SCVO Model Memorandum of Association

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM of ASSOCIATION of

Creetown Heritage Museum Trust Limited

SC151535

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THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM of ASSOCIATION

of

Creetown Heritage Museum Trust Limited

SC151535

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

Name of each subscriber	Signature of each subscriber
Mark Powell	

Dated

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Model Articles of Association

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION of

Creetown Heritage Museum Trust Limited

SC151535

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THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION

of

Creetown Heritage Museum Trust Limited

SC151535

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GENERAL

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; accordingly, the articles of association of the company consist of the provisions set out in these articles (as amended from time to time).

Objects

2 The company's objects are:

To advance and promote the education of the general public, and in particular, the inhabitants of Kirkmabreck Parish, without distinction of sex or of political, religious or other opinions, by associating voluntary organisations, local authorities and other bodies of whatever status together with the inhabitants in a common effort to establish a Museum to the called the Creetown Heritage Museum Trust Limited, which the Trust intends to achieve by means of:

(a) Bringing together, holding, adequately housing, conserving and documenting a Collection of specimens being of historical, artistic or scientific importance, and in respect of which there will be a strong presumption against the subsequent disposal of any item;
(b) Stimulating public interest in the Muesum as a focal point of education and of historic, artistic or scientific interest, thereby improving the facilities available for general public amenity and education;
(c) Displaying and publicising the Collection for the public benefit; permitting access to research workers and school children, always providing that the safety and security of the Collection are not thereby endangered; permitting with similar safeguards the loan of any Specimen for exhibition or research;
(d) Promoting and assisting in the collating and recording of historical, ethnological, archaeological, biological, geological or other related information appropriate to the purpose of the Museum as set out in Clause 2.

3 The company's objects are restricted to those set out in article 2 (but subject to article 4).

4 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 2;

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on any occasion when it does so, it must give notice to the registrar of companies (Companies House) and the amendment will not be effective until that notice is registered on the register of companies.

Powers

5 The company has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so.

Restrictions on use of the company's assets

6 No part of the income or property of the company may be paid or transferred (directly or indirectly; and whether by way of dividend or otherwise) to the members - either in the course of the company's existence or on winding-up - except where this is done in direct furtherance of the company's purposes.

7 Article 6 does not prevent the company making any payment which is permitted under articles 114 to 117 (remuneration and expenses).

Liability of members

8 Each member undertakes that if the company is wound up while they are a member (or within one year after they cease to be a member), they will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:

(a) payment of the company's debts and liabilities contracted before they cease to be a member;

(b) payment of the costs, charges and expenses of winding up; and

(c) adjustment of the rights of the contributories among themselves.

General structure

9 The structure of the company consists of:

(a) the MEMBERS - who have the right to participate in the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Companies Act; for example, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves;

(b) the BOARD - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; for example, the board are responsible for monitoring the financial position of the company.

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10 The people serving on the board are referred to in these articles of association as DIRECTORS.

MEMBERS

Qualifications for membership

11 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 14 to 16.

12 Membership is open to any individual over the age of 18 years and meets the approval of the Committee

13 Employees of the company are not eligible for membership; and a person who becomes an employee of the company after admission to membership will automatically cease to be a member.

Application for membership

14 Any person who wishes to become a member must submit an application for membership (in writing or by email); the application will then be considered by the board at its next board meeting.

15 The board may, at its discretion, refuse to admit any person to membership.

16 The board must notify each applicant promptly (in writing or by email) of its decision on whether or not to admit them to membership.

Membership subscription

17 No membership subscription shall be payable.

Register of members

18 The board must keep a register of members, setting out the full name and address of each member, the date on which they were admitted to membership, and the date on which any person ceased to be a member.

19 The register of members (and index of members' names, if applicable) must be made available for inspection – or, as the case may be, a copy of the register of members must be supplied - where a valid request (in compliance with section 116 of the Companies Act) has been made and (if applicable) the relevant fee has been paid; unless a direction to the contrary has been made by the court under section 117 of the Companies Act.

Withdrawal from membership

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20 Any person who wants to withdraw from membership must submit a notice of withdrawal to the company (either in writing or by email); they will cease to be a member as from the time when the notice is received by the company.

Transfer of membership

21 Membership of the company may not be transferred by a member.

Re-registration of members

22 The board may, at any time, issue notices to the members (either in writing or by email) requiring them to confirm that they wish to remain as members of the company, and allowing them a period of 28 days (running from the date of issue of the notice) to provide that confirmation to the board.

