

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION of  
EDINBURGH AND LoTHIANS  
GREENSPACE TRUST

Company Number SC132480

Incorporated on 17<sup>th</sup> June 1991  
Amended by written resolution on  
18 December 2019

Scottish Charity Number. SC018196

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*ARTICLES of ASSOCIATION*

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**Edinburgh and Lothians Greenspace Trust**

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## **Name**

- 1 The name of the Company is “Edinburgh and Lothians Greenspace Trust” (the “**Company**”).

## **Objects**

- 2 The Company’s objects are:

For the benefit of the local inhabitants in and around the Edinburgh region and the public in Scotland as a whole:

- (a) to promote the protection and enhancement of the geographic area around the city region of Edinburgh and the Lothians by means of environmental initiatives and in particular through the reclamation, protection, conservation and improvement of the physical and natural environment, greenbelt and other urban greenspaces undertaken with the co-operation of and involvement of the public, private and voluntary sectors for the enjoyment of urban greenspaces and the countryside the area by these communities;
- (b) to promote, advance, encourage, manage and effect either on its own, through gifts or in conjunction with others, the improvement, environmental development and maintenance of the landscape and the land and water resources of the area;
- (c) to assist, promote, encourage and secure the educational and recreational value of the area, its scenic, historic, architectural, landscape and ecological qualities and the provision of facilities in the interests of the physical, social and spiritual welfare of the population for education, recreation and leisure-time pursuits;
- (d) to assist, promote, implement and encourage others to undertake land rehabilitation, landscape improvements and design, the management of natural resources and the protection and enhancement, repair and maintenance of historic landscapes and buildings;
- (e) to preserve the historical, architectural and constructional heritage that may exist in and around the area in buildings (including any buildings as defined in section 336 of the Town and Country Planning Act 1990) of particular beauty or historical, architectural or constructional interest.

- 3 The Company’s objects are restricted to those set out in Article 2 (but subject to Article 4).

- 4 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 2; 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.

## **Activities**

- 5 Notwithstanding the generality of the Objects for which the Company is established, the main activities of the Company are:
- (a) To create, enhance and improve access to quality greenspaces for people and wildlife;
  - (b) To improve physical and mental health through activities in green spaces which help to tackle social and health inequalities;
  - (c) To increase community engagement in greenspaces by supporting and empowering local communities to connect with nature by becoming actively involved in local projects
- 6 Through its own efforts and by engaging and collaborating in partnership with others, including public agencies, local authorities, private and voluntary sector bodies, local communities and individuals, the Company seeks to develop plans, secure funding, commission physical works and undertake any other necessary management and administrative actions in order to achieve its aims.

## **Powers**

- 7 The Company in carrying out the above Objects and Activities shall have and may exercise (but only to the extent to which the same may lawfully be exercised by a charity on the Scottish Charities Register and in accordance with the Charities and Trustee Investment (Scotland) Act 2005) all or any of the following powers:-
- (a) to encourage, provide, support and otherwise facilitate the work of those interested in the objects of the Company;
  - (b) to raise funds, solicit, issue appeals, undertake public events, and take such other steps as may be required for the purposes of procuring contributions to the funds of the Company and receive and accept financial assistance, subscriptions, donations, endowments, legacies, gifts and loans of money, rents and any other property whatsoever, heritable or moveable, subject or not to any specific charitable trusts or conditions;
  - (c) to establish, support or aid in the establishment and support of any charitable associations or institutions established for similar purposes and to subscribe monies for charitable purposes in any way connected with the purposes of the Company or calculated to further its objects;
  - (d) to purchase, take on lease or in exchange or otherwise acquire and to hold, manage, develop, sell, dispose of lease or deal in any way with any heritable or moveable property and any interests therein;
  - (e) to borrow and raise money for the objects of the Company and secure or discharge any debt or obligation of or binding on the Company in such manner and on such terms and conditions as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the real and personal property (present and future) of the Company;

