

# **THE COMPANIES ACT 2006**

## **SPECIAL RESOLUTION**

### **VOLUNTARY ACTION SOUTH LANARKSHIRE**

### **AMENDMENT TO ARTICLES OF ASSOCIATION**

At the EGM of the members of the above named company, duly convened and held at Torrance Hotel, 135 Main Street, East Kilbride on the 9<sup>th</sup> day of November, 2016 the following special resolution was duly passed:

That the existing memorandum and articles of association be amended and substituted with amended articles of association attached to this resolution.

Changes were made to the following articles:

Article 12.1 to 12.5 amended; Article 17.1 to be included; Article 27 amended; Article 40 amended; Article 50 amended; Article 51 amended; Article 53 and 54 amended; Article 57 (d) and (e) amended.

Dated: 2<sup>nd</sup> December, 2016

Signed:

Company Secretary

ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION of  
VOLUNTARY ACTION SOUTH  
LANARKSHIRE

**THE COMPANIES ACT 2006**

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

*ARTICLES of ASSOCIATION*

**of**

**Voluntary Action South Lanarkshire**

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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 and all other predecessor articles are excluded in respect of the company.

**Defined terms**

- 2 In these articles of association, unless the context requires otherwise:-
- (a) "2005 Act" means the Charities and Trustee Investment (Scotland) Act 2005;
  - (b) "Act" means the Companies Act 2006;
  - (c) "Board" means the board of directors of the company from time to time;
  - (d) "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the 2005 Act or a "charity" within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its objects are limited to charitable purposes and "charitable" shall be construed accordingly;
  - (e) "charitable purpose" means a charitable purpose under section 7 of the 2005 Act which is also regarded as a charitable purpose for the purposes of the Taxes Acts;
  - (f) "electronic form" has the meaning given in section 1168 of the Act;
  - (g) "OSCR" means the Office of the Scottish Charity Regulator;
  - (h) "property" means any property, heritable or moveable, real or personal, wherever situated;
  - (i) "subsidiary" and "holding company" have the meanings given in section 1159 of the Act;
  - (j) words or expressions shall bear the same meaning as in the Act; and
  - (k) words or expressions importing the masculine gender only shall include the feminine gender and vice versa.
- 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's objects are:
- (4.1) The advancement of citizenship or community development (including rural or urban regeneration and the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of charities) principally in the Operating Area (as defined in article 5).
  - (4.2) The advancement of education within the Operating Area.
  - (4.3) The prevention or relief of poverty.
  - (4.4) The promotion of equality and diversity.
- 5 The company's objects are restricted to those set out in article 4 (but subject to article 6). And such that for the purposes of article 4, the expression "the

Operating Area” shall be taken to refer to South Lanarkshire, subject to the qualification that the company may operate outwith South Lanarkshire in the furtherance of the above objects where doing so provides some benefit, directly or indirectly, to residents of South Lanarkshire.

- 6 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.

## **Powers**

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-

- (a) To improve the quality and effectiveness of support for Voluntary and Community sector organisations, demonstrating tangible benefits and ensuring equality of access. Strengthening the relationships between individual organisations and between the sector and the Community Planning Partners and Policy makers.
- (b) To establish, maintain, develop and/or operate a centre or centres providing accommodation for community learning, healthy living initiatives, educational and cultural activities, and training activities, and accommodation for community groups and for public sector agencies which provide benefit to the community, and which may include refreshment facilities.
- (c) To promote, operate, co-ordinate, monitor and/or support other projects and programmes (which may include workspace projects) which further the aims of the company.
- (d) To provide information, advisory support and/or consultancy services which further the aims of the company.
- (e) To advise in relation to, prepare, organise, conduct and/or support training courses, educational and training events and activities of all kinds.
- (f) To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multi-media products and display materials, and to create and maintain a website or websites.
- (g) To carry on any other activities which further any of the above objects.
- (h) To promote companies / organisations 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.
- (i) 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.
- (j) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company’s activities.

- (k) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- (l) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- (m) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (n) 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.
- (o) 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.
- (p) To engage such consultants and advisers as are considered appropriate from time to time.
- (q) To effect insurance of all kinds (which may include officers' liability insurance).
- (r) 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).
- (s) 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.
- (t) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- (u) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (v) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (w) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (x) 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.
- (y) 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 (a) The income and property of the company shall be applied solely towards promoting the company's objects. It is declared that the assets of the company shall only be applied for charitable purposes and the directors shall act in accordance with the 2005 Act and do nothing to prevent the company qualifying and continue to qualify as charitable.

