

THE COMPANIES ACT 2006

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

**ARTICLES OF ASSOCIATION OF
CAIRNGORMS CROFTERS & FARMERS
COMMUNITY LTD**

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| CONTENTS | | |
|---|--|------------------|
| GENERAL | Constitution of Company, Defined terms, Name, Registered Office, Objects, Powers, Restrictions on use of the Company's assets, Liability of Members, General Structure. | Articles 1-16 |
| MEMBERS | Categories of Members, Qualifications for membership, Applications for membership, Membership subscription, Register of Members, Withdrawal from membership, Transfer of membership, Re-registration of Members, Expulsion from membership, Termination of membership. | Articles 17-39 |
| DECISION-MAKING BY THE MEMBERS | AGMs, EGMs, Notice of GMs, Special & Ordinary Resolutions, Procedure at GMs, Voting at GMs, Written resolutions by Members, Minutes of GMs. | Articles 40-87 |
| DIRECTORS | Number of Directors, Eligibility, Election/retiral/re-election, Termination of office, Register of Directors, Office bearers, Powers of the Board, Directors' general duties, Conflicts of Interest, Remuneration and Expenses, Code of Conduct of Directors. | Articles 88-125 |
| DECISION-MAKING BY THE DIRECTORS | Notice of Board meetings, Procedure at Board meetings, Board resolutions agreed in writing or by email, Minutes of Board meetings. | Articles 126-154 |
| ADMINISTRATION | Delegation to sub-committees, Operation of bank accounts, Company Secretary, Accounting records and annual accounts, Notices. | Articles 155-170 |
| MISCELLANEOUS | Winding-up, Indemnity. | Articles 171-175 |

GENERAL

Constitution of Company

- 1 These Articles supersede any model Articles and any regulations pertaining thereto. Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.

Defined terms

- 2 In these Articles of Association, the following definitions apply throughout:
 - **“Act”** means the Companies Act 2006 and every statutory modification and re-enactment thereof for the time being in force.
 - **“AGM”** means an Annual General Meeting.
 - **“Article(s)”** means any Article in this constitution or these Articles of Association.
 - **“Board”** means the Board of Directors.
 - **“Clear Days”** means a period excluding the day when notice is given and the day of the meeting.
 - **“Community”** means the community area described in Article 5.
 - **“Company”** means the company to which these Articles relate.
 - **“Co-opted Director”** means a Director appointed by the Board between AGMs.
 - **“Director(s)”** means the director(s) for the time being of the Company.
 - **“EGM”** means an Extra-Ordinary General Meeting which is called for a specific purpose to deal with matters that come up between AGMs.
 - **“Elected Director”** means a Director elected by the Members at an AGM.
 - **“GM”** means any General Meeting of the Members of the Company and refers to an AGM or EGM
 - **“Individual”** means a human/person.
 - **“Members”** means those Individuals or Organisations who/which have joined the Company.
 - **“Organisation”** means any incorporated or unincorporated association, society, federation, partnership, corporate body, agency, undertaking, local authority, union, co-operative, trust or other organisation (not being an individual person).
 - **“Property”** means any property, assets or rights, heritable or moveable, wherever situated in the world belonging to the Company.
 - **“Purposes”** means the purposes described in Article 5
 - **“Them”, “Their” or “They”** means an Individual or an Organisation.

Name

- 3 The name of the Company is Cairngorms Crofters & Farmers Community (**“the Company”**).

Registered Office

- 4 The Registered Office of the Company is situated in Scotland.

Purposes

- 5 The Company has been formed to benefit the crofting and farming communities in and around the Cairngorms, with the following Purposes:
 - 5.1 To promote, protect and develop the positive role of crofts and farms within the rural economy of the Cairngorms;
 - 5.2 To support environmental and financial sustainability of the crofting and farming community within the Cairngorms;

5.3 To support and engage with the wider rural community connected to agriculture, land management and wildlife management, locally, regionally and nationally.