- (f) to make grants or loans of money and to give guarantees;
- (g) to open, operate and manage bank and other accounts and to invest funds of the Company not immediately required in such investments, securities or property as may be considered appropriate (and to dispose of and vary, such investments);
- (h) to employ as a professional investment manager any person who is entitled to carry on investment business under the supervision of the Financial Services Authority (or its successors) and to delegate to any such manager the exercise of all or any of its powers of investment on such terms and at such reasonable remuneration as the Board of Trustees thinks fit, and to enable investments to be held for the Company in nominee names, but subject always to the provisions of the Charities Act;
- (i) to grant, continue and pay such remuneration and pensions to any person or persons who renders services to the Company supervising, organising, carrying on the work of and advising the Company as may from time to time be thought proper, and to establish pension funds and other trust funds or charitable arrangements of any kind whatsoever for persons employed at any time by the Company and their surviving partner and dependants subject to the provisions of Clause 5;
- (j) to insure and arrange insurance cover of all kinds, which may include property and to indemnify its officers, employees and voluntary workers and those of its members and trustees from and against, all such risks incurred in the course of the performance of their duties as may be thought fit;
- (k) to oppose, or object to, any application or proceedings which may prejudice the interests of the Company;
- (l) to promote, arrange, organise and conduct public events, including workshops, activities, community events, meetings, seminars, conferences, lectures, training, music and drama;
- (m) to prepare, edit, print, publish, issue, acquire, circulate and distribute books, pamphlets, papers, periodicals and other literary material, pictures, prints, photography, films, sound recordings and mechanical and other models and equipment, and to establish, form, promote, organise, conduct and maintain public collection displays and exhibitions of literature, statistics, charts, information and other material;
- (n) to purchase, take on lease, hire, or otherwise acquire property of any kind, including land, suitable for the Company and to promote the preservation of, repair, renovate, newly construct, convert, improve, develop, maintain, alter and demolish any buildings or erections whether of a permanent or temporary nature, and to manage and operate or arrange for the professional or other appropriate management and operation of the Companies property and to sell, lease, let, mortgage, dispose of or otherwise deal with all or any part of the same;

- (o) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
- (p) to promote and incorporate or to join in the promotion or incorporation of any charitable Company with limited or unlimited liability, organisations, societies or associations for the purpose of carrying out any object which the Company itself could carry out and to subscribe for or otherwise acquire the shares, stock or other securities of such Company or to lend money to such Company on such terms as may be thought fit;
- (q) to co-operate and enter into arrangements with any organisation, government or authority, national, local or otherwise;
- (r) to amalgamate with any companies, organisations, societies or associations which are charitable at law and have objects altogether or mainly similar to those of the Company and prohibit the payment of any dividend or profit to, and the distribution of any of their assets amongst their members at least to the same extent as such payments or distributions are prohibited in the case of members of the Company;
- (s) to enter into contracts to provide services to or on behalf of others;
- (t) to pay the costs of forming the Company and its subsequent development;
- (u) To do any other such things 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 the promotion of the Objects of the Company as set out in Article 2 above and subject to the following paragraphs no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Company. Nothing herein shall prevent any payment in good faith by the Company:-
- (a) 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.
  - (b) 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.
  - (c) 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 they/it are a member (or within one year after they/it cease to be a member), they/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 they cease 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 other general meeting) and have important powers under the Articles of association and the Act; in particular, to take decisions in relation to changes to the Articles 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 and the directors elect people to serve as directors.

### **Qualifications for membership**

- 11 The Members of the Company as at the date of adoption of these Articles are Scottish Natural Heritage, City of Edinburgh Council and Midlothian Council.
- 12 The Members of the Company shall consist of the Founder Members of the Company provided for in Article 11 and such other persons as are admitted to membership under Articles 13 to 15.
- 13 Apart from the Founder Members, membership shall be open to any person or body as approved by the Board of Trustees.
- 14 A member may not transfer or assign their membership to any other person or body.
- 15 Employees of the Company shall not be eligible to become either a member or director.

### **Membership subscription**

- 16 No membership subscription shall be payable.

### **Register of members**

- 17 The directors shall maintain registers of members, setting out the full name and address of each member and the date on which any member ceased to be a member.

### **Withdrawal from membership**

- 18 Any member 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, they/it shall cease to be a member.

### **Expulsion from membership**

- 19 Any member may be expelled from membership by special resolution, 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.

