

~~BURNES~~

**Certified a true copy**  
Glasgow 1 Feb 2012

*Bill Aher*  
for and on behalf of Burness LLP

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE  
CAPITAL

ARTICLES of ASSOCIATION

of

CALLANDER YOUTH PROJECT TRUST

(adopted by special resolution passed on 4 October 2010)

*Christine McKay*  
.....  
Company Secretary

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY GUARANTEE**  
**ARTICLES OF ASSOCIATION**  
**of**  
**CALLANDER YOUTH PROJECT TRUST**

<b>CONTENTS</b>		
<b>GENERAL</b>	Constitution of the company, defined terms, objects, powers, restriction on use of company's assets, liability of members, general structure	articles 1 - 13
<b>MEMBERS</b>	Membership, qualification for membership, application for membership, subscription, register of members, withdrawal from membership, expulsion	articles 14 - 28
<b>GENERAL MEETINGS (meetings of members)</b>	General, notice, procedure, votes of members, special resolutions and ordinary resolutions, written resolutions	articles 29 - 60
<b>DIRECTORS</b>	Categories, number, eligibility, election, retiral, re-election of directors, disqualification and removal of directors, register of directors, office bearers, director's interests, conduct, remuneration and expenses, powers	articles 61-96
<b>DIRECTORS' MEETINGS</b>	Procedure	articles 97-115
<b>ADMINISTRATION</b>	Youth Forum, delegation to committees of directors and holders of offices, operation of bank accounts, secretary, minutes, accounts, notices	articles 116 - 133
<b>MISCELLANEOUS</b>	Winding-up, indemnity	articles 134 - 138

**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 and interpretation**

- 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 the Taxes Acts;
  - 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 objects of the company are:-
- 4.1 To advance education, particularly among young people aged between 11 and 25 years and living within the catchment area of McLaren High School, Callander (“the Operating Area”);
  - 4.2 To advance citizenship and community development within the Operating Area;
  - 4.3 To advance health, and in particular the health of young people (as defined above) resident within the Operating Area;
  - 4.4 To relieve unemployment (particularly among young people (as defined above) resident within the Operating Area) for the public benefit in such ways as may be thought fit, including assistance to find employment;
  - 4.5 To provide recreational facilities, and organise recreational activities primarily within the Operating Area, where such facilities/activities are available to the public at large with the object of improving their conditions of life;
  - 4.6 To advance the arts, heritage and/or culture primarily within the Operating Area;

- 4.7 To advance public participation in sport among young people (as defined above) resident within the Operating Area;
- 4.8 To relieve those young people (as defined above) who are in need by reason of ill health or disability and who are resident within the Operating Area;
- 4.9 To preserve, restore and improve the environment particularly within the Operating Area through the provision, maintenance or improvement of public parks, public open space and other public amenities and other environmental and townscape projects, and in doing so, to 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;
- 4.10 To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes,

and to do so in a manner which respects the principles of equality of opportunity and avoids any form of discrimination whether on the grounds of sex, marital status, race, ethnic origin, gender, sexual preference, age, disability, religion or otherwise and following principles of sustainable development.

- 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 first 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 that notice is registered on the register of companies.

#### **Powers**

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-
  - 7.1 To promote, establish, operate and/or manage a youth café/information centre providing facilities for recreation and other leisure time activity and incorporating accommodation for community, educational, cultural, and/or recreational events and activities;
  - 7.2 To initiate, promote, conduct, participate in, co-ordinate, monitor and/or assist (whether financially or otherwise), operations, projects,

- initiatives and events of all kinds which further any of the objects of the company;
- 7.3 To provide information, advisory, support, consultancy and/or other services which further any of the objects of the company;
  - 7.4 To commission and/or conduct research, and to publish and promote the results of such research;
  - 7.5 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;
  - 7.6 To liaise with European, UK, Scottish and local government authorities and agencies, 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, or as ancillary to, 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 promoting the company's 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, whether 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 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 the company, to be applied towards:-
- 12.1 payment of the company's debts and liabilities contracted before he/she 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.

### **General structure**

- 13 The structure of the company consists of:-

- 13.1 the MEMBERS - who have the right to attend general meetings and have important powers under the articles of association and the Act; in particular, the members appoint people to serve as directors and take decisions in relation to changes to the articles themselves;
- 13.2 the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

### **Membership**

- 14 The membership of the company shall consist of such individuals as are admitted to membership under the articles of association of the company in force from time to time.
- 15 Membership shall cease on death.
- 16 A member may not transfer his/her membership to any other individual or body.

### **Qualifications for membership**

- 17 Subject to articles 14 and 18, membership shall be open to any individual, aged 16 or over, who has a personal or professional connection with the Operating Area (as defined in article 4), and who wishes to support the aims and activities of the company.
- 18 No employee of the company may become a member; a person admitted to membership shall automatically cease to be a member if he/she becomes an employee of the company.