6 The Company's Purposes are restricted to those set out in Article 5 (but subject to Article 7).

7 The Company may add to, remove or alter the statement of the Company's Purposes in Article 5; 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

8 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

9 The income and Property of the Company shall be applied solely towards promoting the Company's Purposes (as set out in Article 5).

10 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.

11 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.

12 Article 9 does not prevent the Company making any payment which is permitted under Articles 120 to 123 (Remuneration and Expenses).

Liability of Members

13 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

14 The structure of the Company consists of:

- (a) **the MEMBERS** – comprising
 - i. Ordinary Members (who have the right to attend and vote at any GM and have important powers under these Articles and the Act; who elect Individuals to serve as Directors and take decisions in relation to any changes to these Articles), and;
 - ii. Associate Members; and
- (b) **the BOARD** – comprising
 - i. Elected Directors (see Article 92) and

- ii. Co-opted Directors (see Article 93)

who hold regular meetings during the period between each AGM, set the strategy and policy of the Company, generally control and supervise the activities of the Company and, in particular, are responsible for monitoring its financial position and, where there are no employees appointed, are responsible also for the day-to-day management of the Company.

15 The people serving on the Board are referred to in these Articles as DIRECTORS.

16 The following conditions apply to the structure of the Company:

16.1 The Company shall have not fewer than 20 (twenty) Members at any time.

16.2 At all times, at least 75% of the Members of the Company are Ordinary Members.

16.3 In the event that the number of Members falls below 20 (twenty) or that at least 75% of the Members do not consist of Ordinary Members, the Board may not conduct any business other than to ensure the admission of sufficient Ordinary Members to achieve the minimum number and/or maintain the 75% majority.

MEMBERS

Categories of Members

17 For the purposes of these Articles, membership of the Company consists of:

17.1 Ordinary Members (subject to Articles 24 and 27) are those Individuals aged 16 years or over who:

a) support the Purposes of the Company
AND

b) are involved in crofting and farming as a key purpose in and around the Cairngorms;

17.2 Associate Members (subject to Articles 16.2, 24 and 27) are those Individuals aged 16 years or over who:

a) are not involved in crofting and farming as a key purpose in and around the Cairngorms
OR

b) have been authorised as their representative by an Organisation that supports the Purposes of the Company.

Associate Members are neither eligible to vote at any GM nor to stand for election or appointment to the Board.

18 Each Member which is an Organisation shall appoint one named authorised representative (who is an Individual) to represent and act for such Member at all GMs. Any change in the appointment of an authorised representative may be made at any time by the appointing Member, but only by written notice to the Company. Such notice will take effect upon its receipt by the Company.

Qualifications for membership

19 The Members of the Company shall consist of the subscribers to the memorandum of association and such other Individuals as are admitted to membership under Articles 24 and 25.

20 An Individual, once admitted to membership, shall cease to be a Member if they cease to be eligible for membership in terms of Article 17.

- 21 If a Member ceases to comply with any of the criteria at Article 17.1 or 17.2 they will be obliged to inform the Company and will thereafter be reclassified in terms of either Article 17.1 or 17.2 and that if the Company becomes aware of this itself it will so reclassify the Member and notify them accordingly.
- 22 An Associate Member representing an Organisation, will cease to be a Member if the Organisation they represent ceases to exist.
- 23 Employees of the Organisation are not eligible to be Members.

Application for membership

- 24 Any Individual or Organisation wishing to become a Member, shall in such written or electronic form as the Board prescribes, submit an application for membership. An application submitted by an Organisation must be signed on behalf of that Organisation.
- 25 The Board shall promptly consider applications for membership, made in such written or electronic form as it shall prescribe from time to time, determining if the terms of Articles 17.1 or 17.2 apply and into which category of membership each applicant shall belong. Immediately thereafter, the Board shall approve any valid application provided the applicant:
 - (a) has paid the membership subscription (if any); and
 - (b) is not excluded by virtue of Article 16.2; nor
 - (c) has previously been a Member of the Company and continues to be excluded from membership by virtue of Article 38.
- 26 The applicant will then be notified (in writing or by e-mail) of their admission to membership of the Company, in the relevant category.

