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| **THE COMPANIES ACT 2006**  **COMPANY LIMITED BY GUARANTEE**  **AND NOT HAVING A SHARE CAPITAL**  **ARTICLES OF ASSOCIATION**  **of**  **SCOTTISH MENTORING NETWORK**  **(as adopted by special resolution passed on ⚫[ ⚫ ])** |

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**COMPANY LIMITED BY GUARANTEE**

**AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION**

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## Constitution of company

1. The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

## Defined terms

1. In these articles of association, unless the context requires otherwise:-
   1. **“Act”** means the Companies Act 2006;
   2. **“charity”** means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
   3. **“charitable purpose”** means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
   4. **“electronic form”** has the meaning given in section 1168 of the Act;
   5. **“OSCR”** means the Office of the Scottish Charity Regulator;
   6. **“property”** means any property, heritable or moveable, real or personal, wherever situated; and
   7. **“subsidiary”** has the meaning given in section 1159 of the Act.
2. Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

## Objects

1. The company’s objects are:
   1. To relieve poverty within Scotland (the **“Operating Area”**);
   2. To advance education within the Operating Area;
   3. To relieve unemployment within the Operating Area in such ways as may be thought fit, including assistance to find employment;
   4. To help young people resident in the Operating Area to develop their physical, mental and spiritual capacity so that they may grow to full maturity as individuals and as members of society; and
   5. To promote, establish, operate and/or support other schemes of a similar charitable nature for the benefit of the residents of the Operating Area.
2. The company’s objects are restricted to those set out in article 4 (but subject to article 6).
3. The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company’s objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

## Powers

1. In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-
   1. To provide and/or assist in the provision of, develop and/or co-ordinate mentoring services available to the public at large within the Operating Area.
   2. To develop, maintain, monitor and/or evaluate the standard of mentoring services available to the public at large within the Operating Area.
   3. To liaise with voluntary and statutory organisations, mentors and potential mentors with a view to furthering the objects of the company.
   4. To maintain, develop and update databases on mentoring service providers and consultancy/customised training providers within the Operating Area and the opportunities open to them.
   5. To advise in relation to, prepare, organise and/or conduct educational, training and counselling courses and programmes of all kinds.
   6. To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multimedia products and display materials.
   7. To carry on any other activities which further any of the above objects.
   8. To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company.
   9. To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company’s activities.
   10. To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company’s activities.
   11. To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
   12. To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
   13. To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
   14. To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.
   15. To employ such staff as are considered appropriate for the proper conduct of the company’s activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
   16. To engage such consultants and advisers as are considered appropriate from time to time.
   17. To effect insurance of all kinds (which may include officers’ liability insurance).
   18. To invest any funds which are not immediately required for the company’s activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
   19. To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company’s objects.
   20. To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company’s objects.
   21. To take such steps as may be deemed appropriate for the purpose of raising funds for the company’s activities.
   22. To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
   23. To oppose, or object to, any application or proceedings which may prejudice the company’s interests.
   24. To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity.
   25. To do anything which may be incidental or conducive to the furtherance of any of the company’s objects.

## Restrictions on use of the company’s assets

1. The income and property of the company shall be applied solely towards promoting the company’s objects.
2. No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
3. 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.
4. No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

Liability of members

1. Each member undertakes that if the company is wound up while he/she/it is a member (or within one year after he/she/it ceases to be a member), he/she/it will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
   1. payment of the company’s debts and liabilities contracted before he/she ceases to be a member;
   2. payment of the costs, charges and expenses of winding up; and
   3. adjustment of the rights of the contributories among themselves.

## General structure

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

## Categories of members

1. For the purposes of these articles:-
   1. “General Member” means a member who fulfils the qualifications set out in article 17; “General Membership” shall be interpreted accordingly; and
   2. “Associate Member” means a member admitted under article 18; “Associate Membership” shall be interpreted accordingly.
2. Associate Members are not eligible to stand for election to the board nor are they eligible to vote at any general meeting.

