

ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2006

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

ARTICLES of ASSOCIATION of the

**ARDNAMURCHAN
LIGHTHOUSE
TRUST**

Registered Company Number: SC170704

Registered Charity Number: SC025610

THE COMPANIES ACT 2006

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ARTICLES of ASSOCIATION of the ARDNAMURCHAN LIGHTHOUSE TRUST

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GENERAL

Constitution of company

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

Defined terms

2. In these articles of association, unless the context requires otherwise:-

- (a) "Act" means the Companies Act 2006;
- (b) "charity" means a body which is either a Scottish charity, 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;
- (c) "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;
- (d) "community body" means a community body within the meaning of section 34 of the Land Reform (Scotland) Act 2003 (as amended by section 37 of the Community Empowerment (Scotland) Act 2015) which is also regarded as a community body for the purposes of section 49(2)(h) of the Land Reform (Scotland) Act 2016;
- (e) "crofting community body" means a crofting community body within the meaning of section 71 of the Land Reform (Scotland) Act 2003 (as amended by section 62 of the Community Empowerment (Scotland) Act 2015);
- (f) "conflict of interest" includes a conflict of interest and duty, and a conflict of duty;
- (g) "Conflict Situation" means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);
- (h) "electronic form" and "electronic means" have the meanings given in section 1168 of the Act;

- (i) "OSCR" means the Office of the Scottish Charity Regulator;
 - (j) "Part 3A community body" means a Part 3A community body with the meaning of section 97D of the Land Reform (Scotland) Act 2003 (as inserted by section 74 of the Community Empowerment (Scotland) Act 2015);
 - (k) "Part 5 community body" means a Part 5 community body within the meaning of section 49 of the Land Reform (Scotland) Act 2016;
 - (l) "property" means any property, heritable or moveable, real or personal, wherever situated;
 - (m) "Scottish charity" means a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005;
 - (n) "subsidiary" has the meaning given in section 1159 of the Act;
 - (o) "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
3. Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

4. The company has been formed to benefit the community of West Ardnamurchan which comprises the postcode units PH36 4LG, PH36 4LH, PH36 4LJ, PH36 4LL, PH36 4LN, PH36 4LP, PH36 4LQ, PH36 4LW, PH36 4JG, PH36 4JP, PH36 4JQ and PH36 4JW ("the Community") with the following objects:
- To advance the education of the public concerning Ardnamurchan Lighthouse (a Grade A listed complex), its use and place in history and as a site of specific scientific, natural and maritime interest by:
- Providing access to sites and buildings of local historic, scientific, natural and maritime interest within the Ardnamurchan Lighthouse complex.
 - The repair, conservation and period reconstruction of buildings within the Ardnamurchan Lighthouse complex.
 - Maintaining a Visitor Centre.
 - Providing Information for the public about the heritage and history of Ardnamurchan Lighthouse and its environment and for education and research purposes
5. The company's objects are restricted to those set out in article 4 (but subject to article 6).

6. The company may (subject to articles 0 and 0) add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

7. In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-
 - 7.1. To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment.
 - 7.2. To increase public awareness of the importance of the lighthouse tradition and to promote, operate, co-ordinate, monitor, and/or support other projects and programmes which further the objects of the company.
 - 7.3. To establish, maintain, develop and/or operate a centre providing facilities for community learning, educational and cultural activities, training activities, leisure pursuits and which may include refreshment facilities.
 - 7.4. To advise in relation to, prepare, organise, conduct and/or support training courses, educational and training events and activities of all kinds. To provide academic input to research local and maritime history, the science of lighthouses, the human story of the lighthouse, sea and marine creatures, meteorology and
 - 7.5. To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multimedia products and display materials, and to create and maintain a website or websites
 - 7.6. To provide information, advisory, support and/or consultancy services which further the objects of the company.
 - 7.7. To liaise with local authorities, central government authorities and agencies, charities/community benefit bodies and others, all with a view to furthering the objects of the company.
 - 7.8. To register any interest in land and to exercise any right to buy under Part 2 of the Land Reform (Scotland) Act 2003 and/or any right to buy under Part 3A of the Land Reform (Scotland) Act 2003 and/or any right to buy under Part 5 of the Land Reform (Scotland) Act 2016.
 - 7.9. To make any participation request under Part 3 of the Community Empowerment (Scotland) Act 2015 and/or any asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015, and to take any

appropriate steps following upon the making of any such request.

