



THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

of

**THE SCOTTISH RIGHTS OF WAY AND ACCESS SOCIETY
Company Number SC024243**

(as adopted by special resolution passed on 19 November 2016)

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Constitution of company

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

Definitions

- 2 In these articles, unless the context requires otherwise:
 - 2.1 “Act” means the Companies Act 2006;
 - 2.2 “charity” means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
 - 2.3 “charitable purpose” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
 - 2.4 “conflict of interest” includes a conflict of interest and duty, and a conflict of duty;
 - 2.5 “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);
 - 2.6 “electronic form” has the meaning given in section 1168 of the Act;
 - 2.7 “OSCR” means the Office of the Scottish Charity Regulator;
 - 2.8 “property” means any property, heritable or moveable, real or personal, wherever situated; and
 - 2.9 “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.
- 4 References in these articles to the singular shall be deemed to include the plural.

Objects

5 The company's objects are:

The preservation, defence, restoration and acquisition, for the public benefit, of public rights of access in Scotland including public rights of way, and related amenity.

6 The company's objects are restricted to those set out in article 5 (but subject to article 7).

7 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 5; 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

8 In pursuance of the company's objects, but not otherwise, the company shall have the following powers:-

8.1 To identify, record, assert, vindicate, acquire and defend public rights of access over land, including routes which are, or are considered by the company to be, public rights of way in Scotland; and to do such other acts as may be incidental to this power (which may include providing the means for members of the public and others to obtain information on rights of access and to levy reasonable charges for this service).

8.2 To co-operate with governmental and local authorities and other persons with a view to achieving the present objects, with a view to securing the creation by governmental and local authorities of public pathways whether by agreement or otherwise, and with a view to persuading such authorities, persons or bodies to enhance access to the countryside for public recreation, instruction or education.

8.3 To make representations on matters affecting the objects of the company to Members of Parliament, to Members of the Scottish Parliament, to the Government, to governmental and quasi-governmental agencies, and to public enquiries, and to oppose any proceedings, proposals or recommendations which may seem directly or indirectly to prejudice the objects of the company.

8.4 To take legal action, or to secure the taking of legal action by others, or to intervene in legal actions, for the recognition, preservation, and recovery of public rights of access over land including routes which are, or are considered by the company to be, rights of way or to prevent their obstruction, to compromise such actions, and to defend any actions brought against the company and to compromise or settle such actions.

8.5 To construct, restore and repair bridges, to erect guide posts, notices or other signs, gates, fences and resting places where the company considers it appropriate, and to maintain and improve them.

- 8.6 To apply for and to accept grants or other payments from governmental and quasi-governmental departments and agencies and from local authorities and their agencies and other bodies and to fulfil any conditions which may be attached to such grants or payments.
- 8.7 To publish, and to pay the cost of publishing, such newsletters, books, articles and other information and educational materials as in the opinion of the directors might further the objects of the company.
- 8.8 To arrange conferences, meetings, outings, lectures, exhibitions and other events likely, directly or indirectly, to promote the objects of the company.
- 8.9 To carry on any other activities which further any of the above objects.
- 8.10 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.
- 8.11 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.
- 8.12 To purchase, take on lease, hire or otherwise acquire, any property or rights which are suitable for the company's activities.
- 8.13 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- 8.14 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- 8.15 To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- 8.16 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.
- 8.17 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.
- 8.18 To engage such consultants and advisers as are considered appropriate from time to time.

- 8.19 To effect insurance of all kinds (which may include officers' liability insurance).
- 8.20 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).
- 8.21 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.
- 8.22 To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- 8.23 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 8.24 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- 8.25 To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 8.26 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purpose of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity.
- 8.27 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

Restriction on use of the company's assets

- 9 None of the company's assets may be distributed or otherwise applied (on being wound up or at any other time) except to further its charitable purposes (as set out in article 5).
- 10 No part of the income or property of the company shall (except as permitted under articles 11 and 12) be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
- 11 No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- 12 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

- 13 The liability of the members is limited.
- 14 Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if the company should be wound up while he/she is a member or if the company is wound up within one year after he/she ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

General structure

- 15 The structure of the company consists of:
 - 15.1 the 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 Act; in particular, the members take decisions in relation to changes to the articles themselves;
 - 15.2 the SUPPORTERS – who are not members of the company (and accordingly have no right to vote at general meetings), but are eligible (at the discretion of the directors in each case) to attend certain events organised by the company; and
 - 15.3 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

- 16 The members of the company shall consist of the subscribers to the memorandum of association and such other individuals as are admitted to membership under the articles of association in force from time to time.
- 17 Membership of the company shall be open to any individual committed to the objects of the company.