## Qualifications for membership

1. The members of the company shall consist of such individuals and organisations as are admitted to membership under articles 17 to 28.
2. General Membership shall (subject to articles 21, 22, 23 and 26) be open (subject to article 19) to any local, regional or national organisation involved in delivering mentoring which supports the aim and activities of the company.
3. Associate Membership shall (subject to articles 21, 22, 23 and 24) be open to individuals who are sole traders involved in the provision of training and (subject to article 19) to organisations with an interest in mentoring which supports the aims and activities of the company.
4. In the case of an organisation which is not a corporate body, the organisation itself cannot be a member of the company; instead, membership shall be open to an individual nominated by that organisation (where the organisation would qualify for membership under article 17 or 18), but on the basis that no more than one individual nominated by each organisation under this article 19 can be a member of the company at any given time.
5. An organisation once admitted to General Membership, shall automatically cease to be a member if it ceases to fulfil any of the qualifications for General Membership set out in article 17.
6. Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

Application for membership

1. Any organisation which is a corporate body and wishes to become a member must lodge with the company a written application for membership, signed on its behalf by an appropriate officer of that organisation, and specifying the category of membership for which it is applying.
2. Any individual nominated under article 19 by an organisation which is an unincorporated body who wishes to become a member must lodge with the company a written application for membership, signed by him/her and also signed by an appropriate officer of the organisation which is nominating him/her for membership, and specifying the category of membership for which he/she is applying.
3. Any individual who wishes to become an Associate Member must sign, and lodge with the company, a written application for membership.
4. The company shall supply a form for applying for membership to any individual or organisation on request.
5. An organisation applying for General Membership shall, if the company so requests, supply such evidence as the company may reasonably request to demonstrate that it fulfils the qualifications set out in article 17.
6. An individual who is a sole trader involved in the provision of training and who is applying for Associate Membership shall if the company so requests, supply such evidence as the company may reasonably request to demonstrate that he/she fulfils the qualifications set out in article 18.
7. The directors shall consider each application for membership at the first directors’ meeting which is held after receipt of the application; the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.
8. The directors shall be entitled at their discretion to refuse to admit any applicant to membership.

## Membership subscription

1. Members shall require to pay an annual membership subscription, and on the basis that the directors may, for the purpose of levying membership subscriptions at appropriate rates, divide General Members and Associate Members into such sub-categories (by reference to the number of projects undertaken and, in the case of organisations, by reference to the size of the organisation, and such other criteria as they may consider appropriate) as the directors may determine from time to time.
2. The directors shall be entitled to waive the annual membership subscription due by any particular member in a particular year on grounds of hardship.
3. The annual membership subscriptions shall be payable on each anniversary of the date on which that member was admitted to membership of the company.
4. The members may vary the amount of the annual membership subscription and/or the date on which it falls due in each year, by way of an ordinary resolution to that effect passed at an annual general meeting.
5. The directors shall give to each member at least ten days’ notice of the date on which his/her/its membership subscriptions falls due; each notice shall specify the amount of the subscription which will be due and shall state the possible consequences (under the following article) of failure to make payment.
6. If the membership subscription payable by any member remains outstanding more than eight weeks after the date on which it fell due (and providing he/she/it has been given at least two written reminders) the directors may, by resolution to that effect, expel him/her/it from membership; for the avoidance of doubt, it will be open to an individual or organisation expelled from membership under this article to reapply for membership if he/she/it so wishes.
7. An individual or organisation who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

## Register of members

1. The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she/it was admitted to membership, the category of membership into which he/she/it falls, and the date on which any individual or organisation ceased to be a member.
2. Where an individual was admitted to Associate Membership on the basis of nomination by an organisation which is not a corporate body, the entries against his/her name in the register of members shall include details of the organisation which nominated him/her for membership.

## Withdrawal from membership

1. Any individual or organisation who/which wishes to withdraw from membership shall lodge with the company a written notice to that effect, signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer of that body; on receipt of the notice by the company, he/she/it shall cease to be a member.
2. An organisation which has nominated an individual for membership under article 19 may withdraw its nomination at any time, by way of notice to the company to that effect, signed by an appropriate officer of that organisation; on receipt of the notice by the company, he/she will automatically cease to be a member.

## Expulsion from membership

1. Any individual or organisation may be expelled from membership by special resolution (see article 54), providing the following procedures have been observed:-
   1. at least 21 days’ notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion
   2. the member concerned (or, in the case of a corporate body, an individual authorised by it) shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

## Termination/transfer

1. Membership shall cease:
   1. in the case of an individual, on death;
   2. in the case of an organisation, on the liquidation, winding-up, dissolution or striking-off of that organisation;
   3. in the case of an individual admitted to membership on the basis of nomination by an organisation which is not a corporate body, if that organisation is wound-up or dissolved.
2. A member may not transfer his/her/its membership to any other individual or organisation.