- 7.10. To carry on any other activities which further any of the above objects.
- 7.11. 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.
- 7.12. 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.
- 7.13. To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- 7.14. To improve, repair, manage, develop, or otherwise deal with, all or any part of the property and rights of the company and generally promote and encourage the retention and preservation of, and, so far as may be considered necessary or desirable, engage in the period reconstruction of any buildings or land which are the subjects of the Company's objects.
- 7.15. To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- 7.16. To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- 7.17. 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.
- 7.18. 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.
- 7.19. To engage such consultants and advisers as are considered appropriate from time to time for the furtherance of the objects of the Company.
- 7.20. To effect insurance of all kinds (which may include officers' liability insurance).
- 7.21. 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).

- 7.22. To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- 7.23. To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 7.24. To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- 7.25. To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 7.26. 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.
- 7.27. 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

8. The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 4) and in particular (but without limiting the generality of that provision) any surplus funds or assets of the company must be applied for the benefit of the Community.
9. No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
10. No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
11. No benefit (whether in money or in kind) shall be given by the company to any director except
 - (a) repayment of out-of-pocket expenses; or
 - (b) reasonable payment in return for particular services (outwith the ordinary duties of a director) actually rendered to the company.

Liability of members

12. 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:
 - (a) payment of the company's debts and liabilities contracted before he/she/it ceases 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

13. The structure of the company consists of:-
- (a) The MEMBERS - comprising (i) Ordinary 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 Ordinary Members elect people to serve as directors and take decisions in relation to changes to the articles themselves), (ii) the Associate Members and (iii) the Junior Members; and
 - (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

MEMBERS

Categories of Members

14. For the purposes of these articles:-
- (a) "Ordinary Member" means a member who fulfils the qualifications set out in article 17; "Ordinary Membership" shall be interpreted accordingly;
 - (b) "Associate Member" means a member admitted under article **Error! Reference source not found.** (as read with article **Error! Reference source not found.**); "Associate Membership" shall be interpreted accordingly;
 - (c) "Junior Member" means a member admitted under article 18; "Junior Membership" shall be interpreted accordingly
15. Associate Members and Junior Members are not eligible to stand for election to the Board nor are they eligible to vote at any general meeting.

Qualifications for membership

16. The members of the company shall consist of the subscribers to the memorandum of association and such other individuals and organisations as are admitted to membership under articles 17 to 23.

17. Ordinary Membership shall (subject to articles 22, **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.**) be open to any person aged 16 years or over who:
 - (a) is ordinarily resident in the Community (as defined in article 4);
 - (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
 - (c) supports the objects and activities of the company.
18. Associate Membership shall (subject to articles 22, 23, 24, 25 and 28) be open to individuals who are not ordinarily resident in the Community and (subject to article 19) to organisations (wherever they have their principal office or place of business or main area of operation) that support the objects and activities of the company.
19. 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 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.
20. Junior Membership shall (subject to articles 22, **Error! Reference source not found.** and **Error! Reference source not found.**) be open to those individuals aged between 12 and 15 (whether or not they are ordinarily resident in the Community) who support the objects and activities of the Company.
21. An individual, once admitted to Ordinary Membership, shall automatically cease to be a member if he/she ceases to fulfil any of the qualifications for Ordinary Membership set out in article 17.
22. 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

23. Any individual who wishes to become a member must (subject to article 38) sign, and lodge with the company, a written application for membership, specifying the category of membership for which he/she is applying.
24. Any organisation which is a corporate body and wishes to become an Associate Member must (subject to article 38) lodge with the company a written application for membership, signed on its behalf by an appropriate officer of that organisation.
25. Any individual nominated under article 19 by an organisation which is an unincorporated body who wishes to become an Associate Member must (subject to article 38) 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.