Membership subscription

- 27 Members will be required to pay such membership subscription as may be approved, by way of an ordinary resolution to that effect, by the Members at an AGM.
- 28 The rights associated with any type of membership will be approved, by way of an ordinary resolution to that effect, by the Members at an AGM. Only those Ordinary Members who have paid their current subscription, where fixed, are entitled to take part in and vote at any GM.
- 29 If a membership subscription is payable by any Member, but remains outstanding more than 4 (four) weeks after the date on which it fell due (and providing they have been given at least one written reminder) the Board may, by resolution to that effect, expel them from membership; for the avoidance of doubt, it will be open to an Individual expelled from membership under this Article to reapply for membership if they so wish.
- 30 An Individual who ceases (for whatever reason) to be a Member will not be entitled to any refund of the membership subscription.

Register of Members

- 31 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 Individual ceased to be a Member.
- 32 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

- 33** Any Individual 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

- 34** Membership of the Company is not transferable.

Re-registration of Members

- 35** 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 (twenty-eight) days (running from the date of issue of the notice) to provide that confirmation to the Board.
- 36** 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 (twenty-eight) day period referred to in Article 35, the Board may expel them from membership.
- 37** A notice under Article 35 will not be valid unless it refers specifically to the consequences (under Article 36) of failing to provide confirmation within the 28 (twenty-eight) day period.

Expulsion from membership

- 38** Any person may be expelled from membership by special resolution (see Article 52), providing the following procedures have been observed:
- (a) at least 21 (twenty-one) 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 GM at which the resolution is proposed.

Termination of membership

- 39** Membership of the Company will terminate on death.

DECISION-MAKING BY THE MEMBERS

Annual General Meetings (AGMs)

- 40** The Board must arrange an AGM in each year.
- 41** The gap between one AGM and the next must not be longer than 15 (fifteen) months.
- 42** The business of each AGM must include:
- (a) approval of the minute of the previous AGM;
 - (b) a report by the Chairperson on the activities of the Company;
 - (c) consideration of the annual accounts of the Company;

- (d) approval by the Members for the Board to appoint an independent examiner (or auditor as applicable);
- (e) election/re-election of Directors, as referred to in Articles 92 to 95;
- (f) fixing of annual subscriptions (as applicable).

Extra-ordinary General Meetings (EGMs)

- 43** The Board may convene an EGM at any time.
- 44** The Board must convene an EGM if there is a valid requisition by at least 10 (ten) Members (under section 303 of the Companies Act) or a requisition by a resigning independent examiner (or auditor if applicable) (under section 518 of the Companies Act).

Notice of General Meetings (GMs)

- 45** At least 14 (fourteen) Clear Days' notice must be given of a GM.
- 46** The notice calling a GM must specify the time and (subject to Article 51) 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 52) (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 Individual as their proxy to attend, speak and vote at the GM in their place.
- 47** A notice convening an AGM must specify that the meeting is to be an AGM.
- 48** Notice of every GM 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.
- 49** 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) advertised (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.
- 50** If Members and Directors are to be permitted to participate in a GM by way of audio and/or audio-visual link(s) (see Article 55), 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;

51 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 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

52 For the purposes of these Articles, a “special resolution” means (subject to Articles 79 to 83 (written resolutions)) a resolution passed by 75% or more of the votes cast on the resolution at a GM, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with Articles 45 to 51; 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.

53 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.

54 For the purposes of these Articles, an “ordinary resolution” means (subject to Articles 79 to 83 (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 GM, providing proper notice of the meeting has been given in accordance with Articles 45 to 51.

Procedure at GMs

55 The Board may if they consider appropriate (and must, if that is required under Article 56) make arrangements for Members and Directors to participate in a GM 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 50; and
- (c) the manner in which the meeting is conducted ensures, so far as reasonably possible, that those Members and 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 Members and Directors (if any) who are attending in person (and vice versa).

