

THE COMPANIES ACTS 1985 to 2006
COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL
MEMORANDUM and ARTICLES
Of ASSOCIATION

of

ULLAPOOL COMMUNITY TRUST LIMITED

Based on the model prepared by Burness LLP. Solicitors for the
Development Trusts Association Scotland

THE COMPANIES ACTS 1985 to 2006
COMPANY LIMITED BY GUARANTEE AND
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MEMORANDUM of ASSOCIATION

of

ULLAPOOL COMMUNITY TRUST LIMITED

1. The company's name is "ULLAPOOL COMMUNITY TRUST LIMITED"
2. The company's registered office is to be situated in Scotland.
3. The company has been formed to benefit the Community which comprises the postcode units as defined in Appendix 1, ("the Community") with the following objects:
 - (1) To provide within the Community recreational facilities, or organise recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended;
 - (2) To advance the arts and/or culture;
 - (3) To advance environmental protection and improvement in the Community through the provision, maintenance and/or improvement of public open spaces and other public amenities and other environmental and regeneration projects (but subject to appropriate safeguards to ensure that the public benefits so arising clearly outweigh any private benefit thereby conferred on private landowners);

- (4) To provide or assist in the provision of housing for people in necessitous circumstances within the Community;
- (5) To help young people, particularly those resident in the Community, to develop their physical, mental and spiritual capacities, such that they may grow to full maturity as individuals and as members of society;
- (6) To advance heritage and/or preserve, for the benefit of the general public, the historical, architectural and constructional heritage that may exist in and around the Community in buildings (including any structure or erection, and any part of a building as so defined) of particular beauty or historical, architectural or constructional interest;
- (7) To encourage, stimulate and support volunteering principally in the Community;
- (8) To advance citizenship and/or community development (including the promotion of civic responsibility and the promotion of the voluntary sector and/or the effectiveness or efficiency of charities and promotion of trade and industry);
- (9) To promote, establish, operate and/or support other similar schemes and projects of a charitable nature for the benefit of the community within the Community;

But such that the company shall do so following principles of sustainable development.

In pursuance of those objects (but not otherwise), the company shall have the following powers:-

- (a) To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment.
- (b) To establish, maintain, develop and/or operate a centre or centres providing facilities for childcare, community learning, healthy living initiatives, educational and cultural activities, training activities, leisure pursuits and accommodation for community groups, and for public sector agencies which provide services of benefit to the community, and which may include refreshment facilities.
- (c) To advise in relation to, prepare, organise, conduct and/or support training courses, educational and training events and activities of all kinds.
- (d) To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multimedia products and display materials, and to create and maintain a website or websites.
- (e) To promote, operate, co-ordinate, monitor, and/or support other projects and programmes (which may include workspace projects) which further the objects of the company.
- (f) To provide information, advisory, support and/or consultancy services which further the objects of the company.
- (g) To liaise with local authorities, central government authorities and agencies, charities/community benefit bodies and others, all with a view to furthering the objects of the company.
- (h) To register any interest in land and to exercise the right to buy under the provisions of Part 2 of the Land Reform (Scotland) Act 2003.

- (i) To carry on any further activities which further any of the above objects.
- (j) To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company.
- (k) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities.
- (l) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- (m) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- (n) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- (o) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (p) To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.
- (q) To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- (r) To engage such consultants and advisers as are considered appropriate from time to time.

- (s) To effect insurance of all kinds (which may include officers' liability insurance).
- (t) To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- (u) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- (v) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (w) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (x) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (y) 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 enter into any arrangement for co-operation or mutual assistance with any charity.
- (z) To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

And it is declared that:

- (i.) in this clause, and throughout this memorandum of association,

“property” means any property, heritable or moveable, wherever situated

“sustainable development” means development which meets the needs of the present without compromising the ability of future generations to meet their own needs

the expression “charity” shall mean 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

the expression “charitable purpose” shall mean a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of sections 505 and 506 of the Income and Corporation Taxes Act 1988

the expression “community body” shall mean a community body within the meaning of section 34 of the Land Reform (Scotland) Act 2003

the expression “crofting community body” shall mean a crofting community body within the meaning of section 71 of the Land Reform (Scotland) Act 2003;

- (ii.) any reference in this memorandum of association to a provision of any legislation shall include any statutory modification or re-enactment of that provision in force from time to time.

4.