26. The company shall supply a form for applying for membership to any individual or organisation on request.
27. An individual applying for Ordinary 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 17.
28. For the avoidance of doubt, when deciding whether to admit any individual or organisation to membership, the directors shall adhere to a transparent process which enshrines the principles of equal treatment and non-discrimination.
29. 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.

Minimum number of members

- 30 The minimum number of members is 20; and at least three quarters of the members must, at all times, be Ordinary Members.
- 31 In the event that either or both of the requirements under article 31 cease to be met through a reduction in the number of members or a reduction in the proportion of Ordinary Members included within the membership, the directors may not conduct any business other than to ensure the admission of sufficient members (or, as the case may be, Ordinary Members) to ensure that those requirements are met once more.

Membership subscription

- 32 Members shall require to pay an annual membership subscription; unless and until otherwise determined by ordinary resolution, the amount of the annual membership subscription shall be £0.00
33. The annual membership subscriptions shall be payable on or before 1st April in each year.
34. 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.
35. If the membership subscription payable by any member remains outstanding more than four weeks after the date on which it fell due (and providing he/she/it has been given at least one written reminder) 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.

36. An individual or organisation who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

Arrangements involving the company's website

37. The directors may, if they consider appropriate, introduce arrangements under which an individual or organisation can apply for membership and/or membership subscriptions may be paid and/or an individual may confirm that he/she/it wishes to remain a member, by accessing the company's website (and, where applicable, links from the company's website), and completing and submitting forms electronically; the directors shall ensure that any such arrangements incorporate appropriate security measures and reserve the right for the company to request signed hard copy documentation and/or evidence of eligibility in any case where the directors consider that to be appropriate.

Register of members

38 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.

39 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

40 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.

41 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

42 Any individual or organisation may be expelled from membership by special resolution (see article 56), providing the following procedures have been observed:-

- (a) at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion
- (b) the member concerned (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

43 Membership shall cease:

- (a) in the case of an individual, on death
- (b) in the case of an organisation, on the liquidation, winding-up, dissolution or striking-off of that organisation
- (c) 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.

44 A member may not transfer his/her/its membership to any other individual or organisation

GENERAL MEETINGS

General meetings (meetings of members)

45 The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.

46 Not more than 15 months shall elapse between one annual general meeting and the next.

47 The business of each annual general meeting shall include:-

- (a) a report by the chair on the activities of the company
- (b) consideration of the annual accounts of the company
- (c) the election/re-election of directors, as referred to in articles 84 to 89.

48 Subject to articles 0 and 0, the directors may convene a general meeting at any time.

49. 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

50 At least 14 clear days' notice must be given of any general meeting.

51 The reference to "clear days" in article 0 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.

52 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 0) (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.

53 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.

54 Notice of every general meeting shall be given to all the members and directors, and (if auditors are in office at the time) to the auditors

- (a) in hard copy form
- (b) in writing or (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
- (c) (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

Special resolutions and ordinary resolutions

55 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 0 to 0; 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.

56 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the 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.

57 If the company is a community body or Part 3A community body (in each case, as defined in article 2) any amendments to the articles of association of the company shall require the community body to notify

Scottish Ministers, through the Scottish Government Rural Directorate (or its successors under Section 35(1) of the Land Reform Act.

58 If the company is a Scottish charity, amendments to the objects of the company (as set out in article 4) will require the prior approval of OSCR.

59 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 0 to 0.

Procedure at general meetings

60 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall (subject to article 62) be ten individuals entitled to vote (each being an Ordinary Member or a proxy for an Ordinary Member).

