

ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2006

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

**ARTICLES of ASSOCIATION of
OLD LUCE DEVELOPMENT TRUST**

THE COMPANIES ACT 2006

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

ARTICLES of ASSOCIATION of

OLD LUCE DEVELOPMENT TRUST

CONTENTS		
GENERAL	constitution of the company, defined terms, objects, powers, restrictions on use of assets, limit on liability, general structure	articles 1-14
MEMBERS	qualifications, application, minimum number, subscription, register, withdrawal, expulsion, termination/transfer	articles 15-34
GENERAL MEETINGS (meetings of members)	general, notice, special/ordinary resolutions, procedure	articles 35-60
DIRECTORS	Categories, maximum/minimum number, eligibility, election/retiral/re-election (Member Directors), appointment/re-appointment (Co-opted Directors), termination of office, register, office bearers, powers, personal interests	articles 61-85
DIRECTORS' MEETINGS	procedure, conduct of directors	articles 86-98
ADMINISTRATION	committees, operation of bank accounts, secretary, minutes, accounting records and annual accounts, notices	articles 99-111
MISCELLANEOUS	winding-up, indemnity	articles 112-118

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) "electronic form" and "electronic means" have the meanings given in section 1168 of the Act;
 - (e) "OSCR" means the Office of the Scottish Charity Regulator;
 - (f) "property" means any property, heritable or moveable, real or personal, wherever situated;
 - (g) "Scottish Charity" means a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005;
 - (h) "subsidiary" has the meaning given in section 1159 of the Act;
- 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 people that reside in the Parish of Old Luce ("the Community"), including, but not limited to the settlements of Glenluce, Dunragit, Auchenalnag, and their immediate surrounding environs.

The company has been formed to benefit the community with the following objects:

- 1) The advancement of community development, including the advancement of rural regeneration;
- 2) The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the

- conditions of life for the persons for whom facilities or activities are primarily intended;
- 3) The advancement of citizenship, as a sub-set within the wider charitable purpose of the advancement of community development;
 - 4) The advancement of environmental protection or environmental improvement;
 - 5) The advancement of the arts, heritage, culture or sciences;
- 5 The company's objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may 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:-
- (a) To manage community land and associated assets, under the care of the company, 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.
 - (b) To establish, maintain, develop and/or operate facilities for identified needs of the community, that see accommodation for community groups, 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 objects of the company.
 - (d) 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.
 - (e) To carry on any other activities which further any of the above objects.
 - (f) 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.
 - (g) 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.
 - (h) To purchase, take on lease, hire, or otherwise acquire, any property or rights that are suitable for the company's activities.

- (i) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- (j) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- (k) 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.
- (l) 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.
- (m) To engage such consultants and advisers as are considered appropriate from time to time.
- (n) To effect insurance of all kinds (which may include officers' liability insurance).
- (o) 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).
- (p) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- (q) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (r) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (s) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (t) 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.
- (u) 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).
- 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 (not being of a management nature) actually rendered to the company.

Liability of members

- 12 Each member undertakes that if the company is wound up while he/she is a member (or within one year after he/she ceases to be a member), he/she 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 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 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), the Associate Members and 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.

Categories of Members

- 14 For the purposes of these articles:-
 - (a) "Ordinary Member" means a member admitted under article 16; "Ordinary Membership" shall be construed accordingly;
 - (b) "Associate Member" means a member admitted under article 17; "Associate Membership" shall be construed accordingly;

- (c) "Junior Member" means a member admitted under article 18;
"Junior Membership" shall be construed accordingly

Qualifications for membership

- 15 The members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 16 to 24.
- 16 Ordinary Membership shall (subject to articles 20 and 22) be open to any person aged 18 years or over who:
- (a) is ordinarily resident in the Community (as defined in article 4);
 - (b) supports the objects and activities of the company.
- 17 Associate Membership shall (subject to articles 20 and 22) be open to those individuals who are not ordinarily resident in the Community and those organisations wherever located that support the objects of the Company. Associate Members are neither eligible to stand for election to the Board nor to vote at any general meeting.
- 18 Junior Membership shall (subject to articles 20 and 22) be open to those individuals who are aged between 12 and 17 and who support the objects of the Company. Junior Members are neither eligible to stand for election to the Board nor to vote at any general meeting.
- 19 An individual, once admitted to membership, shall cease to be a member if he/she ceases to be eligible for membership in terms of articles 16 to 18.
- 20 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

- 21 Any person who wishes to become a member must sign and lodge with the company, a written application for membership or complete and return an electronic form; the company shall supply a form for applying for membership to any person on request.
- 22 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 16.
- 23 At the first directors' meeting which is held after receipt of an application, the directors shall review the application (together with any evidence supplied under article 22) to determine whether the application fulfils the qualifications for membership set out in article 16, 17 and 18 (as the case may be); if on the basis of that review, the applicant fulfils the qualifications for membership: the directors shall admit the applicant to membership and, within a reasonable time after the meeting, notify the applicant of the outcome of the application.

- 24 For the avoidance of doubt, in determining whether any individual or organisation fulfils the qualifications for membership, the directors shall adhere to a transparent process which enshrines the principle of equal treatment and non-discrimination.