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

- 20 The members
- (a) shall convene an annual general meeting in each year;
  - (b) shall ensure that not more than 15 months shall elapse between one annual general meeting and the next;
  - (c) may convene a general meeting at any time; and
  - (d) 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).
- 21 The business of each annual general meeting shall include:-
- (a) a report by the chair on the activities of the Company;
  - (b) the report of the independent financial examiner;
  - (c) consideration of the annual accounts of the Company; and
  - (d) the appointment and remuneration of the auditors.
- 22 Subject to Article 20, the directors may convene a general meeting at any time.

### **Notice of general meetings**

- 23 At least 14 clear days' notice must be given of a general meeting.
- 24 The reference to "clear days" in Article 23 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.
- 25 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 41) (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.

- 26 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 27 Notice of every general meeting shall be given either in writing or (where the party to whom notice is given has notified the Company of an address to be used for the purpose of electronic communications) by way of an electronic communication to all the members and directors, and (if there are auditors in office at the time) to the auditors.

### **Procedure at general meetings**

- 28 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be the greater of (i) one-half of the total number of members or (ii) two individuals entitled to vote (each being a member or a proxy for a member).
- 29 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.
- 30 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.
- 31 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.
- 32 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. A member who is not an individual shall vote through their duly authorised representatives.
- 33 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 them; 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).

- 34 An instrument of proxy which does not conform with the provisions of Article 33, or which is not lodged or sent in accordance with such provisions, shall be invalid.

- 35 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 36 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed them to speak at the meeting and need not be a member of the Company.
- 37 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.
- 38 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.
- 39 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.
- 40 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.

### **Special resolutions and ordinary resolutions**

- 41 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 23 to 27; 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.
- 42 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.
- 43 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 23 to 27.

### **Maximum number of directors**

44 The maximum number of directors shall be 15 and the minimum shall be 7.

### **Eligibility and Maximum Period in Office for Directors**

45 A person shall be appointed a director by the current directors.

46 The Board may at any time elect new or additional directors as required in terms of Article 48 provided that the maximum number expressed in Article 44 is not exceeded.

47 The Board may act notwithstanding any vacancy in it, but where the number of directors falls below the minimum number specified in Article 44, it may only do so for the purpose of appointing sufficient trustees to match or exceed that minimum.

48 Nomination of any candidate for director shall be in writing by not less than any two existing directors. The candidate shall confirm his or her willingness to act as a director if elected and if required shall provide a statement to explain his or her suitability. All nominations to be valid must be delivered to the Registered Office (or to such other address for the Company as specified in the nomination form) not less than fourteen days prior to the date of the next meeting of the Board of Directors.

49 A director shall be entitled to hold office for 3 years and shall then be eligible for re-election for a further period of 3 years, but no director may serve more than two consecutive terms of office, without at least one year out of office before being eligible again. A serving director at the date of the adoption of these Articles of Association will be deemed to have completed their first term of office irrespective of the period of time previously served. In exceptional circumstances an individual director's term may be extended (for an agreed period) by a majority vote of the directors

### **Termination of office**

50 A director shall automatically vacate office if:-

- (a) they cease to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director
- (b) they become debarred under any statutory provision from being a charity trustee
- (c) they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months, unless otherwise agreed by the board of directors
- (d) they become an employee of the Company
- (e) they resign office by notice to the Company

- (f) they absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove them from office
- (g) they are removed from office by resolution of the directors on the grounds that they are considered to have committed a material breach of the code of conduct for directors in force from time to time;
- (h) they are removed from office by resolution of the directors on the grounds that they are considered to have been in serious or persistent breach of their duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- (i) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

51 A resolution under paragraph (h) or (i) of Article 50 shall be valid only if:-

- (a) 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 their removal is to be proposed;
- (b) 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
- (c) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

### **Register of directors**

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

### **Office Bearers**

53 The directors shall elect from among themselves, or by external advertisement, a Chair and a Vice-Chair, and such other office bearers (if any) as they consider appropriate.

54 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.

55 A person elected to any office shall cease to hold that office if they cease to be a director, or if they resign from that office by written notice to that effect.