23 If a member fails to provide confirmation to the board (in writing or by email) that they wish to remain as a member of the company before the expiry of the 28-day period referred to in article 22, the board may expel them from membership.

24 A notice under article 22 will not be valid unless it refers specifically to the consequences (under article 23) of failing to provide confirmation within the 28-day period.

Expulsion from membership

25 Any person may be expelled from membership by special resolution (see article 43), 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 of membership

26 Membership of the company will terminate on death.

DECISION-MAKING BY THE MEMBERS

General meetings (meetings of members)

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27 The board must arrange a meeting of members (an “annual general meeting” or “AGM”) in each year.

28 The gap between one AGM and the next must not be longer than 15 months.

29 Notwithstanding article 27, an AGM does not need to be held during the calendar year in which the company is formed; but the first AGM must still be held within 15 months of the date on which the company is formed.

30 The business of each annual general meeting must 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 84 to87.

31 Subject to articles 27 to 29 and article 32, the board may arrange a general meeting at any time.

32 The board must convene a general meeting if there is a valid requisition by members (under section 303 of the Companies Act) or a requisition by a resigning auditor (under section 518 of the Companies Act).

Notice of general meetings

33 At least 14 clear days’ notice must be given of a general meeting.

34 The notice calling a general meeting must specify the time and (subject to article 40) place of the meeting; and also:

(a) it must specify in general terms what business is to be dealt with at the meeting;

(b) if a special resolution (see article 43) (or a resolution requiring special notice under the Companies Act) is to be proposed, it must state that it is to be proposed as a special resolution (or – as applicable – as a resolution requiring special notice), and must set out the exact terms of the resolution;

(c) in the case of a resolution to alter the articles, it must set out the exact terms of the proposed alteration(s); and

(d) it must include a statement referring to the rights of a member regarding the appointment of another person as their proxy to attend, speak and vote at the general meeting in their place.

35 A notice convening an annual general meeting must specify that the meeting is to be an annual general meeting.

36 The reference to “clear days” in article 33 shall be taken to mean that, in calculating the period of notice:

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(a) the day after the notices are posted (or sent by email), should be excluded; and

(b) the day of the meeting itself should also be excluded.

37 Notice of every general meeting must be given to all the members of the company, and to all the directors; but the accidental omission to give notice to one or more members or directors will not invalidate the proceedings at the meeting.

38 Any notice which requires to be given to a member under these articles must be:

(a) sent by post to the member, at the address last notified by them to the company; or

(b) sent by email to the member, at the email address last notified by them to the company; 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 Companies Act) by means of a website.

39 If members and directors are to be permitted to participate in a general meeting by way of audio and/or audio-visual link(s) (see article 46), the notice (or notes accompanying the notice) must:

(a) set out details of how to connect and participate via that link or links; and

(b) (particularly for the benefit of those members who may have difficulties in using a computer or laptop for this purpose) draw members' attention to the following options:

(i) participating in the meeting via an audio link accessed by phone, using dial-in details (if that forms part of the arrangements);

(ii) appointing the chairperson of the meeting as proxy, and directing the chairperson on how they should use that proxy vote in relation to each resolution to be proposed at the meeting;

(iii) (where attendance in person is to be permitted, either on an open basis or with a restriction on the total number who will be permitted to attend) attending and voting in person at the meeting;

40 If participation in the meeting is to be by way of audio and/or audio-visual links - with no intention for the meeting to involve attendance in person by two or more members in any particular location - the place of the meeting shall, for the purposes of the notice calling the meeting, be taken to be the place where the anticipated chairperson of the meeting

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is expected to be, as at the time fixed for the commencement of the meeting; and, if it transpires that the chairperson of the meeting is at some other place as at the commencement of the meeting, the meeting shall be taken to have been validly adjourned to that other place.

Special resolutions and ordinary resolutions

41 For the purposes of these articles, a "special resolution" means (subject to articles 70 to 74 (written resolutions)) 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 33 to 41; 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 total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

42 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Companies Act allow the company, by special resolution,

(a) to alter its name;

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

43 For the purposes of these articles, an "ordinary resolution" means (subject to articles 70 to 74 (written resolutions)) 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 33 to 41.