- 56** If restrictions arising from public health legislation or guidance are likely to mean that attendance in person at a proposed GM 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 GM 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 55 will apply.
- 57** A GM may involve 2 (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.
- 58** References in Articles 50, 51 and 55 to 57 to Members should be taken to include proxies for Members and authorised representatives of Members which are Organisations.
- 59** No business shall be dealt with at any GM unless a quorum is present; the quorum for a GM shall be 11 (eleven) Members entitled to vote, present in person or represented by proxy.
- 60** An Individual participating in a GM 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, or the authorised representative of a Member which is an Organisation, will be deemed to be in attendance) at the meeting.
- 61** If a quorum is not present within 15 (fifteen) minutes after the time at which a GM was due to start - or if a quorum ceases to be present during a GM - the meeting shall stand adjourned to such time and (subject to Article 65) place as may be fixed by the chairperson of the meeting.
- 62** The Chairperson of the Company should act as chairperson of each GM.
- 63** If the Chairperson of the Company is not present within 15 (fifteen) 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 an Elected Director (see Article 92) who will act as chairperson of that meeting.
- 64** The chairperson of a GM may, with the consent of the meeting, adjourn the meeting to such time and (subject to Article 65) place as the chairperson may determine.
- 65** Article 51 shall apply in relation to the requirement under Articles 61 and 64 for the chairperson to specify the place of an adjourned meeting.

Voting at GMs

- 66** Every Member shall have one vote, which (whether on a show of hands or by a secret ballot) may be given either personally or by proxy (subject to Article 74).
- 67** 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 shall prescribe), 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 shall prescribe);

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

- 68** An instrument of proxy which does not conform with the provisions of Article 67, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 69** A Member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 70** 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.
- 71** 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.
- 72** If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall not be entitled to a second (casting) vote.
- 73** A resolution put to the vote at a GM shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least 2 (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.
- 74** 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 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.
- 75** 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.
- 76** 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 74, providing reasonable steps are taken to preserve anonymity (while at the same time, addressing any risk of irregularities in the process).
- 77** The principles set out in Articles 74 and 76 shall also apply in relation to the casting of votes by an Individual in their capacity as proxy for an Ordinary Member.
- 78** These Articles impose certain requirements regarding the use of audio and/or audio-visual links as a means of participation and voting at GMs; providing the arrangements made by the Board in relation to a given GM (and the manner in which the GM is conducted) are consistent with those requirements:
- (a) a Member cannot insist on participating in the GM, or voting at the GM, by any particular means;
 - (b) the GM need not be held in any particular place;

- (c) the GM 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 GM 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 GM (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

79 A resolution agreed to in writing (or by email) by the required majority (see Article 82) 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 GM will (subject to Articles 81 and 83) be as valid as if it had been passed at a GM; and the date of the resolution will be taken to be the date on which the last Member agreed to it.

80 A copy of any proposed resolution under Article 79 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, or otherwise, 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 81).

81 In order for a written resolution to be valid under Article 79:

- (a) it must be agreed to by the required majority (see Article 82) of the members within 28 (twenty-eight) 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.

82 For the purposes of Articles 79 and 81, “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 for written resolutions, these percentages are to be applied to the total number of Ordinary Members of the Company at the time.

83 A resolution to remove a Director (or to remove an auditor if applicable) cannot be dealt with via a resolution agreed to in writing or by email under Articles 79 to 82.

Minutes of GMs

84 The Board must ensure that proper minutes are kept in relation to all GMs, and that a proper record is kept of all resolutions agreed to in writing or by email under Articles 79 to 82.

85 Minutes of AGMs and EGMs must include the names of those present (either in person or participating via an audio or audio-visual link); and be formally agreed at the following AGM or EGM.

- 86** The records of resolutions kept under Article 84 must include confirmation that each resolution was passed as a special resolution (or, as applicable, an ordinary resolution); and should be recorded in the minute.
- 87** The Board shall make available copies of the minutes, and records of resolutions, referred to in Article 84 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 154.