61 A quorum shall not be deemed to be present at any general meeting unless the Ordinary Members present or represented by proxy at the meeting form a majority of the members present or represented by proxy at the meeting.

62 For the avoidance of doubt, Associate Members and Junior Members shall not be counted in determining whether a quorum is present at any general meeting.

63 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.

64 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.

65 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such date, time and place as the chairperson may determine.

66 Every Ordinary Member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.

67 For the avoidance of doubt, Associate Members and Junior Members shall have no power to vote at general meetings.

68 Any Ordinary Member who wishes to appoint a proxy to vote on his/her 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 directors require), signed by him/her; or

(b) shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

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

69 An instrument of proxy which does not conform with the provisions of article 69, or which is not lodged or sent in accordance with such provisions, shall be invalid.

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

71 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.

72 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.

73 An Associate Member which is a corporate body shall be entitled to appoint an individual to attend and speak at any general meeting as its authorised representative.

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

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

76 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.

DIRECTORS

Categories of director

77 For the purposes of these articles

“Member Director” means a director (drawn from the membership of the company) appointed under articles 0 to 0;

“Co-opted Director” means a (non-member) director appointed or re-appointed by the directors under articles **Error! Reference source not found.** and **Error! Reference source not found.**.

Maximum/minimum number of directors

78 The maximum number of directors shall be 12; out of that number, no more than 9 shall be Member Directors and no more than 3 shall be Co-opted Directors.

79 At any given time, directors who are also Ordinary Members must form a majority of the total number of directors in office.

80 The minimum number of directors shall be 6, of whom a majority must be Member Directors.

Eligibility

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

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

Election, retiral, re-election: Member Directors

83 At each annual general meeting, the Ordinary Members may (subject to articles 0 to 0) elect any member (providing he/she is willing to act) to be a director (a “Member Director”).

84 The directors may (subject to articles 0 to 0) at any time appoint any member (providing he/she is willing to act) to be a director (a “Member Director”).

85 At the first annual general meeting, one third (to the nearest round number) of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by some random method.

86 At each annual general meeting (other than the first)

- (a) any Member Director appointed under article 0 during the period since the preceding annual general meeting shall retire from office;
- (b) out of the remaining Member Directors, one third (to the nearest round number) shall retire from office.

87 The directors to retire under paragraph (b) of article 0 shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.

88 A director who retires from office under article 0 or 0 shall be eligible for re-election.

Appointment/re-appointment: Co-opted Directors

89 In addition to their powers under article 85, the directors may (subject to articles 79 to 83) 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") either on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.

90 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then (subject to articles 79 to 83) be eligible for re-appointment under article 90.

Termination of office

91 A director shall automatically vacate office if:-

- (a) 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;
- (b) 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);
- (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
- (d) (in the case of a Member Director) he/she ceases to be a member of the company;
- (e) he/she becomes an employee of the company;
- (f) he/she resigns office by notice to the company;
- (g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office;
- (h) he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a serious breach of the code of conduct for directors (as referred to in article 124); or
- (i) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

- 92 A resolution under paragraph (h) or (i) of article 92 shall be valid only if: -
- (a) the director who is the subject of the resolution is given reasonable prior written notice of the grounds upon which the resolution for his/her removal is to be proposed;
 - (b) the director concerned is given the opportunity to address the meeting at which the resolution is proposed, prior to the resolution being put to the vote; and
 - (c) (in the case of a resolution under paragraph (h) of article 92) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Register of directors

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

Office bearers

94 The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.

95 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.

96 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Powers of directors

97 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.

98 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors

Personal interests

99 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 (under article 0) from voting on the question of whether or not the company should enter into that arrangement.

100 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 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.

101 Provided

- (a) he/she has declared his/her interest;
- (b) he/she has not voted on the question of whether or not the company should enter into the relevant arrangement; and
- (c) the requirements of articles 105, 106 and 117 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 101) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

102 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any Conflict Situation that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.