Procedure at general meetings

44 The board may if they consider appropriate (and must, if that is required under article 47) make arrangements for members and directors to participate in general meetings by way of audio and/or audio-visual link(s) which allow them to hear and contribute to discussions at the meeting, providing:

(a) the means by which members and directors can participate via those link(s) are not subject to technical complexities, significant costs or other factors which are likely to represent - for all or a significant proportion of the membership - a barrier to participation;

(b) the notice calling the meeting (or notes accompanying the notice) contains the information required under article 39; and

(c) the manner in which the meeting is conducted ensures, so far as reasonably possible, that those members and directors who

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participate via an audio or audio-visual link are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those members and directors (if any) who are attending in person (and vice versa).

45 If restrictions arising from public health legislation or guidance are likely to mean that attendance in person at a proposed general meeting would not be possible or advisable for all or a significant proportion of the membership, the board must make arrangements for members and directors to participate in that general meeting by way of audio and/or audio-visual link(s) which allow them to hear and contribute to discussions at the meeting; and on the basis that the requirements set out in paragraphs (a) to (c) of article 46 will apply.

46 A general meeting may involve two or more members or directors participating via attendance in person while other members and/or directors participate via audio and/or audio-visual links; or it may involve participation solely via audio and/or audio-visual links.

47 References in articles 39 to 42 and articles 46 to 48 to members should be taken to include proxies for members.

48 The quorum for a general meeting shall be 3 members, present in person or represented by proxy.

49 An individual participating in a general meeting via an audio or audio-visual link which allows them to hear and contribute to discussions at the meeting will be deemed to be present in person (or, if they are not a member will be deemed to be in attendance) at the meeting.

50 If a quorum is not present within 15 minutes after the time at which a general meeting was due to start - or if a quorum ceases to be present during a general meeting - the meeting shall stand adjourned to such time and (subject to article 56) place as may be fixed by the chairperson of the meeting.

51 The chair of the company should act as chairperson of each general meeting.

52 If the chair of the company is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the directors present at the meeting must elect from among themselves the person who will act as chairperson of that meeting.

53 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and (subject to article 56) place as the chairperson may determine.

54 Article 40 shall apply in relation to the requirement under articles 52 and 55 for the chairperson to specify the place of an adjourned meeting.

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Voting at general meetings

55 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 (subject to article 65).

56 Any member who wishes to appoint a proxy to vote on their behalf at any meeting (or adjourned meeting):

(a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the board require), signed by them; or

(b) shall send by email to the company, at the email address notified to the members by the company for that purpose, an instrument of proxy (in such form as the board 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).

57 An instrument of proxy which does not conform with the provisions of article 58, or which is not lodged or sent in accordance with such provisions, shall be invalid.

58 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

59 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed them to speak at the meeting, and need not be a member of the company.

60 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 sent by email, was received by the company at the address notified by the company to the members for the purpose of email communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

61 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall not be entitled to a casting vote.

62 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members or 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.

63 Where members are participating in a meeting via an audio or audio-visual link, they may cast their vote on any resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically - and providing the board

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have no reasonable grounds for suspicion as regards authenticity, any such action shall be deemed to be a vote cast personally via a show of hands.

64 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

65 Where members are participating in a meeting via audio and/or audio-visual links, the chairperson's directions regarding how a secret ballot is to be conducted may allow those members to cast their votes on the secret ballot via any or all of the methods referred to in article 65, providing reasonable steps are taken to preserve anonymity (while at the same time, addressing any risk of irregularities in the process).

66 The principles set out in articles 65 and 67 shall also apply in relation to the casting of votes by an individual in their capacity as proxy for a member

Technical objections to remote participation in general meetings

67 These articles impose certain requirements regarding the use of audio and/or audio-visual links as a means of participation and voting at general meetings; providing the arrangements made by the board in relation to a given general meeting (and the manner in which the general meeting is conducted) are consistent with those requirements:

(a) a member cannot insist on participating in the general meeting, or voting at the general meeting, by any particular means;

(b) the general meeting need not be held in any particular place;

(c) the general meeting may be held without any particular number of those participating in the meeting being present in person at the same place (but notwithstanding that, the quorum requirements - taking account of those participating via audio and/or audio-visual links - must still be met);

(d) the general meeting may be held by any means which permits those participating in the meeting to hear and contribute to discussions at the meeting;

(e) a member will be able to exercise the right to vote at the general meeting (including where a secret ballot is to be held) by such means as is determined by the chairperson of the meeting (consistent with the arrangements made by the board) and which permits that member's vote to be taken into account in determining whether or not a resolution is passed.