## General meetings (meetings of members)

1. The directors shall convene an annual general meeting in each year.
2. Not more than 15 months shall elapse between one annual general meeting and the next.
3. The business of each annual general meeting shall include:-
   1. a report by the chair on the activities of the company;
   2. consideration of the annual accounts of the company;
   3. the election/re-election of directors, as referred to in articles 83 to 92.
4. Subject to articles 44 and 48, the directors may convene a general meeting at any time.
5. The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

## Notice of general meetings

1. At least 14 clear days’ notice must be given of a general meeting.
2. The reference to “clear days” in article 49 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.
3. A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 54) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.
4. A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
5. Notice of every general meeting shall be given:
   1. in hard copy form;
   2. in writing or (where the individual or organisation to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
   3. (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

## Special resolutions and ordinary resolutions

1. For the purposes of these articles, a “special resolution” means 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 49 to 53; 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.
2. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution:
   1. to alter its name; and
   2. to alter any provision of these articles or adopt new articles of association.
3. For the purposes of these articles, an “ordinary resolution” means 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 49 to 53.

Written resolutions

1. A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the company in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member’s agreement to it (which agreement cannot thereafter be revoked).
2. For the purposes of the preceding article:
   1. the reference to “eligible members” is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);
   2. the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the Act, as follows:
      1. in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 57) by members representing a simple majority of the total voting rights of eligible members;
      2. in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 57) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.
3. A resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution.
4. For the purposes of article 57, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 58), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

## Procedure at general meetings

1. No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be one quarter (rounded downwards if necessary) of the General Members, present in person or represented by proxy (or, in the case of a corporate body, represented by its authorised representative).
2. For the avoidance of doubt, Associate Members shall not be counted in determining whether a quorum is present at any general meeting.
3. If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
4. The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the vice chair shall preside as chairperson of the meeting.
5. If neither the chair of the company nor the vice chair is present and willing to act as chairperson within half an hour of the time appointed for holding a general meeting, the directors present shall elect one of their number to act as chairperson of the meeting; or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
6. A director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting
7. The chairperson of the meeting may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.
8. Every General Member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally (in the case of a corporate body, via an authorised representative) or by proxy.
9. For the avoidance of doubt, Associate Members shall be entitled to attend and speak at a general meeting, but shall have no power to vote at general meetings.
10. A member which is a corporate body may authorise an individual to act as its representative at any general meeting of the company; the individual so authorised shall be entitled to exercise the same powers on behalf of the member which he/she represents as that corporate body could exercise if it were an individual member.
11. Any General Member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting (or adjourned meeting):
    1. shall lodge with the company, at the company’s registered office, a written instrument of proxy (in such form as the directors require), signed by him/her (or, in the case of a corporate body) signed on its behalf by one of its authorised officers; or
    2. shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require)

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

1. An instrument of proxy which does not conform with the provisions of article 71, or which is not lodged or sent in accordance with such provisions, shall be invalid.
2. A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
3. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and need not be a member of the company.
4. 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 electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.
5. If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.
6. 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 individuals present in person at the meeting and entitled to vote (whether as General Members, as authorised representatives of General Members which are corporate bodies, or proxies for General 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.
7. 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.

## Categories of director

1. For the purposes of these articles:
   1. “General Member Director” means a director (drawn from the General Membership of the company) appointed under articles 83 to 92;
   2. “Co-opted Director” means a (non-member) director appointed or re-appointed by the directors under articles 93 and 94.

## Maximum number of directors

1. The maximum number of directors shall be 12; out of that number, no more than 7 shall be General Member Directors and no more than 5 shall be Co-opted Directors.