56 The directors may at their sole discretion decide to appoint a Company secretary, who may or may not be a director, for such term, at such remuneration (if any) and upon such conditions as they may think fit; the Company secretary may be removed and replaced or not (at the directors sole discretion) by the directors at any time.

## **Powers of directors**

- 57 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.
- 58 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

## **Personal interests**

- 59 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; they will be debarred (in terms of Article 67) from voting on the question of whether or not the Company should enter into that arrangement.
- 60 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 theirs **or** any firm of which they are a partner **or** any limited Company of which they are a substantial shareholder or director **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity trustee **or** any registered society or unincorporated association of which they are a management committee member (or any other party who/which is deemed to be connected with them for the purposes of the Act) , has a personal interest in that arrangement.
- 61 Provided
- (a) they have declared their interest
  - (b) they have not voted on the question of whether or not the Company should enter into the relevant arrangement and
  - (c) the requirements of Article 65 are complied with,
- a director will not be debarred from entering into an arrangement with the Company in which they have a personal interest (or is deemed to have a personal interest under Article 60) and may retain any personal benefit which they gain from their participation in that arrangement.
- 62 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 63 For the avoidance of doubt, the provisions of section 175 of the Act and Article 62 do not apply to a conflict of interest relating to a transaction or arrangement with the Company; conflicts of that kind are regulated by the provisions of Articles 59 to 61 and Articles 76 to 79.

- 64 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 their duties as a director.
- 65 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).
- 66 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**

- 67 Meetings of the Board may take place in person or by telephone conference call, video conference call or by any other collective electronic means approved from time to time by the Board.
- 68 Board meetings will be held on a regular basis, with a minimum of four meetings a year. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 69 The directors can agree to make or confirm decisions by written resolution, telephone or by electronic means as alternatives to making or confirming decisions at directors meetings.
- 70 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.
- 71 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 three. 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.
- 72 Resolutions relating to the following matters shall require a special decision of not less than 75% of the directors present and voting thereon, namely:
- (a) to purchase or sell any heritable property, wherever situated; or
  - (b) to form, acquire or dispose of any subsidiary; or
  - (c) to grant any guarantee or indemnity to any party, other than any wholly-owned subsidiary of the Company; or

- (d) to create or issue or allow to come into being any mortgage, security, or charge upon any part or parts of the property or assets of the Company; or
  - (e) to acquire or dispose, whether by the Company or by any of its subsidiaries, of any shares of any other Company or the participation or cessation of participation by the Company or by any of its subsidiaries in any formal trust or joint venture.
- 73 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.
- 74 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.
- 75 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.
- 76 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.
- 77 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 6 to 76.

### **Conduct of directors**

- 78 Each of the directors shall, in exercising their 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 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; or
    - (ii) where any other duty prevents them 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.

79 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.

80 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**

81 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.

82 Any delegation of powers under Article 81 may be made subject to such conditions as the directors may impose and may be revoked or altered.

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

### **Validation**

84 All acts bona fide done by any Board meeting, or of any sub-committee, or by any person acting as a director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a director.

85 No alteration of these Articles and no direction given by Special Resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.

### **Honorary Patron(s)**

86 The Board may agree to the appointment of one or more Honorary Patrons of the Company, to be appointed either for such fixed period (usually of five years) as it determines or for an unspecified period until such appointment be terminated by it. The Honorary Patron or Patrons would be entitled to notice of all General Meetings and to attend and contribute to discussion but not vote thereat.



## **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, or by the chairperson of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated. The minutes shall be retained for at least 10 years.

## **Accounting Records and Annual Accounts**

- 88 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements for both companies and charities. Such records shall be kept at such place or places as the Board shall think fit and shall always be open to the inspection of the directors.
- 89 The directors shall appoint a qualified person or persons to 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.

## **Bank Accounts**

- 90 The banking account or accounts of the Company shall be kept in such bank or building society and/or banks or building societies as the Board shall from time to time determine.
- 91 All cheques and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
- 92 The signatures of two authorised representatives of the Company (who need not be directors of the Company) shall be required in relation to all operations (other than lodgement of funds) on the bank, building society or other financial institution accounts held by the Company.
- 93 The Board shall ensure that all funds and assets of the Company are applied towards achieving the Charitable Purposes.