Written resolutions by members

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68 A resolution agreed to in writing (or by email) by the required majority (see article 73) of the members who would have been entitled (as at the date on which it is circulated) to vote on it if it had been proposed at a general meeting will (subject to articles 72 and 74) be as valid as if it had been passed at a general meeting; and the date of the resolution will be taken to be the date on which the last member agreed to it.

69 A copy of any proposed resolution under article 70 must be sent (in writing or by email; and at the same time, so far as reasonably possible) to all those members entitled to vote on it; and it must be accompanied in each case by a statement:

(a) informing the member of the ways in which they can give their agreement to the resolution; and

(b) notifying the member of the date when the resolution would lapse if the required majority of the members have not given their agreement by that date (see paragraph (a) of article 72).

70 In order for a resolution to be valid under article 70:

(a) it must be agreed to by the required majority of the members within 28 days after it is circulated among the members;

(b) in the case of a special resolution, the resolution must state specifically that it is being proposed as a special resolution.

71 For the purposes of articles 70 and 72, “required majority” means:

(a) in the case of a special resolution - 75% or more;

(b) in the case of an ordinary resolution – more than 50%;

and on the basis that (if all members have voting rights) these percentages are to be applied to the total membership of the company at the time.

72 A resolution to remove a director or to remove an auditor cannot be dealt with via a resolution agreed to in writing or by email under articles 70 to 73.

Minutes of general meetings

73 The board must ensure that proper minutes are kept in relation to all general meetings, and that a proper record is kept of all resolutions agreed to in writing or by email under articles 70 to 73.

74 Minutes of general meetings must include the names of those present; and (so far as possible) should be signed by the chairperson of the meeting.

75 The records of resolutions kept under article 75 must include confirmation that each resolution was passed as a special resolution (or, as applicable, an ordinary resolution); and should be signed by the chair of the company.

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76 The board shall make available copies of the minutes, and records of resolutions, referred to in article 75 to any member of the public requesting them; but on the basis that the board may exclude confidential material to the extent permitted under article 148.

DIRECTORS

Number of directors

77 The maximum number of directors is 3 out of that:

(a) no more than 3 shall be directors who were elected/appointed under articles 84 to 87 (or deemed under article 83 to have been appointed under article 85); and

(b) no more than 2 shall be directors who were co-opted under the provisions of articles 88 and 89.

78 The minimum number of directors is 2.

Eligibility

79 A person will not be eligible for election/appointment to the board under articles 84 to 87 unless they are a member of the company; a person appointed to the board under articles 88 and 89 need not, however, be a member of the company.

80 A person will not be eligible for election or appointment to the board if they are:

(a) disqualified from being a charity trustee under the Scottish Charities Act (even if the company is not a charity at the time); or

(b) an employee of the company.

Initial directors

81 The individuals who were named as prospective directors in the incorporation documents automatically hold office as directors with effect from the time when the company was incorporated; but they will be deemed, for the purposes of these articles, to have been appointed under article 85 with effect from that time.

Election, retiral, re-election

82 At each AGM, the members may elect any member (subject to articles 79 and 82, and providing they are willing to act) to be a director.

83 The board may at any time appoint any member (subject to articles 79 and 82, and providing they are willing to act) to be a director.

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84 At each AGM, all of the directors elected/appointed under articles 84 and 85 (and, in the case of the first AGM, those deemed under article 83 to have been appointed under article 85) shall retire from office - but shall then be eligible for re-election under article 84.

85 A director retiring at an AGM will be deemed to have been re-elected unless:

(a) they advise the board prior to the conclusion of the AGM that they do not wish to be re-appointed as a director; or

(b) an election process was held at the AGM and they were not among those elected/re-elected through that process.

Appointment/re-appointment of co-opted directors

86 In addition to their powers under article 85, the board may at any time appoint any non-member of the company to be a director (subject to articles 79 and 82, and providing they are willing to act) either on the basis that they have been nominated by Creetown Heritage Museum Trust Limited Committee or on the basis that they have specialist experience and/or skills which could be of assistance to the board.

87 At each AGM, all of the directors appointed under article 88 shall retire from office - but shall then be eligible for re-appointment by the board (after the AGM) under that article.