### **Application for membership**

- 19 Any individual eligible for membership under article 17 who wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require) signed by him/her; each application shall be accompanied by such information and evidence in support of the application as the directors require.
- 20 The directors may, at their discretion, refuse to admit any person to membership where they have reasonable grounds to believe that he/she might, if admitted to membership, act in a manner which would damage the reputation of the company, undermine the efficiency of its operations and/or disrupt the proper conduct of its meetings.
- 21 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application (and, if required by the directors, supporting information and evidence required under article 19); the directors shall,

within a reasonable time after the meeting, notify the applicant of their decision on the application.

### **Membership subscription**

- 22 Members shall require to pay an annual membership subscription; unless and until otherwise determined by ordinary resolution, the amount of the annual membership subscription shall be £1.
- 23 The annual membership subscriptions shall be payable on or before 1 April in each year.
- 24 The members may vary the amount of the annual membership subscription and/or the date on which it falls due in each year, by way of an ordinary resolution to that effect passed at an annual general meeting.
- 25 If the membership subscription payable by any member remains outstanding more than four weeks after the date on which it fell due (and providing he/she has been given at least one written reminder) the directors may, by resolution to that effect, expel him/her from membership.
- 26 A person who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

### **Withdrawal from membership**

- 27 Any individual or body who wishes to withdraw from membership shall sign and lodge with the company a written notice of retiral (in such form as the directors require); on receipt of the notice by the company he/she shall cease to be a member.

### **Expulsion from membership**

- 28 Any individual may be expelled from membership by special resolution (see article 54), providing the following procedures have been observed:-
- 28.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion; and
- 28.2 the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

### **Register of members**

- 29 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.

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

- 30 The directors shall convene an annual general meeting in each year.

- 31 Not more than 15 months shall elapse between one annual general meeting and the next.
- 32 The directors must convene a general meeting if there is a valid requisition by the members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).
- 33 Subject to the provisions of articles 30, 31 and 32, the directors may convene general meetings whenever they think fit.

### **Notice of general meetings**

- 34 At least 14 clear days' notice of each general meeting must be given to all the members and directors, and (if auditors are in office at the time) to the auditors.
- 35 The reference to "clear days" in article 34 shall be taken to mean that, in calculating the period of notice, the day on which the notice is given and also the day of the meeting, should be excluded.
- 36 A notice calling a meeting shall specify the time, date 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 54) (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.
- 37 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 38 Notice of every general meeting shall be given:-
- 38.1 in hard copy form;
- 38.2 (where the individual or 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
- 38.3 (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.

### **Proceedings at general meetings**

- 39 No business shall be transacted at any general meeting unless a quorum is present; 6 members present in person or represented by proxy, shall be a quorum.

- 40 If the quorum required under article 39 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.
- 41 The Chair of the company shall (if present and willing to act) preside as chairperson of the meeting; if the Chair of the company is not present and willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the 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.
- 42 A director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting.
- 43 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 30 days; no notice need be given of an adjourned meeting.
- 44 A resolution put to the vote of a meeting shall be decided on a show of hands unless before the show of hands, or immediately after the result of the show of hands is declared, a secret ballot is demanded by the chairperson of the meeting or by any person present at the meeting and entitled to vote (whether as a member or as the proxy for a member).
- 45 If a secret ballot is demanded in accordance with the preceding article, it shall be taken at once and shall be conducted in such manner as the chairperson of the meeting may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

### **Votes of members**

- 46 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 47 A member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):-
- 47.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or
- 47.2 shall send by electronic means to the company at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

providing (in either case) the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting); for the avoidance of

doubt, in calculating the 48-hour period referred to in the preceding provisions of this article 47, no account shall be taken of any part of a day that is not a working day.

- 48 An instrument of proxy which does not conform with the provisions of article 47, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 49 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 50 A proxy shall not be entitled to cast more than one vote in his/her capacity as a proxy (in addition to his/her own vote, if he/she is a member of the company), notwithstanding that he/she may have been appointed as proxy by more than one member.
- 51 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and need not be a member of the company.
- 52 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot unless notice of such termination was received by the company at the company's registered office (or, where contained in an electronic communication, was received by the company at the address notified by the company to the members for the purpose of electronic communication) before the commencement of the meeting at which the vote was given or the ballot demanded.
- 53 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.

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

- 54 For the purposes of these articles, a "special resolution" means (but subject to articles 57 to 60) a resolution 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 34 to 38; 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.
- 55 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution:-
- 55.1 to alter its name;
- 55.2 to alter any provision of these articles or adopt new articles of association.

56 For the purposes of these articles, an “ordinary resolution” means (but subject to articles 57 to 60) a resolution 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 34 to 38.

### **Written resolutions**

57 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 (agreement to which cannot thereafter be revoked).

58 For the purposes of the preceding article:-

58.1 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);

58.2 the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the Act, as follows:-

58.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 57) by members representing a simple majority of the total voting rights of eligible members;

58.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 57) 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.

59 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 57.

60 For the purposes of article 57, 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 58), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

## Categories of director

61 For the purposes of these articles:-

“**Elected Director**” means a director appointed or re-appointed under articles 66 to 70;

“**Co-opted Director**” means a director appointed or re-appointed under articles 71 and 73.