Application for membership

- 18 Any individual who wishes to become a member of the company must (subject to article 29) sign, and lodge with the company, a written application for membership; the application must be accompanied by a remittance to meet the membership subscription.

- 19 An individual applying for membership shall be admitted to membership following the approval by the directors of the application for membership; the directors may, at their discretion, refuse to admit any individual to membership.
- 20 The directors shall, within a reasonable time after a decision on an application for membership has been made, notify the applicant of their decision on the application and, if the decision was to refuse admission, shall return the applicant the remittance lodged by him/her under article 18.

Membership subscription

- 21 Members shall require to pay a membership subscription.
- 22 The directors shall determine the amount of the membership subscription; and the directors shall also determine whether the membership subscription is payable annually or for a particular term and whether there should be different subscriptions for different classes of members.
- 23 The directors may delegate to the company secretary the power to waive, or to waive in part, the payment of the subscriptions of classes of individuals defined by the directors.
- 24 If the membership subscription payable by any member remains outstanding more than two years 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, without prejudice however to the right of the company to recover from such member all sums owing by such member to the company; 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.
- 25 The directors may, at their discretion, refuse to accept a membership subscription from any member.
- 26 An individual who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription; an individual who withdraws from membership in accordance with article 31 shall be liable for the current subscription to the company and any arrears of such subscription.
- 27 Any organisation (incorporated or unincorporated) which wishes to give financial support to the company may apply for registration as a supporter; a supporter shall not be a member of the company (and accordingly shall have no entitlement to attend or vote at general meetings) but will be eligible (at the discretion of the directors in each case) to attend certain events organised by the company
- 28 The directors shall issue standing orders regulating the admission of organisations as Supporters (and on the basis that the directors shall have power at their discretion to refuse admission), the setting of the minimum financial contribution payable by Supporters in each

year (on the understanding that the directors may set different levels of minimum contribution for different categories of Supporters), the due date for payment, the power of the directors to terminate the status of an organisation as a Supporter (whether on the grounds of non-payment of the minimum contribution for a prescribed period after the due date, or on any other grounds), and the keeping of a register of Supporters; the directors may amend or supplement such standing orders from time to time at their discretion.

Arrangements involving the company's website

- 29 The directors may, if they consider appropriate, introduce arrangements under which an individual can apply for membership and/or membership subscriptions may be paid and/or an individual may confirm that he/she 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 in any case where the directors consider that to be appropriate.

Register of members

- 30 The directors shall maintain a register of members, setting out the full name and address and date of admission to membership of each member, and the date on which any individual ceased to be a member.

Withdrawal from membership

- 31 Any individual who wishes to withdraw from membership shall sign, and lodge with the company, a written notice giving seven days' notice to that effect; on expiry of the notice period, he/she shall cease to be a member.

Expulsion from membership

- 32 The directors may expel any individual from membership by means of a resolution passed at a meeting of the directors in respect of which at least two thirds (to the nearest round number) of the directors in office vote in favour, providing the following procedures have been observed:

32.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion; and

32.2 the member concerned shall be entitled to be heard on the resolution at the 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 individual.

General meetings (meetings of members)

35 The directors shall convene an annual general meeting in each year.

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:-

37.1 a report by the Chair on the activities of the company;

37.2 consideration of the annual accounts of the company;

37.3 the election/re-election of directors, as referred to in articles 69 to 75.

38 Subject to the provisions of articles 35 and 39, 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 of each general meeting must be given to all the members and directors, and (if auditors are in office at the time) to the auditors.

41 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any individuals entitled to receive notice shall not invalidate the proceedings at the meeting.

42 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.