- (a) The income and property of the company shall be applied solely towards promoting the company’s objects (as set out in clause 3) [and in particular (but without limiting the generality of that provision) any surplus funds or assets of the company must be applied for the benefit of the Community].
- (b) 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.
- (c) 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.
- (d) No benefit (whether in money or kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

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 £1) to the company's assets if it should be wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
7.
 - 7.1 The winding-up of the Company may take place only on the decision of not less than 75% of its Ordinary Members who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose.
 - 7.2 If, on the winding-up of the Company, any property remains, after satisfaction of all its debts and liabilities, such property (including any land acquired by it in terms of the Land Reform Act) shall be given or transferred to such other community body or bodies or crofting community body or bodies as may be:
 - (a) determined by not less than 75% of the Ordinary Members of the Company who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose;
 - and
 - (b) approved thereafter by the Scottish Ministers;under declaration that, if the Company is a charity at or before the time of its winding up, then the community body or bodies or crofting community body or bodies referred to above must also be a charity or charities.
 - 7.3 If no such community body or crofting community body is determined by the Ordinary Members and approved by the Scottish Ministers in terms of Article 75.2, such property referred to in Article 75.2 shall, if not charitable, be transferred to the Scottish Ministers or, if charitable, to such charity or charities as the Scottish Ministers may direct.
 - 7.4 In Article 75, "community body" and "crofting community body" have the meanings ascribed to them respectively in Sections 34

and 71 of the Land Reform Act and "charity" has the meaning ascribed to it in Section 34(8) of the Land Reform Act.

8. Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.

We, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum.

THE COMPANIES ACTS 1985 to 2006

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

ARTICLES of ASSOCIATION

of

ULLAPOOL COMMUNITY TRUST LIMITED

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General structure

1. The structure of the company consists of:-
 - (a) the MEMBERS - who have the right to attend the annual general meeting (and any general meeting) and have important powers under the articles of association and the Companies Acts; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves
 - (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company

Qualifications for membership

2. The members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 3 to 8.
- 3 Membership shall (subject to articles 4 and 6) be open to any person aged 18 years or over whom:
 - (a) is ordinarily resident in the Community (as defined in the memorandum of association of the company);
 - (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
 - (c) supports the objects and activities of the company;

an individual, once admitted to membership, shall cease to be a member if he/she ceases to be eligible for membership in terms of this article 3.

- 3.1 Associate Membership shall (subject to articles 4 and 6) be open to any person aged 18 years or over whom:

- (a) is ordinarily resident anywhere out-with the Community (as defined in the memorandum of association of the company) and,
- (b) supports the objects and activities of the company;

an individual, once admitted to membership, shall cease to be a member, if he/she ceases to be eligible for associate membership in terms of this article 3.1.

Reference to membership in articles 4 to 8 and 11 to 20 inclusive, shall be meant to include associate membership.

- 3.2 Junior Membership shall be open to any person aged 12 to 17 years and who supports the objects and activities of the company.
- 3.3 Associate and Junior Members shall not have voting rights and cannot stand on the Board of Trustees.
- 4. Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

Application for membership

- 5. Any person who wishes to become a member must sign, and lodge with the company, a written application for membership; the application must be accompanied by a remittance to meet the annual membership subscription.
- 6. The directors may, at their discretion, refuse to admit any person to membership.
- 7. The directors shall consider each application for membership at the first directors' meeting which is held after receipt of the application.
- 8. The directors shall, within a reasonable time after a meeting of the directors at which an application for membership is considered, notify the applicant of their decision on the application; if the decision was to refuse admission, the directors shall return to the applicant the remittance lodged by him/her under article 5.

Minimum number of members

- 9 The minimum number of members is 20; in the event that the number of members falls below 20, the directors may not conduct any business other than to ensure the admission of sufficient members to achieve the minimum number.
- 10 For the avoidance of doubt, the majority of the members of the company shall be individuals eligible under article 3 (individuals ordinarily resident in the Community).

Membership subscription

11. 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 £ 3.
12. The annual membership subscriptions shall be payable on or before 1st June in each year.
13. 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.
14. 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.
15. A person who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

Register of members

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

Withdrawal from membership

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

Expulsion from membership

18. Any person may be expelled from membership by special resolution (see article 31), providing the following procedures have been observed:-
 - (a) at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion
 - (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

19. Membership shall cease on death.
20. A member may not transfer his/her membership to any other person.

General meetings (meetings of members)

21. The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
22. Not more than 15 months shall elapse between one annual general meeting and the next.
23. The business of each annual general meeting shall include:-
 - (a) a report by the chair on the activities of the company
 - (b) consideration of the annual accounts of the company
 - (c) the election/re-election of directors, as referred to in articles 56 to 61.