## Eligibility

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

## Election, retiral, re-election: General Member Directors

1. At the time when notice of the annual general meeting is given to the members, the board of directors shall advertise the opportunity for General Members to put themselves forward (or, where the General Member is a corporate body, to nominate an individual) for election as General Member Directors.
2. Any General Member who is an individual and wishes to be considered for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that he/she is willing to be appointed; the notice must be signed by him/her and must be lodged with the company at least two days before the date of the annual general meeting.
3. Any General Member which is a corporate body and wishes to nominate an individual for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that the individual named in the notice is willing to be appointed; the notice must be signed by him/her and by an appropriate officer of the body and must be lodged with the company at least two days before the date of the annual general meeting.
4. No more than one individual may be nominated by a given corporate body in pursuance of article 85.
5. At each annual general meeting, the General Members may (subject to articles 80 to 82) elect any individual in respect of whom a valid notice has been lodged with the company in accordance with article 84 or 85 (a “General Member Director”).
6. The directors may (subject to articles 80 to 82) at any time appoint any individual who is an General Member (providing he/she is willing to act) to be a director (a “General Member Director”).
7. At each annual general meeting:
   1. any General Member Director appointed under article 88 during the period since the preceding annual general meeting shall retire from office;
   2. out of the remaining General Member Directors, each General Member Directors who has served for a continuous period of four years shall retire from office.
8. For the purposes of article 89:
   1. the period between the date of appointment of a director and the annual general meeting which next follows shall be taken to be a period of one year, unless it is of less than six months’ duration (in which case it will be disregarded);
   2. the period between one annual general meeting and the next shall be deemed to be a period of one year;
   3. if an individual ceases to hold office as a director but is re-appointed as a director within a period of six months, he/she will be deemed to have held office as a director continuously;
   4. for the avoidance of doubt, any period in office as a director prior to the adoption of these articles of association shall be included in determining the period for which an individual has held office as a director.
9. A director who retires from office under article 89 shall (subject to article 92) be eligible for re-election.
10. A director who, as at the annual general meeting when he/she retires from office as a director under paragraph 89.2, has held office for a continuous period of eight years or more shall not be eligible for re-election as a director (unless as agreed in exceptional circumstances by the directors).

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

1. In addition to their powers under article 88, the directors may (subject to articles 80 to 82) at any time appoint any non-member of the company (providing he/she is willing to act) to be a director (a “Co-opted Director”) on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
2. At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then (subject to articles 80 to 82 and 95) be eligible for re-appointment under article 93.
3. A Co-opted Director who, as at the annual general meeting when he/she retires from office as a director under article 94), has held office for a continuous period of eight years or more shall not be eligible for re-election as a director.

## Termination of office

1. A director shall automatically vacate office if:-
   1. he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;
   2. he/she becomes debarred under any statutory provision from being a charity trustee (within the meaning of section 106 of the Charities and Trustee Investment (Scotland) Act 2005);
   3. he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
   4. (in the case of a General Member Director) he/she ceases to be a General Member of the company;
   5. (in the case of a General Member Director nominated by a member which is a corporate body) the body which nominated him/her ceases to be a General Member of the company;
   6. he/she becomes an employee of the company;
   7. he/she resigns office by notice to the company;
   8. he/she is absent (without permission of the directors) from more than two consecutive meetings of the directors, and the directors resolve to remove him/her from office;
   9. he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 131);
   10. he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
   11. he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
2. A resolution under paragraph 96.9 or 96.10 of article 96 shall be valid only if:-
   1. the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
   2. the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
   3. at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

## Register of directors

1. The directors shall maintain a register of directors, setting out full details of each director, including the date on which he/she became a director, and also specifying the date on which any person ceased to hold office as a director.

## Officebearers

1. The directors shall elect from among themselves a chair, vice-chair and treasurer, and such other office bearers (if any) as they consider appropriate.
2. The appointments under article 99 shall be made at meetings of directors.
3. All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
4. A director who, as at the annual general meeting when he/she retires from office under article 101, has held office for a continuous period of four years or more shall not be eligible (unless the directors otherwise resolve, in exceptional circumstances) for re-election until a further period of one year has elapsed; for the avoidance of doubt, the provisions of article 90 shall apply when calculating the period for which a director has held office.
5. A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.
6. If the appointment of a director to any office under article 99 terminates, the directors shall appoint another director to hold the office in his/her place.