- (b) Subject as provided in articles 94 and 95 no part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
- (c) No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- (d) No benefit (whether in money or 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**

- 9 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**

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

### **Qualifications for membership**

- 11 The members of the company shall consist of the members of the company immediately following the adoption of these articles of association and such other persons or organisations as are admitted to membership in accordance with articles 12 to 16.

#### **12 Membership:**

- 12.1 Any voluntary, community or statutory organisation interested in the furtherance of volunteering or community action (whether incorporated or not) and operating in South Lanarkshire and its environs as determined from time

to time by the Board which supports the objects of the company. At any general meeting each organisation can nominate one delegate to attend. Each member shall have one vote.

12.2 Any individual over the age of 18 interested in the furtherance of volunteering who is a resident of South Lanarkshire. Such members hold one vote each.

12.3 Any individual over the age of 18 who is a volunteer of an organisation operating in South Lanarkshire. Such members hold one vote each.

#### Affiliate Membership

12.4 Any individual over the age of 18 interested in the furtherance of volunteering whose place of employment or place of business is within South Lanarkshire. To be classified as "affiliate member" with no vote.

12.5 Any company who is interested in the furtherance of volunteering or community action in South Lanarkshire and its environs as determined from time to time by the Board. To be classified as "affiliate member" with no vote.

13 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

14 All applications for membership shall be by written application.

(14.1) Any organisation or body wishing to become a member must lodge with the company, a written application for membership (in such form as the Board requires) signed and endorsed by its appropriate officers.

(14.2) Any organisation or body (whether incorporated or unincorporated) applying for membership and for so long as it remains a member shall nominate in writing an individual to act as its representative in exercising the rights of membership on its behalf with full power to such organisation or body (as the case may be) at any time to recall its nomination and nominate a new representative. No more than one individual nominated by each such organisation or body may exercise the rights of membership of the organisation or body (as the case may be) at any given time.

(14.3) Any individual wishing to become a member must sign and lodge with the company a written application for membership and such evidence of his/her/its home address or place of business or employment in such form as the Board require.

15 The directors may, at their discretion, refuse to admit any person or organisation to membership.

16 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 / applicant organisation of their decision on the application.



### **Membership subscription**

- 17 The annual subscription for membership shall be determined from time to time by the Board and such determination may, at the Board's entire discretion, provide for exceptions to be made to the rate for persons or for small undeveloped organisations. Annual membership shall run in line with financial accounting periods.
- 17.1 Only those Members who have paid their current membership subscription are eligible to vote at any General Meeting.

### **Register of members**

- 18 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, and the date on which any person or organisation ceased to be a member.

### **Withdrawal from membership**

- 19 Any person or organisation wishing to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, they shall cease to be a member.

### **Expulsion from membership**

- 20 Any person or organisation may be expelled from membership by special resolution (see article 33), providing the following procedures have been observed:-
- (a) at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion
  - (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

### **Termination/transfer**

- 21 Membership shall cease:
- (a) on the dissolution, liquidation, receivership or striking-off of the body or organisation which constituted the member;
  - (b) In the case of an individual that is a member:
    - (1) on the death of such individual;
    - (2) on him becoming bankrupt or making any arrangement or composition with his creditors generally; or
    - (3) in the event that a court makes an order, by reason of the individual's mental health, which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have; and
  - (c) in the circumstances provided for in articles 13, 19 and 20.
- 22 A member may not transfer membership to any other person or organisation.

### **General meetings (meetings of members)**

- 23 The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed).
- 24 Not more than 15 months shall elapse between one annual general meeting and the next.
- 25 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; and
  - (c) the election/re-election of directors, as referred to in articles 53, 54 and 56.
- 26 The directors may convene any other general meeting at any time.
- 27 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**

- 28 At least 14 clear days' notice must be given of an annual general meeting or other general meeting.
- 29 The reference to "clear days" in article 28 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.
- 30 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 33) (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.
- 31 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other meeting shall be called a general meeting.
- 32 Notice of every general meeting shall be given:-
- (a) in hard copy form; or
  - (b) in writing or, (where the person 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**

- 33 For the purposes of these articles of association, a "special resolution" means a resolution of the members that are entitled to vote on the resolution, which

is either (a) passed by 75% or more of the votes cast on the resolution at an annual general meeting or other general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 28 to 32; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting; or (b) passed by members representing not less than 75% of the total voting rights of eligible members when passed by way of a written resolution in accordance with the Act.