24. Subject to articles 21, 22 and 25, the directors may convene a general meeting at any time.
25. The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the 2006 Act) or a requisition by a resigning auditor (under section 518 of the 2006 Act)

Notice of general meetings

26. At least 14 clear days' notice of an annual general meeting must be given to all the members and directors.
27. The reference to "clear days" in article 26 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, and also the day of the meeting, should be excluded.
28. A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting (b) if a special resolution (see article 31) (or a resolution requiring special notice under the Companies Acts) is to be proposed, shall 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.
29. A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
30. Notice of every general meeting shall be given
 - (a) in hard copy form; or
 - (b) (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
 - (c) (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the 2006 Act) by means of a website.

Special resolutions and ordinary resolutions

31. For the purposes of these articles, a "special resolution" means (subject to articles 46 to 50) 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 26 to 30; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
32. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Companies Acts allow the company, by special resolution,
 - (a) to alter its name
 - (b) to alter its memorandum of association with respect to the company's objects
 - (c) to alter any provision of these articles or adopt new articles.
33. For the purposes of these articles, an "ordinary resolution" means (subject to articles 46 to 50) a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against)), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 26 to 30.

Procedure at general meetings

34. The quorum for a General Meeting shall be the greater of a) 10 Ordinary Members or b) 10% of Ordinary Members, in either event being present in person or by proxy. No business shall be dealt with at a General Meeting unless a quorum is present.
- 34.1 Associate and Junior Members are not entitled to a vote but may attend general and special meetings.

35. If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
36. The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
37. The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
38. Every 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.
39. A member who wishes to appoint a proxy to vote on his/her behalf at any meeting
 - (a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or
 - (b) shall send by electronic means to the company at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);providing (in either case) the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).
40. A member shall not be entitled to appoint more than one proxy to attend the same meeting.
41. A proxy need not be a member of the company.

42. 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.
43. If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.
44. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson and at least one third of the persons present at the meeting and entitled to vote, whether as members or as proxies for members); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
45. If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

Written resolutions

46. A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the 2006 Act) and will have effect as if passed by the members of the company in general meeting.
47. 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; the agreement of a member to a written resolution cannot be revoked.
48. For the purposes of the preceding article: -
 - (a) the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (i) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the 2006

Act; or (ii) if copies are sent or submitted to members on different days, the first of those dates);

- (b) the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Companies Acts, as follows: -
 - (i) in order to pass an ordinary resolution by way of written resolution, it must be passed by members representing a simple majority of the total voting rights of eligible members;
 - (ii) in order to pass a special resolution by way of written resolution, it must be passed 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.
49. A resolution to remove a director (under section 168 of the 2006 Act) or a resolution to remove an auditor section 510 of the 2006 Act) cannot be proposed as a written resolution.
50. A proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in paragraph (a) of article 48) and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Categories of director

51. For the purposes of these articles

"Member Director" means a director (drawn from the membership of the company) appointed under articles 56 to 61

"Co-opted Director" means a (non-member) director appointed or re-appointed by the directors under articles 62 and 63.

Maximum/minimum number of directors

52. The maximum number of directors shall be twelve (12); out of that number, no more than nine (9) shall be Member Directors and no more than three (3) shall be Co-opted Directors.

53. The minimum number of directors shall be five (5) of whom a majority must be Member Directors.

Eligibility

54. A person shall not be eligible for election/appointment as a Member Director unless he/she is a member of the company; a person appointed as a Co-opted Director need not, however, be a member of the company.
55. A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.

Election, retiral, re-election: Member Directors

56. At each annual general meeting, the members may (subject to article 51) elect any member (providing he/she is willing to act) to be a director (a "Member Director")
57. The directors may (subject to article 51) at any time appoint any member (providing he/she is willing to act) to be a director (a "Member Director").
58. At the first annual general meeting, one third (to the nearest round number) of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by some random method.
59. At each annual general meeting (other than the first)
- (a) any Member Director appointed under article 57 during the period since the preceding annual general meeting shall retire from office
 - (b) out of the remaining Member Directors, one third (to the nearest round number) shall retire from office.
60. The directors to retire under paragraph (b) of article 59 shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.

61. A director who retires from office under article 58 or 59 shall be eligible for re-election.

Appointment/re-appointment: Co-opted Directors

62. In addition to their powers under article 57, the directors may (subject to article 52) at any time appoint any non-member of the company (providing he/she is willing to act) to be a director (a "Co-opted Director") on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
63. At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then be eligible for re-appointment under article 62.

Termination of office

64. A director shall automatically vacate office if:-
- (a) he/she ceases to be a director through the operation of any provision of the Companies Acts or becomes prohibited by law from being a director
 - (b) he/she becomes debarred under any statutory provision from being a charity trustee
 - (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months
 - (d) (in the case of a Member Director) he/she ceases to be a member of the company
 - (e) he/she becomes an employee of the company
 - (f) he/she resigns office by notice to the company
 - (g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office; or

- (h) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the 2006 Act.

