related thereto are minuted.
46. For the purposes of Article 47:
- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DIRECTORS' GRATUITIES AND PENSIONS

47. The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependant on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase of any such benefit.

PROCEEDINGS OF DIRECTORS

48. Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. 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.
49. The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be a third. A person who holds office only as an alternate Director shall, if his appointer is not present, be counted in the quorum.
50. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
51. The Directors may appoint one of their numbers to be the Chairman of the Board of Directors and may also appoint a Vice Chairman and may at any time remove either from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be Chairman of the meeting in the absence of the Vice Chairman otherwise the Vice Chairman will preside.
52. All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were 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.

53. 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 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 and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointee and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

54. Save as otherwise provided by the Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interest of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs.

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of the money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries.
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security.
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any debentures of the Company or any of its subsidiaries, or by virtue of his being or intending to become a participant in the underwriting or sub-underwriting of an offer of any such debentures by the company or any of its subsidiaries for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

55. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

56. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.
57. Where proposals are under consideration concerning the appointment of two or more Directors to office or employment with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
58. If a question arises at a meeting of Directors or 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 chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

SECRETARY

59. Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

THE SEAL

60. The seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

ACCOUNTS

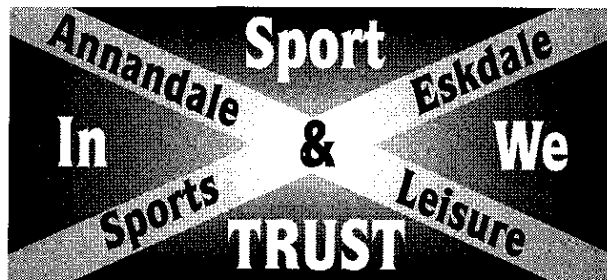
61. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Directors or by ordinary resolution of the Company.
62. True accounts shall be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Company; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Directors for the time being, such accounts shall be open to the inspection of the members. Once at least in every year the accounts of the Company shall be examined and correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

NOTICES

63. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.
64. The Company may give notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his registered address or by leaving it at that address. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
65. A member present, either in person or by proxy, 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.
66. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

INDEMNITY

67. Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.



Minute of the **EXTRAORDINARY GENERAL MEETING** of ANNANDALE & ESKDALE SPORTS & LEISURE TRUST held in the NEWINGTON SPORTS CENTRE, SHAWHILL ROAD, ANNAN ON WEDNESDAY 11TH JULY 2001 AT 7.15PM

PRESENT

Ernie Turpie, Chairman
Rita McCrae, Vice Chairman
Chris Hastings, Director
Denis Male, Director
Lavinia Vaughan, Director
Phyllis Kershaw, Director

IN ATTENDANCE

Alan Barlow, Trust Manager
Desmond Park, Co. Secretary
Tom Riddet, Accountant
Sandra Proudfoot, Senior Development Officer
Calum Graham, Development Officer
Amanda Hutchison, Admin. Manager
Andrew Kidd, Supervisor, Newington Centre
Jay Smith, Consultant, Cumbernauld College
Mark Shanks, Consultant, Cumbernauld Collge
John Peel, Annan Bowling Club
John Moore, Annan Bowling Club
Eddie Duff, Gretna Tennis Club
Simon Wood, Langholm Old Bowling Club
Councillor Sean Marshall
Howard McCall, Chair, Easttriggs/Dornock Playingfield

The Chairman welcomed everyone to the meeting and handed the meeting over to Desmond Park, Company Secretary.

Resolution One - for the amendment of Article 11 of the constitution to be amended to one fifth of the persons - **this was agreed.**

Resolution Two - for the amendment of Article 33(b) to be amended from re-election every 2 years to every 4 years and the reference to a Directors term of office lasting for four years to be deleted - **this was agreed.**

The meeting was then handed back to the Chairman to open the Board Meeting.



Annandale & Eskdale
Leisure Trust

**MINUTE OF THE ANNUAL GENERAL MEETING OF ANNANDALE & ESKDALE
SPORTS & LEISURE TRUST HELD IN THE CRESSFIELD COUNTRY HOUSE HOTEL,
ECCLEFECHAN ON TUESDAY 7th DECEMBER 2004 at 7.00PM**

PRESENT

Ernie Turpie, Chairman
Rita McCrae, Vice-Chair
John Birkett, Director
John Moore, Director
Dr Roy Palmer, Director
John Peel, Director
Lindsay Tosh, Director
Councillor Ian Lindsay, Director
Councillor Lavinia Vaughan, Director

IN ATTENDANCE

Alan Barlow, Managing Director
Des Park, Company Secretary
Tom Riddet, Accountant
Sandra Proudfoot, Development Manager
Calum Graham, Sports Development Officer
Jaime Thorburn, Marketing Manager
Angela Duff, Administrative Assistant

Also in attendance were individual and Club members.

APOLOGIES

Apologies for absence were intimated from Andrew Blake, Director, Phyllis Kershaw, Director, South of Scotland Squash Rackets Club, Lochmaben Tennis Club, Lochmaben Primary School and Annandale & Eskdale Riding for the Disabled.

AMENDMENTS TO MEMORANDUM AND ARTICLES

There were submitted and approved amendments to the Trust's Memorandum and Articles which incorporated amendments approved at previous AGM's and also several minor typographical and grammatical changes.

REPORTS & ACCOUNTS 2004 (previously circulated) - to receive the Chairman's, Managing Directors, Co. Secretary's and Auditor's reports and accounts for the year ended 31st March 2004.

DECISION:

The reports were approved and Alan Barlow the Managing Director gave a verbal report outlining the achievements of the Trust.

The Annual Accounts were received and approved.

Dr Roy Palmer entered the meeting.

TO RECEIVE NOMINATIONS FOR TRUSTEES AND DIRECTORS

No nominations were received. Mr Park then went on to explain the procedure for the nomination of a Trustee/Director.

Councillor Lavinia Vaughan entered the meeting

TO APPROVE THE APPOINTMENT OF ARMSTRONG WATSON AS AUDITORS

Appointment of Armstrong Watson as Auditors was approved.

The meeting was followed by a question and answer session.

There then followed a presentation by Sandra Proudfoot, Development Manager and Calum Graham, Sports Development Officer.

Meeting ended at 8.25pm