43 A notice calling a meeting shall specify the time, date and place of the meeting; it shall:

43.1 indicate the general nature of the business to be dealt with at the meeting;

43.2 if a special resolution (see article 58) (or a resolution requiring special notice under the Act) is to be proposed, state that fact, giving the exact terms of the resolution; and

43.3 contain a statement informing members of their right to appoint a proxy.

- 44 Notice of every general meeting shall be given to all members, directors and auditors by one of the following means:
- 44.1 in hard copy form;
 - 44.2 (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;
 - 44.3 (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

Procedure at general meetings

- 45 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 20 members, present in person or represented by proxy.
- 46 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; for the avoidance of doubt, there shall be no requirement to give all members notice in relation to an adjourned meeting.
- 47 The Chair, whom failing the Vice-Chair, shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if neither the Chair nor the Vice-Chair, is 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 individual who will act as chairperson of that meeting.
- 48 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.
- 49 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.
- 50 A member who wishes to appoint a proxy to vote on his/her behalf at any meeting:
- 50.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or
 - 50.2 shall send by electronic means to the company at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require)

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

adjourned meeting); for the avoidance of doubt, in calculating the 48-hour period referred to in the preceding provisions of this article 50, no account shall be taken of any day that is not a working day.

- 51 An instrument of proxy which does not conform with the provisions of article 50, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 52 A proxy need not be a member of the company.
- 53 A member shall not be entitled to appoint more than one proxy to attend the same meeting.
- 54 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.
- 55 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.
- 56 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two individuals present at the meeting and entitled to vote, whether as members or as 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.
- 57 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.

Special resolutions and ordinary resolutions

- 58 For the purposes of these articles, a “special resolution” means a resolution of the members which (having been proposed as a special resolution) is either (a) 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); 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 articles 61 to 64.
- 59 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution (passed either at a general meeting or by way of written resolution):

59.1 to alter its name; and

59.2 to alter any provision of these articles or adopt new articles of association.

60 For the purposes of these articles, an “ordinary resolution” means a resolution of the members which is either (a) passed by majority vote (taking account only of those votes cast in favour of the resolution as compared with those votes cast against), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 40 to 44; 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 articles 61 to 64.

Written resolutions

61 A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the company in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member’s agreement to it (which agreement cannot thereafter be revoked).

62 For the purposes of the preceding article:

62.1 the reference to “eligible members” is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);

62.2 the reference to “required majority” is to the majority required to pass an ordinary or a special resolution under the Act, as follows:-

62.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 61) by members representing a simple majority of the total voting rights of eligible members;

62.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 61) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.

63 A resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 61.

64 For the purposes of article 61, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article

62), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Number of directors

65 The minimum number of directors shall be 5.

66 The maximum number of directors shall be 15.

Eligibility

67 An individual shall not be eligible for election/appointment as a director unless he/she is a member of the company.

68 An individual shall not be eligible for election/appointment as a director if he/she is an employee of the company or is prohibited by law from being a director or from being a charity trustee (within the meaning of the Charities and Trustee Investment (Scotland) Act 2005).

Election/retiral/re-election

69 At each annual general meeting, the members may (subject to articles 65 to 68) elect as a director any member who has given notice to the company secretary, not less than 42 days prior to the meeting, confirming his/her willingness to serve as a director.

70 The directors may (subject to article 68) at any time appoint any member (providing he/she is willing to act) as a director – either to fill a vacancy which has arisen or (subject to article 66) as an additional director.

71 At each annual general meeting:

71.1 any director appointed under article 70 during the period since the preceding annual general meeting shall retire from office; and

71.2 any director who has held office for a period of three years since he/she was last elected or re-elected shall retire from office.