## **Notices**

- 94 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
- (a) if properly addressed and sent by pre-paid UK first class post to an address (last intimated by him/her/them) to the Company in the UK 48 hours after it is posted;
  - (b) a Member whose registered address is not within the United Kingdom shall be entitled to receive notices at such address and such notices shall be sent to the Member by airmail. Notices sent overseas shall be deemed to be given at the expiry of a period of 5 days after the envelope

containing it was posted. Sections 1143 to 1148 together with schedule 4 and 5 of the Act shall apply;

- (c) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (d) if properly addressed and sent or supplied by electronic mail (e-mail) (in the case of a Member who has notified the Company of an address to be used for the purpose of electronic communications) one hour after the e-mail was sent or supplied; and
- (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is so deemed to have received) notice of the fact that the material is on the website.

95 For the purposes of Article 94, no account will be taken of any part of a day that is not a business day (where a "business day" means any day (other than a Saturday, Sunday or public holiday in Scotland) on which clearing banks in Edinburgh are generally open for business). In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purposes of the Act.

### **Winding-up**

96 If the Company is dissolved or wound up, the liquidator shall, if there remains , after the satisfaction of all its debts and liabilities, any property whatsoever, then the property shall not be paid to or distributed among the members of the Company, but shall be paid, given, transferred or distributed to such body or bodies to be determined by the members of the Company at the time of the dissolution or winding up :

- (a) being a charitable body or bodies having objects similar to the Objects of the Company; and
- (b) being a charitable body or bodies which shall prohibit the distribution of its or their assets, income and property among its or their members to an extent at least as great as is imposed on the Company.

Or failing which such other charitable body or bodies as are willing to take the property of the Company.

### **Indemnity**

97 Without prejudice to Articles 98 and 102 and subject to the provisions of and to the extent permitted by the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification

to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.

- 98 Subject to the Act and any agreement made between a director and the Company in accordance with the Act, a director shall be indemnified out of the Company's assets against any expenses which that director incurs in connection with:
- (a) civil proceedings in relation to the Company (unless judgment is given against the director and the judgment is final);
  - (b) criminal proceedings in relation to the Company (unless the director is convicted and the conviction is final); or
  - (c) any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company (unless the court refuses to grant the director relief, and the refusal is final).
- 99 For the purposes of Article 98 judgment, conviction or refusal of relief becomes final if:
- (a) the period for bringing an appeal (or any further appeal) has ended; and
  - (b) any appeal brought is determined, abandoned or otherwise ceases to have effect.
- 100 Every director or other officer or auditor of the Company shall be indemnified 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, 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.
- 101 The indemnity contained in Article 100 shall be subject to the provisions of the Act and is without prejudice to any other indemnity to which a director may otherwise be entitled.

## **Insurance**

- 102 Subject to the Act, the directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

In this Article:-

- (a) a "relevant officer" means any director or former director of the Company, any other officer or employee or former officer or employee of the Company or its associate (but not the auditors), or any trustee of a pension fund or employee benefits trust of the Company;
- (b) a "relevant loss" means any loss or expenditure which has been or may be incurred by a relevant officer in connection with that relevant officer's duties, powers or responsibilities in relation to the Company or an associate or its pension fund or employee benefits trust; and

(c) an “associate” means any subsidiary or subsidiary undertaking or holding Company of such Company and any other subsidiary or subsidiary undertaking of any holding Company of such Company (“holding Company” and “subsidiary Company” having the meanings set out in section 1159 and Schedule 6 of the Companies Act 2006).

103 The income, assets and property of the Company shall be applied solely towards the promotion of the Objects of the Company as set out herein and subject to the following paragraphs no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Company. Nothing herein shall prevent any payment in good faith by the Company:-

(a) of out-of-pocket expenses incurred in carrying out duties by any member, director, officer or employee of the Company;

(b) reasonable payment in return for services rendered to the Company;

(c) director/trustee indemnity insurance; and

(d) payment or benefits permitted in terms of the Charities and Trustee Investment (Scotland) Act 2005.