DIRECTORS

Number of Directors

- 88** The maximum number of Directors is 15 (fifteen) and the minimum number of Directors is 5 (five)
- 89** At all times Elected Directors must be in the majority.

Eligibility

- 90** An Individual will not be eligible for election/appointment to the Board under Articles 92 to 95 unless they are an Ordinary Member of the Company.
- 91** An Individual will not be eligible for election or appointment to the Board if they are disqualified from being a charity trustee under the Scottish Charities Act (even if the Company is not a charity at the time).

Election, retiral, re-election

- 92** At each AGM, the Members may elect any Ordinary Member (subject to Articles 88 and 91, and providing they are willing to act) to be an Elected Director.
- 93** Between AGMs, the Board may at any time appoint any Ordinary Member (subject to Articles 88 and 91, and providing they are willing to act) to be a Co-opted Director.
- 94** At each AGM, all of the Directors elected or appointed under Articles 92 and 93 shall retire from office - but shall then be eligible for re-election under Article 92 or re-appointment, following the AGM, under Article 93.
- 95** 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-elected 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.

Termination of office

- 96** 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 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 6 (six) months;
 - (c) they cease to be an Ordinary Member of the Company;

- (d) they become an employee of the Company;
- (e) they give the Company a notice of resignation (either in writing or by email);
- (f) they are absent (without good reason, in the opinion of the Board) from more than 3 (three) consecutive Board meetings – but only if the Board resolves to remove them from office;
- (g) 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 124);
- (h) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Companies Act.

97 A resolution under paragraph (h) or (i) of Article 96 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

98 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 Individual ceased to hold office as a Director; the Board must also keep a register of Directors' residential addresses.

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

Office bearers

100 The Board must elect (from among themselves) a Chairperson and a Treasurer. The office of Chairperson must be held by an Elected Director.

101 In addition to the office-bearers required under Article 100, the Board may elect (from among themselves) further office-bearers if they consider that appropriate.

102 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 (at the next Board meeting following the AGM) under Article 100 or 101.

103 An Individual 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 the Board

104 Subject to the provisions of the Companies Act and these Articles, and subject to any directions given by special resolution under Article 106:

- (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.

105 A meeting of the Board at which a quorum is present (see Article 129) may exercise all powers exercisable by the Board.

106 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

107 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 Purposes;
- (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;

Conflicts of Interest involving Directors - general

108 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 110 to 115 (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 142 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 116 to 119 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 120 sets 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).

109 In addition to complying with the Articles referred to in Article 108:

- (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

- 110** 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.
- 111** Any declaration under Article 110 must be made before the discussion at the Board meeting on the question of whether the transaction or other arrangement should be entered into.
- 112** 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 142 (unless the special circumstances outlined in Article 144 apply) from voting on the question of whether or not the Company should enter into that arrangement.
- 113** 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 110 and 111) declare the nature and extent of their interest at a Board meeting or by way of a notice to the Directors.
- 114** For the purposes of Articles 110, 112 and 113, a Director shall be deemed to have a personal interest in an arrangement if:
 - (a) an Individual who is "connected" with the Director (husband/wife, partner, child, parent, brother/sister etc) has an interest in that arrangement; 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.
- 115** 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 120 or 121; and they may retain any personal benefit which arises from that arrangement.

Conflict of Interest situations

- 116** 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 119).
- 117** 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.
- 118** The duty referred to in Article 117 does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company; any conflict of interest of that kind should be addressed in accordance with the provisions set out or referred to in Articles 110 to 115, and the Code of Conduct referred to in Article 124.
- 119** 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

- 120** 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.
- 121** 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).
- 122** The Directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at Board meetings, GMs, or meetings of committees, or otherwise in connection with the carrying-out of their duties.
- 123** 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 an Individual or body connected with a Member) lets premises to the Company or makes a loan to the Company.

Code of Conduct of Directors

- 124** 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.
- 125** 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

- 126** Any Director may call a meeting of the Board or may ask the secretary (if any) to call a meeting of the Board.