Termination of office

88 A director shall automatically vacate office if:

(a) they cease to be a director through the operation of any provision of the Companies Act or become prohibited by law from being a director;

(b) they become disqualified from being a charity trustee under the Scottish Charities Act (even if the company is not a charity at the time);

(c) they become incapable for medical reasons of fulfilling their duties as a director, but only if that has continued (or is expected to continue) for a period of more than six months;

(d) (in the case of a director elected/appointed under article 84 or 85, or deemed under article 83 to have been appointed under article 85) they cease to be a member of the company;

(e) they become an employee of the company;

(f) they give the company a notice of resignation (either in writing or by email);

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(g) they are absent (without good reason, in the opinion of the board) from more than three consecutive board meetings – but only if the board resolve to remove them from office;

(h) they are removed from office by resolution of the board on the grounds that they are considered to have committed a serious breach of the code of conduct for directors in force from time to time (as referred to in article 118);

(i) (if the company is a charity at the time) they are removed from office by resolution of the board on the grounds that they are considered to have been in serious or persistent breach of their duties under section 66(1) or (2) of the Scottish Charities Act; or

(j) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Companies Act.

89 A resolution under paragraph (h) or (i) of article 90 shall be valid only if:

(a) the director concerned is given reasonable prior notice (in writing or by email) of the grounds upon which the resolution for their removal is to be proposed;

(b) the director concerned is given the opportunity to address the board meeting at which the resolution is proposed, prior to the resolution being put to the vote; and

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

Register of directors

90 The board must keep a register of directors, setting out full details of each director, including the date on which they became a director, and also specifying the date on which any person ceased to hold office as a director; the board must also keep a register of directors' residential addresses.

91 The register of directors must be made available for inspection in compliance with section 162 of the Companies Act.

Office-bearers

92 The board must elect (from among themselves) a chair and a treasurer.

93 In addition to the office-bearers required under article 94, the board may elect (from among themselves) further office-bearers if they consider that appropriate.

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94 All of the office bearers will cease to hold office at the conclusion of each AGM, but may then be re-elected by the board (after the AGM) under article 94 or 95.

95 A person elected to any office will automatically cease to hold that office:

(a) if they cease to be a director; or

(b) if they give to the company a notice of resignation from that office (either in writing or by email).

Powers of board

96 Subject to the provisions of the Companies Act and these articles, and subject to any directions given by special resolution under article 100:

(a) the company (and its assets and undertaking) shall be managed by the board; and

(b) the board may exercise all the powers of the company.

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

98 The members may, by special resolution, direct the board to take any particular step or direct the board not to take any particular step; and the board shall give effect to any such direction accordingly.

Directors' general duties

99 Each of the directors shall, in exercising their 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;

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

(c) in circumstances giving rise to the possibility of a conflict of interest between 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; or

(ii) where any other duty prevents them 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) (if the company is a charity at the time) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Scottish Charities Act.

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Conflicts of interest involving directors - general

100 The board shall use every effort to ensure that conflicts of interest involving directors (including those which relate to individuals or bodies connected with directors) are identified at the earliest opportunity and appropriately managed; the following provisions of these articles are of particular relevance in that regard:

(a) articles 104 to 109 (reflecting similar provisions contained in the Companies Act) require directors to declare any personal interest which they (or an individual or body connected with them) may have in any transaction or other arrangement with the company;

(b) article 136 prohibits a director with a personal interest of this nature from voting on the question of whether the company should enter into that arrangement;

(c) articles 110 to 113 refer to the duty on directors under the Companies Act to avoid any conflict of interest situation, and outline the process by which the board may authorise a conflict of interest situation if they consider that to be appropriate (note: this does not apply to a conflict of interest relating to a transaction or other arrangement with the company);

(d) article 114 (reflecting similar provisions contained in the Scottish Charities Act) set out restrictions and conditions which would apply to any arrangement under which remuneration would be paid to a director (or where the director might benefit from remuneration paid to a connected party).

101 In addition to complying with the articles referred to in article 102:

(a) the board must maintain a register of directors' interests;

(b) the chairperson of each board meeting must invite declarations of interest, shortly after the commencement of the meeting;

(c) the minutes of each board meeting must record any conflicts of interest which have been declared at the meeting, and must set out in detail how any such conflicts of interest have been managed.

Conflicts of interest relating to transactions/arrangements with the company

102 A director who has a personal interest (directly or indirectly) in any transaction or other arrangement which the company is proposing to enter into, must declare that interest (including details of the nature and extent of the director's interest) at a board meeting.