## Powers of directors

1. Subject to the provisions of the Act, and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.
2. A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

## Personal interests

1. A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 124) from voting on the question of whether or not the company should enter into that arrangement.
2. For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director or any limited liability partnership of which he/she is a member or any Scottish charitable incorporated organisation of which he/she is a charity trustee or any registered society or unincorporated association of which he/she is a management committee member (or any other party who/which is deemed to be connected with him/her for the purposes of the Act) , has a personal interest in that arrangement.
3. Provided:
   1. he/she has declared his/her interest;
   2. he/she has not voted on the question of whether or not the company should enter into the relevant arrangement; and
   3. the requirements of articles 112, 113 and 124 are complied with,

a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 108) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

1. The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
2. For the avoidance of doubt, article 110 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that nature shall be governed by the provisions of articles 107 to 109 and articles 124 to 127 and the code of conduct referred to in article 131.
3. No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her ordinary duties as a director.
4. Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then:
   1. the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
   2. the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and
   3. less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
5. The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

## Procedure at directors’ meetings

1. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
2. Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
3. No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be five.
4. A director may participate in a board meeting by means of a conference telephone, video conferencing facility or similar communications equipment whereby all the directors participating in the meeting can hear each other; a director participating in a meeting in this manner shall be deemed to be present in person at the meeting.
5. If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
6. Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors’ meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the vice chair shall preside as chairperson of the meeting.
7. If neither the chair of the company nor the vice chair is present and willing to act within 15 minutes after the time when a meeting of the directors was due to commence, the directors present may appoint one of their number to be chairperson of the meeting.
8. The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors’ meeting shall not be entitled to vote.
9. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.
10. A director shall not vote at a directors’ meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
11. For the purposes of article 124, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director or any limited liability partnership of which he/she is a member or any Scottish charitable incorporated organisation of which he/she is a charity trustee or any registered society or unincorporated association of which he/she is a management committee member has a personal interest in that matter.
12. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
13. 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 124 to 126.

## Conduct of directors

1. It is the duty of each director of the company to take decisions (and exercise his/her other powers and responsibilities as a director) in such a way as he/she considers will be in the best interests of the company and will promote the success of the company in furthering its objects, and irrespective of any office, post, engagement or other connection which he/she may have with any other body which may have an interest in the matter in question.
2. Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must:
   1. seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects;
   2. act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
   3. in circumstances giving rise to the possibility of a conflict of interest between the company and any other party;
      1. put the interests of the company before that of the other party, in taking decisions as a director; or
      2. where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question;
   4. ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
3. In addition to the duties outlined in articles 128 and 129, all of the directors must take such steps as are reasonably practicable for the purpose of ensuring: -
   1. that any breach of any of those duties by a director is corrected by the director concerned and not repeated; and
   2. that any director who has been in serious or persistent breach of those duties is removed as a director.
4. Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association; and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

## Delegation to sub-committees

1. The directors may delegate any of their powers to any sub-committee consisting of two or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.
2. Any delegation of powers under article 132 may be made subject to such conditions as the directors may impose and may be revoked or altered.
3. Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.

Standing orders

1. The directors may prescribe such standing orders as they may think from time to time regulating the proceedings at general meetings and/or meetings of the directors and/or any other matters of a similar nature, providing that the content of such standing orders is consistent with the provisions of the articles of association of the company in force from time to time.

## Operation of bank accounts

1. The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.
2. Where the company uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in article 136.

## Secretary

1. The directors shall (notwithstanding the provisions of the 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 such conditions of appointment shall be as determined by the directors; the company secretary may be removed by them at any time.

## Minutes

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

## Accounting records and annual accounts

1. The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
2. The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
3. Subject to article 143, the directors shall ensure that an audit of the annual accounts is carried out by an auditor.
4. Notwithstanding the provisions of article 142, an audit (within the meaning of the Act) by a company auditor (as defined in the Act) shall not be required, in a case where the company is exempt (under the Act) from the requirement to have an audit, if and to the extent that proper arrangements for the auditing or independent examination of the company’s accounts are made in a manner which satisfies the requirements of the Act and (if the company is a Scottish charity at the time) the requirements of the Charities and Trustee Investment (Scotland) Act 2005.
5. No member shall (unless he/she is 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 directors or as authorised by ordinary resolution of the company.

## Notices

1. Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member or be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her/it 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 electronic communications) may be given to the member by electronic means.
2. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
3. Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

## Winding-up

1. 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 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.
2. For the avoidance of doubt, a body to which property is transferred under article 148 may be a member of the company.
3. To the extent that effect cannot be given to article 148 (as read with article 149), the relevant property shall be applied to some charitable purpose or purposes.

## Indemnity

1. 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 Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted or any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
2. The company shall be entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) 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 his/her office; and such insurance may (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).