Membership subscription

- 25 Members shall not be required to pay an annual membership subscription; unless and, until otherwise determined, by way of an ordinary resolution, passed at an annual general meeting.
- 26 The annual membership subscriptions (if applicable) shall be payable on or before the last Friday of March in each year.
- 27 The members may vary the amount of the annual membership subscription (if applicable) 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.
- 28 If the membership subscription payable (if applicable) by any member remains outstanding more than four weeks after the date on which it fell due (and providing he/she has been given at least one written reminder) the directors may, by resolution to that effect, expel him/her from membership; for the avoidance of doubt, it will be open to an individual expelled from membership under this article to reapply for membership if he/she so wishes.
- 29 A person who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

Register of members

- 30 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member.

Withdrawal from membership

- 31 Any person who wishes 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, he/she shall cease to be a member.

Expulsion from membership

- 32 Any person may be expelled from membership by special resolution (see article 45), 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

- 33 Membership shall cease on death.
- 34 A member may not transfer his/her membership to any other person.

General meetings (meetings of members)

- 35 The directors shall convene an annual general meeting in each year (but excluding the initial 18 months in which the company is formed); the first annual general meeting shall be held not later than 24 months after the date of incorporation of the company.
- 36 Not more than 15 months shall elapse between one annual general meeting and the next.
- 37 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 64 to 70.
- 38 Subject to article 40, the directors may convene a general meeting at any time.
- 39 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

- 40 At least 14 clear days' notice must be given of any general meeting.
- 41 The reference to "clear days" in article 40 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.
- 42 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 45) (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.
- 43 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.

- 44 Notice of every general meeting shall be given
- (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

- 45 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 40 to 44; 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.
- 46 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.
- 47 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 40 to 44.

Procedure at general meetings

- 48 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be eleven (11) individuals entitled to vote (each being a member or a proxy for a member).
- 49 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.
- 50 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.

51 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.

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

53 Any 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).

54 An instrument of proxy which does not conform with the provisions of article 53, or which is not lodged or sent in accordance with such provisions, shall be invalid.

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

56 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. The proxy must be a member of the company at the time of appointment as proxy.

57 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.

58 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.

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

members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.

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

Categories of director

- 61 For the purposes of these articles

“Member Director” means a director (drawn from the membership of the company) appointed under articles 68 to 78;

“Co-opted Director” means a (non-member) director appointed or re-appointed by the directors under articles 71 and 73.

Maximum/minimum number of directors

- 62 The maximum number of directors shall be eleven; out of that number, all eleven may be Member Directors, and no more than three shall be Co-opted Directors.
- 63 The minimum number of directors shall be five, of whom a majority must be Member Directors.

Eligibility

- 64 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.
- 65 A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.

Election, retirement, re-election: Member Directors

- 66 At each annual general meeting, the members may (subject to article 62) elect any member (providing he/she is willing to act) to be a director (a “Member Director”)
- 67 The directors may (subject to article 62) at any time appoint any member (providing he/she is willing to act) to be a director (a “Member Director”).
- 68 At each annual general meeting
- (a) any Member Director appointed under article 67 during the period since the preceding annual general meeting shall retire from office;

- (b) out of the remaining Member Directors, three shall retire from office.
- 69 The directors to retire under paragraph (b) of article 68 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 either mutual consent, or some random method such as, but not limited to: "drawing names from a hat".
- 70 A director who retires from office under article 68 or 69 shall be eligible for re-election.

Appointment/re-appointment: Co-opted Directors

- 71 In addition to their powers under article 67, the directors may (subject to articles 62, 63 and 64) 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.
- 72 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then be eligible for re-appointment under article 70.

Termination of office

- 73 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; or
 - (h) 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

- 74 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

- 75 The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.
- 76 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.
- 77 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

- 78 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.
- 79 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests

- 80 A director who has a personal interest in any transaction or other arrangement that 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 95) from voting on the question of whether or not the company should enter into that arrangement.
- 81 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.
- 82 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 85 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 81) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

- 83 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.
- 84 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).
- 85 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

Procedure at directors' meetings

- 86 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 87 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 89) have a casting vote.
- 88 Only a chairperson who is also a member ordinarily resident in the community is entitled to a casting vote.
- 89 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 91) be five.
- 90 A quorum shall not be deemed to be constituted at any meeting of directors unless the Member Directors form a majority of the total number of directors present at the meeting.
- 91 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 63, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 92 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.

- 93 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.
- 94 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.
- 95 For the purposes of article 94, 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.
- 96 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.
- 97 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 94 to 96.

Conduct of directors

- 98 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 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.

Delegation to sub-committees

- 99 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.
- 100 Any delegation of powers under article 97 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 101 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

- 102 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.
- 103 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 102.

Secretary

- 104 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

- 105 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

- 106 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 107 The directors shall prepare annual accounts, complying with all relevant statutory requirements.
- 108 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

- 109 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 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.
- 110 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.
- 111 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

Winding-up

- 112 If on the winding-up of the company any property 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 but shall be transferred to some other charity or charities (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the company and whose constitution restricts the distribution of income and assets among members to an extent at least as great as do articles 8 to 11.
- 113 The charity or charities to which property is transferred under article 112 shall 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 may acquire jurisdiction.
- 114 To the extent that effect cannot be given to the provisions of articles 112 and 113, the relevant property shall be applied to some other charitable purpose or purposes.
- 115 If the members do not resolve to transfer any property of the nature referred to in article 112 to a community body or bodies or crofting community body or bodies approved by Scottish Ministers, such property shall instead be transferred to the Scottish Ministers or to such Scottish Charity as the Scottish Ministers may direct
- 116 No property shall be transferred under article 112 or 115 to any body unless it is a body entered in the Scottish Charity Register.

Indemnity

- 117 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.
- 118 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).