- 127** At least 7 (seven) days' notice must be given of each Board meeting, unless (in the opinion of the Individual calling the meeting) there is a degree of urgency which makes that inappropriate.
- 128** 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

- 129** No valid decisions can be taken at a Board meeting unless a quorum is present; the quorum for Board meetings is 5 (five) Directors, present in person.
- 130** 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.
- 131** If at any time the number of Directors in office falls below the minimum number stated in Article 88, the remaining Director(s) will have power to fill the vacancies (subject to Article 89) or call an AGM to elect new Directors – but will not be able to take any other valid decisions.
- 132** The Chairperson of the Company should act as chairperson of each Board meeting.
- 133** If the Chairperson 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 Individual who will act as chairperson of the meeting.
- 134** Every Director has one vote, which must be given personally (subject to Article 140).
- 135** All decisions at Board meetings will be made by majority vote.
- 136** If there is an equal number of votes for and against any resolution, the chairperson of the Board meeting will not be entitled to a second (casting) vote.
- 137** The Board may, if they consider appropriate (and must, if this is required under Article 138) 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).
- 138** 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 137 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.

139 A Board meeting may involve 2 (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.

140 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 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.

141 The Board may, at its discretion, allow any Individual 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.

142 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.

143 For the purposes of Article 142:

- (a) an interest held by an Individual who is "connected" with the Director (husband/wife, partner, child, parent, brother/sister etc) shall be deemed to be held by that Director;
- (b) a Director will (subject to Article 144) 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.

144 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).

145 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 142 and 143.

146 The principles set out in Article 78 (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 GM were a reference to a Board meeting.

Board resolutions agreed in writing or by email

147 A resolution agreed to in writing (or by email) by a majority of the Directors then in office shall (subject to Articles 148 and 149) be as valid as if duly passed at a Board meeting.

148 A resolution under Article 147 shall not be valid unless a copy of the resolution was circulated to all of the Directors, along with a cut-off time (which must be reasonable in the circumstances) for notifications under Article 149.

- 149** If a resolution is circulated to the Directors under Article 148, 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 147 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

- 150** 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 147.
- 151** The minutes to be kept under Article 150 must include the names of those present in person and those participating via an audio or audio-visual link.
- 152** The records of resolutions kept under Article 150 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).
- 153** The Board shall (subject to Article 154) make available copies of the minutes and records of resolutions referred to in Article 150 to any member of the public requesting them.
- 154** The Board may exclude from any copy minutes, or records of resolutions, made available to a member of the public under Article 153 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.

ADMINISTRATION

Delegation to sub-committees

- 155** 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.
- 156** The Board may also delegate to the Chairperson of the Company (or the holder of any other post) such of their powers as they may consider appropriate.
- 157** When delegating powers under Article 155 or 156, the Board must set out appropriate conditions (which must include an obligation to report regularly to the Board).
- 158** Any delegation of powers under Article 155 or 156 may be revoked or altered by the Board at any time.
- 159** 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

- 160** The signatures of 2 (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.
- 161** 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 independent examiners or other external accountants (or auditors if applicable).

Company Secretary

- 162** The Board may appoint a company secretary for such term and upon such terms and conditions as they think fit. The company secretary may be removed by the Board at any time.

Accounting records and annual accounts

- 163** The Board must ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.
- 164** 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;
 - (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.
- 165** 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.

Notices

- 166** 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 a GM, 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).
- 167** 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.
- 168** 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.
- 169** Any notice or other document, if sent by post, shall be deemed to have been given at the expiry of 24 (twenty-four) 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.
- 170** Any notice or other document sent by email shall be deemed to have been given at the expiry of 24 (twenty-four) 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.

MISCELLANEOUS

Winding-up

- 171** 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 unincorporated) as may be determined by the Ordinary 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 charitable purpose or charitable purposes.
- 172** To the extent that effect cannot be given to Article 171, the relevant Property shall be applied to some charitable purpose or purposes.

Indemnity

- 173** Every Director or other officer 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.
- 174** The indemnity for officers of the Company under Article 173 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.
- 175** The Company shall be entitled 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 extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a Director).