103 For the avoidance of doubt, article 103 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 100 to 102 and articles 117 to 120 and the code of conduct referred to in article 124.

104 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.

105 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then:

- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable
- (b) the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and
- (c) less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).

106 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.

DIRECTORS' MEETINGS

Procedure at directors' meetings

107 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.

108 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall (subject to article **Error! Reference source not found.**) have a casting vote.

109 A chairperson who is not an Ordinary Member shall not be entitled to a casting vote.

110 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article 112) be four.

111 A quorum shall not be deemed to be constituted at any meeting of directors unless the Member Directors who are also Ordinary Members form a majority of the total number of directors present at the meeting.

112 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

113 If at any time the number of directors in office falls below the number fixed as the quorum or ceases to comply with the provisions of article 0, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.

114 Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.

115 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.

116 A director shall not vote at a directors' meeting (or at a meeting of a sub-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.

117 For the purposes of article 0, 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, has a personal interest in that matter.

118 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.

119 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 0 to 0.

Conduct of directors

120 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

121 Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must

- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out article 4)
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
- (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party
 - (i) put the interests of the company before that of the other party, in taking decisions as a director
 - (ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question
- (d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

122. In addition to the duties outlined in article 121, all of the directors must take such steps as are reasonably practicable for the purpose of ensuring: -

(a) that any breach of any of those duties by a director is corrected by the director concerned and not repeated; and

(b) that any director who has been in serious or persistent breach of those duties is removed as a director.

123. 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.

ADMINISTRATION

Delegation to sub-committees

124 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.

125 Any delegation of powers under article 0 may be made subject to such conditions as the directors may impose and may be revoked or altered.

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

Operation of bank accounts

127 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.

128 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 0.

Secretary

129 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 conditions of appointment, shall be as determined by the directors; the company secretary may be removed by them at any time.

Minutes

130 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.

131 Any person may request a copy of the minutes of general meetings or meetings of the directors of the company and, provided that the request is reasonable, the company must, subject to article 133, provide a copy of the minutes to that person within 28 days of the request.

132 Where a request for a copy of minutes is made under article 132, the company may withhold information contained in the minutes provided that the person requesting a copy of the minutes is informed of the reasons for doing so.

Accounting records and annual accounts

133 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

134 The accounting records shall be maintained by the treasurer and overseen by the chair, or otherwise by, or as determined by, the directors; such records shall be kept at such place or places as the directors think fit and shall always be available for inspection by the directors.

135 The directors shall prepare annual accounts, complying with all relevant statutory requirements.

136 Subject to article 138, the directors shall ensure that an audit of the annual accounts is carried out by an auditor.

137 Notwithstanding the provisions of article 137, 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.

138 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 authorised by ordinary resolution of the company.

Notices

139 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/which 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.

140 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.

141 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.

MISCELLANEOUS

Winding-up

142 If on the winding-up of the company any property (including any land acquired by the company under Part 2 or Part 3A of the Land Reform (Scotland) Act 2003 or Part 5 of the Land Reform (Scotland) Act 2016)) remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; instead, that property shall (subject to articles 144 and 145) be transferred to such other community body or bodies, crofting community body or bodies or Part 3A community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers).

143 If the members do not resolve to transfer any property of the nature referred to in article 143 to a community body or bodies, crofting community body or bodies or Part 3A community body or bodies approved by Scottish Ministers, such property shall instead (subject to article 145) be transferred to the Scottish Ministers or to such Scottish charity as the Scottish Ministers may direct.

144. If - at the time when the company is being wound up - the company is a Scottish charity, no property shall be transferred under article 143 or 144 to any body unless it is a body entered in the Scottish charity register; for the avoidance of doubt, the Scottish Ministers should be taken to be a "body" for the purposes of this article 145.

Indemnity

145 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.

146 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) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).