72 For the purposes of article 71:

72.1 the period between the date of appointment of a director and the annual general meeting which next follows shall be taken to be a period of one year, unless it is of less than six months' duration (in which case it will be disregarded);

72.2 the period between one annual general meeting and the next shall be deemed to be a period of one year;

- 72.3 if an individual ceases to hold office as a director but is re-appointed as a director within a period of six months, he/she will be deemed to have held office as a director continuously;
- 72.4 for the avoidance of doubt, any period in office as a director prior to the adoption of these articles of association shall be included in determining the period for which an individual has held office as a director.
- 73 A director who retires from office under article 71 shall, subject to article 74, be eligible for re-election.
- 74 A director who, as at the annual general meeting when he/she retires from office as a director under paragraph 71.2, has held office for a period of nine years or more shall not be eligible (except as otherwise provided in article 75) for re-election as a director at that annual general meeting; he/she shall only be eligible to be elected/appointed as a director at or after the following annual general meeting.
- 75 The provisions of article 74 shall not apply so as to prevent a director being eligible for re-election for a further three-year term at or prior to the annual general meeting which is held in 2017; but any director who would (but for the provisions of this article 75) have been ineligible for re-election at or prior to the annual general meeting in 2017, will be subject to the application of article 74 on the next occasion on which he/she retires from office.

Termination of office

- 76 A director shall automatically vacate office if:-
- 76.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director or a charity trustee (within the meaning of the Charities and Trustee Investment (Scotland) Act 2005);
- 76.2 he/she is sequestrated;
- 76.3 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity has continued, or is expected to continue, for a period of more than six months;
- 76.4 he/she ceases to be a member of the company;
- 76.5 he/she becomes an employee of the company;
- 76.6 he/she resigns office by notice to the company;
- 76.7 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;

- 76.8 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 111);
- 76.9 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- 76.10 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 77 A resolution under paragraph 76.8 or 76.9 shall be valid only if:
- 77.1 the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
- 77.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
- 77.3 at least two thirds (to the nearest round number) of the directors then in office (disregarding the director who is the subject of the resolution, in determining the number of directors then in office for the purposes of that voting threshold) vote in favour of the resolution (and on the understanding, for the avoidance of doubt, that the director who is the subject of the resolution shall not be entitled to vote on that resolution).

Register of directors

- 78 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 individual ceased to hold office as a director.

Office bearers

- 79 The directors shall elect from among themselves a Chair, a Vice-Chair, and such other office bearers (if any) as they consider appropriate.
- 80 The appointments under article 79 shall be made at meetings of directors.
- 81 Each office shall be held until the conclusion of the next annual general meeting which follows the appointment of a director to the relevant office; a director whose period of office expires under this article may be re-appointed to that office under article 79 (providing he/she is willing to act).

82 The appointment of any director as Chair, as Vice-Chair, or as holder of any other office under article 79, shall terminate if he/she ceases to be a director or if he/she resigns from that office by notice to the company.

83 If the appointment of a director to any office under article 79 terminates, the directors shall appoint another director to hold the office in his/her place.

Powers of directors

84 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.

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

Personal interests

86 Subject to the provisions of the Act and of the Charities and Trustee Investment (Scotland) Act 2005 and of these articles of association, and provided that he/she has disclosed to the directors the nature and extent of any personal interest which he/she has (unless immaterial), a director (notwithstanding his/her office):

86.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;

86.2 may be a party to, or have some other personal interest in, any transaction or arrangement in which the company or any associated company has an interest;

86.3 may be a director or secretary of, or employed by, or have some other personal interest in, any associated company; and

86.4 shall not, because of his/her office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such company;

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

87 For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers; the references to “associated company” shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.

- 88 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.
- 89 For the avoidance of doubt, article 88 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 86 and 87 and articles 104 to 107 and the code of conduct referred to in article 111.

Directors' remuneration and expenses

- 90 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then:
- 90.1 the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
 - 90.2 the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and
 - 90.3 fewer than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
- 91 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.
- 92 No director may be given any remuneration by the company for carrying out his/her ordinary duties as a director.

Procedure at directors' meetings

- 93 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 94 Any two directors may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 95 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.
- 96 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 4 directors, present in person.