- 34 In addition to the matters expressly referred to elsewhere in these articles of association, the provisions of the Act allow the company, by special resolution to alter any provision of these articles of association or adopt new articles of association. The company shall only alter its name if such alteration has been approved by way of a special resolution
- 35 For the purposes of these articles of association, an “ordinary resolution” means a resolution of the members that are entitled to vote on the resolution, which is either (a) passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at an annual general meeting or other general meeting, providing proper notice of the meeting has been given in accordance with articles 28 to 32; or (b) passed by members representing a simple majority of the total voting rights of eligible members when passed by way of written resolution in accordance with the Act.

#### **Procedure at general meetings**

- 36 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be Fifteen persons entitled to vote (each being a member or a proxy for a member or, in the case of a member that is an organisation or body (whether incorporated or unincorporated), a designated representative of that organisation or body as referred to in article 14.2 and/or the Act).
- 37 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.
- 38 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 or is present but not willing to act as chairperson, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
- 39 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
- 40 Subject to article 12 members shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally (including in the case of a member that is an organisation or body (whether incorporated or unincorporated), by way of designated representative) or by proxy.

- 41 Any member who wishes to appoint a proxy to vote on their behalf at any meeting (or adjourned meeting):
- (a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by the member or an authorised signatory of the member; 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).
- 42 An instrument of proxy which does not conform with the provisions of article 41, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 43 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 44 A proxy appointed to attend and vote at any meeting instead of the individual member shall have the same rights as the member for whom s/he is proxy as if the member were present in person.
- 45 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.
- 46 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall not be entitled to a casting vote.
- 47 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members (including designated representatives) or proxies for members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
- 48 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

#### **Maximum number of directors**

- 49 For the purposes of these articles of association:-

“Co-opted Director” means a director appointed or re-appointed under article 55;

“Member Director” means a director appointed or re-appointed under article 53.

50 The maximum number of directors shall be twelve.

51 Subject to article 50:-

Each member in terms of Article 12 shall, at any time at which there is a vacancy for a Member Director, be entitled to nominate (by giving written notice to the company) no more than one individual engaged within its organisation or body (as the case may be) who is willing so to act to be appointed or re-appointed a Member Director.

### **Eligibility**

52 No person shall be appointed or re-appointed as a director:

- a. in the case of a Co-opted Director, he/she is recommended by the Board; or
- b. in the case of a Member Director, the appointment is approved by an ordinary resolution of the members and not less than seven clear days before the date appointed for the meeting or the circulation of the written resolution (as the case may be), notice executed by a member entitled to nominate in accordance with article 51 has been given to the Company of the intention to propose that person for appointment or re-appointment together with notice executed by that person of his/her willingness to be appointed or re-appointed.
- c. Within the provisions of article 55 (Subject to article 50) a Co-opted Director need not be a member of the company.

### **Election, retiral, re-election**

53 At each annual general meeting (or any other general meeting convened (either by the directors or the members in accordance with the Act) for the purposes of appointing or re-appointing directors), the members may (subject to articles 50 to 52, the remaining provisions of this article 53 and article 54) elect any individual nominated in accordance with article 51 (providing he/she is willing to act) to be a director (a “Member Director”). Only members entitled to vote in terms of article 12 shall vote on the election or re-appointment of Member Directors.

54 At each annual general meeting

- (a) Each director will be appointed to serve for three years and will be eligible for re-appointment for a further three years; and
- (b) A director who has served for six years will not be eligible for re-election until a break period of one year has been observed.
- (c) For the purpose of this regulation a “year” shall be the period between one Annual General Meeting and the next following Annual General Meeting.

- 55 The directors may (subject to articles 50, 52 and 54) at any time appoint any person to be a director (a “Co-opted Director”) (providing he/she is willing to act) 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.
- 56 At each annual general meeting, all Co-opted Directors shall retire from office – but shall then be eligible for re-appointment under Article 55 or as a Member Director if so qualified for such office in accordance with and subject to articles 50 to 54.