Register of directors

- 65. 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.

Office bearers

- 66. The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.
- 67. 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.
- 68. A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Powers of directors

- 69. Subject to the provisions of the Companies Acts, the memorandum of association and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.
- 70. A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests

- 71. A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 88) from voting on the question of whether or not the company should enter into that arrangement.
- 72. For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any

- partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her under section 252 of the 2006 Act), has a personal interest in that arrangement.
73. Provided he/she has declared his/her interest - and has not voted on the question of whether or not the company should enter into the relevant arrangement - a director will not be debarred (subject to articles 74 and 75) from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 72) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
74. No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
75. Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
 - (b) the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount);
 - (c) less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
76. The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.
77. The directors shall be entitled, for the purposes of section 175 of the 2006 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.
- 78 For the purposes of article 77, 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
- 78.1 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);
- 78.2 "conflict of interest" for this purpose includes a conflict of interest and duty, and a conflict of duties.
- 79 For the avoidance of doubt, article 77 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 71 to 76 and articles 88 to 91.

Procedure at directors' meetings

80. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
81. Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall (subject to article 82) have a casting vote.
82. The chairperson of the meeting shall not be entitled to have a casting vote if he/she is a Co-opted Director.

83. No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article [84]) be four (4).
84. A quorum shall not be deemed to be constituted at any meeting of directors unless the Member Directors form a majority of the total number of directors present at the meeting.
85. If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
86. Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
87. The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
88. A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
89. For the purposes of article 88, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.
90. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.

91. The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 88 to 90.

Conduct of directors

92. Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must
- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out in the memorandum of association)
 - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
 - (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party
 - (i) put the interests of the company before that of the other party, in taking decisions as a director
 - (ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question
 - (d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

Delegation to sub-committees

93. The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.
94. Any delegation of powers under article 93 may be made subject to such conditions as the directors may impose and may be revoked or altered.

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

Operation of bank accounts

96. The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.

Secretary

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

Minutes

98. The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

Accounting records and annual accounts

99. The Board shall cause accounting records to be kept in accordance with the requirements of the Act and other relevant regulations.
100. The accounting records shall be maintained by the Treasurer (if there is one) and overseen by the Principal Officer (if there is one), or otherwise by, or as determined by, the Board. Such records shall be kept at such place or places as the Board thinks fit and shall always be open to the inspection of the Directors.
101. The accounts of the Company shall be prepared in full compliance with the provisions contained in both the Act and the Land Reform Act. The Board shall ensure that an audit of the accounts is carried out by an auditor, an audit (within the meaning of the Act) shall not be required in a case where the

Company is exempt (under the Act) from the arrangement to have an audit, if and to the extent that proper arrangements for the auditing of the Company's accounts are made in a manner which satisfies the requirements of the Act and section 34(1)(f) of the Land Reform Act, by a company auditor (as defined by the Act). Any such auditor shall be appointed for this task by the Board on the direction of members in General Meeting.

102. At each AGM, the Board shall provide the members with a copy of the accounts for the period since the last preceding accounting reference date (or, in the case of the first account, since the incorporation of the Company). The accounts shall be accompanied by proper reports of the Board and the auditor. Copies of such accounts shall, not less than 21 clear days before the date of the General Meeting at which they fall to be approved, be delivered or sent to all members, Directors, the Company Secretary and the auditor, or otherwise be available for inspection on the website of the Company (with all members, Directors, the Company Secretary and the auditor being made aware that they are so available for inspection there).

Notices

103. Any notice to be given in pursuance of these articles shall be in writing; the company may give any such notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his/her registered address or by leaving it at that address; alternatively, in the case of a member who has notified the company of an electronic address to be used for this purpose, the company may give any notice to that member by electronic means.
104. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
105. Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence

referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

Winding-up

106. If the company is wound up, the liquidator shall give effect to the provisions of clause 7 of the memorandum of association.

Indemnity

107. Every director or other officer or auditor of the company shall be indemnified out of the assets of the company (to the extent permitted by sections 232, 234, 235, 532 and 533 of the 2006 Act) against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality (but only to the extent permitted by those sections of the 2006 Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted **or** any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.

108. For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the 2006 Act (negligence etc. of a director).

Interpretation

109. In these articles

“the 2006 Act” means the Companies Act 2006

“the Companies Acts” means the Companies Acts 1985 to 2006.

110. Any reference in these articles to a statutory provision shall be taken to include any statutory modification or re-enactment of that provision which is in force at the time.
111. Reference in these articles to the singular shall be deemed to include the plural.

Revision 2. 30th November 2010