- 97 If the quorum required under article 96 is not present within half an hour after the time appointed for the meeting, or if during a meeting such 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.
- 98 A director may participate in a meeting of the directors or a meeting of a committee of directors 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, for the purposes of calculating the quorum, to be present in person at the meeting.
- 99 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.
- 100 Unless he/she is unwilling to do so, the Chair 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 at which the meeting was due to commence, the Vice-Chair shall preside as chairperson; if neither the Chair nor the Vice-Chair is 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 individual who will act as chairperson of the meeting.
- 101 The directors may, at their discretion, allow any individual who they reasonably consider appropriate to attend and speak at any meeting of the directors; for the avoidance of doubt, any such individual who is invited to attend a directors' meeting shall not be entitled to vote.
- 102 All acts done by a meeting of directors or by a meeting of a committee of directors or by an individual acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such individual had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 103 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors, or (as the case may be) a committee of directors, duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.
- 104 A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.

- 105 For the purposes of article 104:
- 105.1 an interest of a person who is taken to be connected with a director for any purpose of the Act, shall be treated as a personal interest of the director; and
- 105.2 a director shall be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected member has an interest in that matter.
- 106 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.
- 107 The company may (subject to the Charities and Trustee Investment (Scotland) Act 2005) by ordinary resolution suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 104 to 106.
- 108 If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; his/her ruling in relation to any director other than himself/herself shall be final and conclusive.

Conduct of directors

- 109 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.
- 110 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:
- 110.1 seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out in article 5);
- 110.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- 110.3 in circumstances giving rise to the possibility of a conflict of interest between the company and any other party:
- 110.4 put the interests of the company before that of the other party, in taking decisions as a director; or

- 110.5 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;
- 110.6 ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 111 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Delegation to sub-committees

- 112 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other individuals (if any) as the directors may determine; they may also delegate to the Chair (or the holder of any other post) such of their powers as they may consider appropriate.
- 113 Any delegation of powers under article 112 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 114 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

- 115 The signatures of two out of the signatories appointed by the directors shall (subject to article 116) be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company.
- 116 The authorisations issued by the directors regarding the operation of the bank and building society accounts held by the company may depart from the requirements of article 115, providing those alternative arrangements nevertheless comply with principles of good practice as regards systems of financial control.

Secretary

- 117 The directors shall (notwithstanding the provisions of the Act) appoint a company secretary, and on the basis that the term of office, remuneration (if any), and other terms and conditions attaching to the appointment of the company secretary shall be as determined by the directors; the company secretary may be removed by the directors at any time.

Honorary office bearers

- 118 The members of the company may, by ordinary resolution, appoint an Honorary President for the company and not more than four Honorary Vice-Presidents.
- 119 The directors, or the members by ordinary resolution, may revoke the appointment of the Honorary President or any of the Vice-Presidents.
- 120 The members of the company may also, by ordinary resolution, confer Honorary Membership on members or non-members distinguished by notable efforts in the area of the company's interests.
- 121 The directors may appoint as Honorary Advisers members or non-members with special expertise of value to the company; the term or revocation of such appointments is at the discretion of the directors.
- 122 All such Honorary officers and Advisers appointed in accordance with articles 118 to 121 may, with the prior approval of the chairperson, attend meetings of directors, but will not be entitled to vote at meetings of the directors.

Minutes

- 123 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.
- 124 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 125, provide a copy of the minutes to that person within 28 days of the request.
- 125 Where a request for a copy of minutes is made under article 124, 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

- 126 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.

- 127 The directors shall prepare annual accounts, complying with all relevant statutory requirements.
- 128 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

- 129 Any notice to be given in pursuance of these articles shall be in writing; the company may give any such notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his/her registered address or by leaving it at that address; alternatively, in the case of a member who has notified the company of an electronic address to be used for this purpose, the company may give any notice to that member by electronic means.
- 130 Any notice, if sent by post, shall be deemed to have been given at the expiry of 48 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.
- 131 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

- 132 If on the winding-up of the company any property remains after satisfaction of the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; that property shall instead be transferred to some other charity or charities (whether incorporated or unincorporated) whose objects are similar (wholly or in part) to the objects of the company.
- 133 The charity or charities to which property is transferred under article 132 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 jurisdiction at that time.
- 134 To the extent that effect cannot be given to the provisions of articles 132 and 133, the relevant property shall be applied to some other charitable purpose or purposes.

Indemnity

- 135 Every director or other officer of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the 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.

- 136 For the avoidance of doubt, 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 execution of the duties of his/her office; and such insurance may (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc of a director).