## Number of directors

62 The maximum number of directors shall be 9, of whom a maximum of 6 directors shall be Elected Directors and a maximum of 3 directors shall be Co-opted Directors.

63 In exercising their powers in relation to election/appointment of Elected Directors, the members and the directors shall seek to ensure that at any time (insofar as is practicable), at least one of the Elected Directors is an individual who is aged between 16 and 25 inclusive and who makes use of the services of the company.

## Eligibility

64 A person shall not be eligible for election/appointment as an Elected Director unless he/she is a member of the company; a person appointed as a Co-opted Director under articles 71 and 73 need not, however, be a member of the company.

65 A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.

## Election, retiral, re-election: Elected Directors

66 At each annual general meeting, the members may (subject to articles 64 to 65) elect any member as a director (“**an Elected Director**”), providing he/she is willing so to act.

67 The directors may, at any time, appoint any member (providing he/she is willing to act, and subject to articles 64 to 65) to be a director (“**an Elected Director**”), either to fill a vacancy or as an additional director.

68 At each annual general meeting:-

68.1 any director appointed under article 67 during the period since the last annual general meeting shall retire from office;

68.2 out of the remaining Elected Directors, two shall retire from office.

69 The directors to retire under article 68 shall be those who have been longest in office since they were last appointed or reappointed; as between directors

who were last appointed or reappointed on the same date, the question of which of them is to retire shall be determined by some random method.

- 70 An Elected Director who retires from office under article 68 shall be eligible for re-election.

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

- 71 In addition to their powers under article 67, the directors may (subject to article 65) at any time appoint any non-member of the company to be a director (providing he/she is willing to act), either on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors or on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities.
- 72 The directors shall exercise their powers under article 71 in such a way as to ensure, so far as reasonably practicable, that at any given time one of the Co-opted Directors is an individual nominated by Stirling Council.
- 73 At each annual general meeting, each of the Co-opted Directors shall retire from office - but shall then be eligible for re-appointment under article 71.

#### **Disqualification and removal of directors**

- 74 A director shall automatically vacate office if:-
- 74.1 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);
  - 74.2 he/she is sequestrated;
  - 74.3 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;
  - 74.4 he/she becomes an employee of the company;
  - 74.5 (in the case of an Elected Director), he/she ceases to be a member of the company;
  - 74.6 he/she resigns office by notice to the company;
  - 74.7 he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office;
  - 74.8 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 code of conduct for directors in force from time to time (as referred to in article 89);

74.9 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under Section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or

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

75 A resolution under article paragraph 74.8 or 74.9 of article 74 shall be valid only if:-

75.1 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;

75.2 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; and

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

### **Register of directors**

76 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.

### **Appointments to offices**

77 The directors shall elect from among themselves a Chair, a Treasurer and such other office bearers (if any) as they consider appropriate.

78 The appointments under article 77 shall be made at meetings of directors.

79 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.

80 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.

### **Directors' interests**

81 Subject to the provisions of the Act and of 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 code of conduct (as referred to article 89), a director (notwithstanding his/her office):-

- 81.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;
- 81.2 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;
- 81.3 may be a director or secretary of, or employed by, or have some other personal interest in, any associated company; and
- 81.4 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.

- 82 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.
- 83 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.
- 84 For the purposes of article 83, 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:-
  - 84.1 the situations and matters which fall within this definition may include (without limitation) (a) 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) and (b) 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);

84.2 “conflict of interest” for this purpose includes a conflict of interest and duty, and a conflict of duties.

85 For the avoidance of doubt, article 83 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 0 and 82 and articles 110 to 115 and the code of conduct referred to in article 89.

86 The directors shall procure that a register of directors’ interests is maintained in accordance with the provisions in this regard contained in the code of conduct for directors referred to in article 89.

### **Conduct of directors**

87 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 set out 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.

88 Without prejudice to the principle set out in article 87, 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:-

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

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

88.3 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, put the interests of the company before that of the other party;

88.4 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;

88.5 ensure that the company complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.

89 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct 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 in force from time to time.

### **Directors' remuneration and expenses**

- 90 No director shall be entitled to any remuneration, whether in respect of his/her office as director or as holder of any office under article 77.
- 91 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**

- 92 Subject to these articles, the directors are responsible for the management of the company's operations; the directors may exercise all the powers of the company in managing the company's operations.
- 93 The members of the company may, by special resolution, direct the directors to take, or refrain from taking any action specified by the members.
- 94 No special resolution of the company will invalidate anything which the directors have done before the passing of the resolution.
- 95 The powers conferred by article 92 shall not be limited by any special power conferred on the directors by these articles.
- 96 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Proceedings of directors**

- 97 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 98 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 99 Questions arising at a meeting of directors shall be decided by a majority of votes; in the case of an equality of votes, the chairperson of a meeting of directors shall have a second or casting vote.
- 100 The quorum for the transaction of the business of the directors shall (subject to article 101) be four.
- 101 A quorum shall not be deemed to be constituted at any meeting of the directors unless the number of Elected Directors attending the meeting exceeds the number of Co-opted Directors in attendance.