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103 Any declaration under article 104 must be made before the discussion at the board meeting on the question of whether the transaction or other arrangement should be entered into.

104 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into will be debarred under article 136 (unless the special circumstances outlined in article 138 apply) from voting on the question of whether or not the company should enter into that arrangement.

105 Where a transaction or arrangement has already been entered into by the company and a director has a personal interest in that arrangement, that director must (unless they declared their interest in advance of the company entering into the arrangement, in accordance with articles 104 and 105) declare the nature and extent of their interest at a board meeting or by way of a notice to the directors.

106 For the purposes of articles 104, 106 and 107, a director shall be deemed to have a personal interest in an arrangement if:

(a) an individual who is "connected" with the director under section 68(2) of the Scottish Charities Act (husband/wife, partner, child, parent, brother/sister etc) has an interest in that arrangement (even if the company is not a charity at the time); or

(b) a body in relation to which they are an employee, director, member of the management committee, officer or elected representative (or a body in relation to which they are a major shareholder or have some other significant financial interest) has an interest in that arrangement.

107 Provided they have declared their interest - and have not voted on the question of whether or not the company should enter into the arrangement - a director will not be debarred from entering into an arrangement with the company in which they have a personal interest where that is not prohibited under article 114 or 115; and (subject to article 115 and - if the company is a charity at the time - to the provisions relating to remuneration for services contained in the Scottish Charities Act), they may retain any personal benefit which arises from that arrangement.

Conflict of interest situations

108 Section 175 of the Companies Act imposes a duty on every director to avoid any situation (referred to below as a "Conflict Situation") in which they have, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company - unless the matter has been authorised by the board (as referred to in article 113).

109 For the purposes of section 175 of the Companies Act, conflict of interest is taken to include a conflict of interest and duty, and a conflict of duty.

110 The duty referred to in article 110 does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company;

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any conflict of interest of that kind should be addressed in accordance with the provisions set out or referred to in articles 104 to 109, and the code of conduct referred to in article 118.

111 The board may, if they consider it appropriate to do so, pass a resolution (in accordance with the provisions of section 175 of the Companies Act), authorising any particular Conflict Situation; the board may give authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances, and may amend or vary any such authorisation.

Remuneration and expenses

112 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 their ordinary duties as a director.

113 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 board must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and

(c) less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).

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

115 The company may also enter into an arrangement with a member who is not a director (or with a person or body connected with them) under which that member (or the connected person or body) receives payment for goods or services provided by them to the company, but only if:

(a) the terms and conditions (including the amount of the payment(s)) are at least as good (from the company's point of view) as those which would be expected if the goods or services had been sourced on the open market; and

(b) the board are satisfied, after careful consideration, that the arrangement is in the best interests of the company;

and the same principles will apply in relation to any arrangement under which a member (or a person or body connected with a member) lets premises to the company or makes a loan to the company.

Code of conduct for directors

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116 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board from time to time.

117 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.

DECISION-MAKING BY THE DIRECTORS

Notice of board meetings

118 Any director may call a meeting of the board or may ask the secretary to call a meeting of the board.

119 At least 7 days' notice must be given of each board meeting, unless (in the opinion of the person calling the meeting) there is a degree of urgency which makes that inappropriate.

120 If directors are to be permitted to participate in a board meeting by way of audio and/or audio-visual link(s), the directors must, in advance of the meeting, be provided with details of how to connect and participate via that link or links; and (particularly for the benefit of those directors who may have difficulties in using a computer or laptop for this purpose) the directors' attention should be drawn to the following options:

(a) participating in the meeting via an audio link accessed by phone, using dial-in details (if that forms part of the arrangements);

(b) (where attendance in person is to be permitted, either on an open basis or subject to a restriction on the total number who will be permitted to attend) the ability to attend the meeting in person.

Procedure at board meetings

121 No valid decisions can be taken at a board meeting unless a quorum is present; the quorum for board meetings is 1 director, present in person.

122 An individual participating in a board meeting via an audio or audio-visual link which allows them to hear and contribute to discussions at the meeting will be deemed to be present in person (or, if they are not a director, will be deemed to be in attendance) at the meeting.

123 If at any time the number of directors in office falls below the number stated as the quorum in article 123, the remaining director(s) will have power to fill the vacancies or call a general meeting – but will not be able to take any other valid decisions.

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124 The chair of the company should act as chairperson of each board meeting.