### **Termination of office**

- 57 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;
  - (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) where he/she is a Member Director he/she ceases to be a member holding Membership in terms of Article 12.2 or Article 12.3;
  - (e) where he/she is a Member Director he/she ceases to be engaged with a member as defined in Article 12.1;
  - (f) he/she becomes an employee of the company;
  - (g) he/she resigns office by notice to the company;
  - (h) 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;
  - (i) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

### **Register of directors**

- 58 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**

- 59 The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.
- 60 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.

- 61 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**

- 62 Subject to the provisions of the Act, and these articles of association, 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.
- 63 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Personal interests and conflicts of interest**

- 64 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 77) from voting on the question of whether or not the company should enter into that arrangement.
- 65 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her for the purposes of the Act), has a personal interest in that arrangement.
- 66 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 article 68 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 65) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 67 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
- 68 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).

- 69 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.
- 70 (a) Subject always to the Act, the 2005 Act, and these articles of association, and provided that the matter has been disclosed to and authorised by the directors in accordance with section 175 of the Act or by resolution of the members, a director may in any situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company and which he/she would otherwise be under a duty to avoid pursuant to section 175 of the Act and he/she shall not be accountable to the company for any profit, remuneration or benefit realised by or accruing to him/her on consequence of any such situation, and no transaction or arrangement shall be liable to be avoided, by reason of his/her office or of the fiduciary relationship thereby established.
- (b) Any authorisation pursuant to article 70(a) shall be for such duration and subject to such terms and conditions as the directors or members (as the case may be) shall determine and may be varied or terminated at any time. In particular, but without limitation, any such authorisation may (but need not) provide that:-
- 1) If the director has obtained any information, otherwise than as a director, in respect of which he/she owes a duty of confidentiality to another person, the director is under no obligation to disclose such information to the company or to use or apply such information in performing his/her duties as a director of the company where to do so would be a breach of that duty of confidentiality; and/or
  - 2) the director shall not be given any information relating to the matter which has been authorised; and/or
  - 3) the director shall not be counted in the quorum present nor shall he/she be entitled to deliberate and vote at any meeting of the directors in respect of any resolution relating to that matter.
- (c) For avoidance of doubt, article 70(a) shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.
- (d) Any references in these articles of association to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

### **Procedure at directors' meetings**

- 71 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 72 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.



- 73 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.
- 74 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.
- 75 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.
- 76 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.
- 77 A director shall not be counted in the quorum present nor shall he/she be entitled to deliberate and vote at any meeting of the directors (or at a meeting of a committee):-
- 1) in respect of any resolution to authorise a matter pursuant to article 70(a);  
or
  - 2) in respect of any resolution relating to a matter which has been authorised pursuant to article 70(a) where the terms of that authorisation do not permit this;
  - 3) in respect of any resolution concerning a transaction or arrangement in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company,
- and he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 78 For the purposes of article 77, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.
- 79 If a question arises at a meeting of directors or at a meeting of a committee of directors to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chair of the meeting. The ruling of the chair at the meeting in relation to any director other than himself/herself shall be final and conclusive.
- 80 The company may (subject to the 2005 Act), by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 77 to 79.

### **Conduct of directors**

- 81 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;

- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- (c) in circumstances giving rise to the possibility of a conflict of interest between the company and any other party:-
  - (i) put the interests of the company before that of the other party, in taking decisions as a director;
  - (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 2005 Act.

### **Delegation to sub-committees**

- 82 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.
- 83 Any delegation of powers under article 82 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 84 The rules of procedure for any sub-committee shall be as prescribed by the directors.

### **Operation of bank accounts**

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

### **Secretary**

- 86 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**

- 87 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**

- 88 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 89 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.
- 90 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**

- 91 Any notice which requires to be given to a member under these articles of association 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 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.
- 92 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.
- 93 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 or as the Board may otherwise determine, acting reasonably.

### **Winding-up**

- 94 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.
- 95 For the avoidance of doubt, a body to which property is transferred under article 93 may be a member of the company.
- 96 To the extent that effect cannot be given to article 94 (as read with article 95), the relevant property shall be applied to some charitable purpose or purposes.

### **Indemnity**

- 97 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.

- 98 The Company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).