125 If the chair is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the directors present at the meeting must elect (from among themselves) the person who will act as chairperson of the meeting.

126 Every director has one vote, which must be given personally (subject to article 134).

127 All decisions at board meetings will be made by majority vote.

128 If there is an equal number of votes for and against any resolution, the chairperson of the meeting will be entitled to a second (casting) vote.

129 The board may, if they consider appropriate (and must, if this is required under article 132) allow directors to participate in board meetings by way of audio and/or audio-visual link(s) which allow them to hear and contribute to discussions at the meeting, providing:

(a) the means by which directors can participate in this manner are not subject to technical complexities, significant costs or other factors which are likely to represent - for all, or a significant proportion, of the directors - a barrier to participation; and

(b) the manner in which the meeting is conducted ensures, so far as reasonably possible, that those directors who participate via an audio or audio-visual link are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those directors (if any) who are attending in person (and vice versa).

130 If restrictions arising from public health legislation or guidance are likely to mean that attendance in person at a proposed board meeting would not be possible or advisable for one or more of the directors, the board must make arrangements for directors to participate in that board meeting by way of audio and/or audio-visual link(s); and on the basis that:

(a) the requirements set out in paragraphs (a) and (b) of article 131 will apply; and

(b) the board must use all reasonable endeavours to ensure that all directors have access to one or more means by which they may hear and contribute to discussions at the meeting.

131 A board meeting may involve two or more directors participating via attendance in person while other directors participate via audio and/or audio-visual links; or it may involve participation solely via audio and/or audio-visual links.

132 Where a director or directors are participating in a board meeting via an audio or audio-visual link, they may cast their vote on any resolution

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orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically.

133 The board may, at its discretion, allow any person to attend (whether in person or by way of an audio or audio-visual link) and speak at a board meeting, notwithstanding that they are not a director – but on the basis that they must not participate in decision-making.

134 A director must not vote at a board meeting (or at a meeting of a sub-committee) on any resolution concerning a matter in which they have a personal interest or duty which conflicts (or may conflict) with the interests of the company; they must withdraw from the meeting while an item of that nature is being dealt with.

135 For the purposes of article 136:

(a) an interest held by an individual who is "connected" with the director under section 68(2) of the Scottish Charities Act (husband/wife, partner, child, parent, brother/sister etc) shall be deemed to be held by that director (even if the company is not a charity at the time);

(b) a director will (subject to article 138) be deemed to have a personal interest in relation to a particular matter if a body in relation to which they are an employee, director, member of the management committee, officer or elected representative (or a body in relation to which they are a major shareholder or have some other significant financial interest) has an interest in that matter.

136 Where a subsidiary of the company has an interest in a particular matter which is to be considered by the board, a director of the company who is also a director of that subsidiary will not be debarred from voting on that matter (unless they have a different personal interest in that matter, unrelated to their position as a director of that subsidiary).

137 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 136 and137.

138 The principles set out in article 69 (technical objections to remote participation) shall apply in relation to remote participation and voting at board meetings, as if each reference in that article to a member were a reference to a director and each reference in that article to a general meeting were a reference to a board meeting.

Board resolutions agreed in writing or by email

139 A resolution agreed to in writing (or by email) by a majority of the directors then in office shall (subject to articles 142 and 143) be as valid as if duly passed at a board meeting.

140 A resolution under article 141 shall not be valid unless a copy of the resolution was circulated to all of the directors, along with a cut-off time

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(which must be reasonable in the circumstances) for notifications under article 143.

141 If a resolution is circulated to the directors under article 142, any one or more directors may, following receipt of a copy of the resolution, notify the secretary that they consider that a board meeting should be held to discuss the matter which is the subject of the resolution; and if any such notification is received by the secretary prior to the cut-off time:

(a) the secretary must convene a board meeting accordingly, and on the basis that it will take place as soon as reasonably possible;

(b) the resolution cannot be treated as valid under article 141 unless and until that board meeting has taken place;

(c) the board may (if they consider appropriate, on the basis of the discussions at the meeting) resolve at that board meeting that the resolution should be treated as invalid, notwithstanding that it had previously been agreed to in writing (or by email) by a majority of the directors then in office.

Minutes of board meetings

142 The board must ensure that proper minutes are kept in relation to all board meetings and meetings of sub-committees; and that a proper record is kept of all resolutions agreed to (in writing or by email) by the directors under article 141.

143 The minutes to be kept under article 144 must include the names of those present; and (so far as possible) should be signed by the chairperson of the meeting.

144 The records of resolutions kept under article 144 must include the names of those directors who agreed to the resolution (as well as the names of any directors who stated that they disagreed with the resolution); and should be signed by the chair of the company.

145 The board shall (subject to article 148) make available copies of the minutes and records of resolutions referred to in article 144 to any member of the public requesting them.

146 The board may exclude from any copy minutes, or records of resolutions, made available to a member of the public under article 147 any material which the board considers ought properly to be kept confidential - on the grounds that allowing access to such material could cause significant prejudice to the interests of the company or on the basis that the material contains reference to employee or other matters which it would be inappropriate to divulge.

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ADMINISTRATION

Delegation to sub-committees

147 The board may delegate any of their powers to sub-committees; a sub-committee must include at least one director, but other members of a sub-committee need not be directors.

148 The board 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.

149 When delegating powers under article 149 or 150, the board must set out appropriate conditions (which must include an obligation to report regularly to the board).

150 Any delegation of powers under article 149 or 150 may be revoked or altered by the board at any time.

151 The rules of procedure for each sub-committee, and the provisions relating to membership of each sub-committee, shall be set by the board.

Operation of bank accounts

152 The board should ensure that the systems of financial control adopted by the company in relation to the operation of the company's bank accounts (including online banking) reflect the recommendations made from time to time by the company's auditors (or independent examiners) or other external accountants.

Secretary

153 The board shall (notwithstanding the provisions of the Companies Act) appoint a company secretary - and on the basis that the term of the appointment, the remuneration (if any) payable to the company secretary, and the conditions of appointment shall be as determined by the board; the company secretary may be removed by them at any time.

Accounting records and annual accounts

154 The board must ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.

155 The board must prepare annual accounts, complying with all relevant statutory requirements; and:

(a) if an audit is required under any statutory provisions (or if the board consider that an audit would be appropriate for some other reason), the board should ensure that an audit of the accounts is carried out by a qualified auditor;

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(b) if an audit is not carried out, the board must ensure that an independent examination of the accounts is carried out by a qualified independent examiner.

156 No member shall (unless they are a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the board or as authorised by ordinary resolution of the company.

MISCELLANEOUS

Notices

157 Any notice, notification, request or other document which requires to be given to a member under these articles shall be given either in writing or by email (or, in the case of a notice of general meeting, by way of a website - 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 Companies Act).

158 Any notice or other document may be given personally to the member or may be sent by post in a pre-paid envelope addressed to the member at the address last notified by that member to the company or (in the case of a member who has notified the company of an address to be used for the purpose of email communications) may be given to the member by way of email.

159 Any application, confirmation, notice, notification or other document which requires to be given to the company under these articles (where it is sent by email) must be sent to the email address used by the company for communications of that nature, as intimated by the company from time to time.

160 Any notice or other document, 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.

161 Any notice or other document sent by email 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 email 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

162 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or

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unincorporated) as may be determined by the members of the company at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a purpose of purposes which are the same as, or similar to, the objects of the Company.

163 To the extent that effect cannot be given to article 164, the relevant property shall be applied to some charitable purpose or purposes.

Indemnity

164 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Companies Act) out of the assets of the company against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office.

165 The indemnity for officers and auditors of the company under article 166 may include (but only to the extent permitted by the sections of the Companies Act referred to in that article):

(a) any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted; and

(b) any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.

166 The company shall be entitled (subject to the provisions of section 68A of the Scottish Charities Act, if the company is a charity at the time) to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of their office; and such insurance may (subject to the provisions of section 68A of the Scottish Charities Act, if the company is a charity at the time) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).

Defined terms

167 In these articles of association:

(a) “board” means the directors;

(b) "charity" means a body which is entered in the Scottish charity register;

(c) "charitable purpose" means a charitable purpose under section 7 of the Scottish Charities Act which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;

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(d) "Companies Act" means (subject to article 170) the Companies Act 2006;

(e) "OSCR" means the Office of the Scottish Charity Regulator;

(f) "Scottish Charities Act" means (subject to article 170) the Charities and Trustee Investment (Scotland) Act 2005.

168 References in these articles to any Act should be taken to include:

(a) any statutory provision which adds to, modifies or replaces that Act; and

(b) any statutory instrument issued in pursuance of that Act or in pursuance of any statutory provision falling under paragraph (a) above.

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