

MEMORANDUM OF ASSOCIATION

THE COMPANIES ACT 2006

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

MEMORANDUM of ASSOCIATION

Of

Forward Coupar Angus

20 September 2010

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Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Name of each subscriber
David Joseph Carson
Michael Peregrine Gallagher
Lynda Ross McGregor
Thomas Grant Callan

ARTICLES OF ASSOCIATION

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Constitution of company

- 1 The name of the company is Forward Coupar Angus. Its registered office is in Scotland.

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

Defined terms

- 2 In these articles of association, unless the context requires otherwise:-
 - (a) "Act" means the Companies Act 2006;
 - (b) "AGM" is an abbreviation of "Annual General Meeting", which means a meeting between the directors and members of the company, at which members are asked to elect the directors, discuss any member resolutions and approve the annual accounts of that year, in accordance with the Companies Act 2006.
 - (c) "Articles" means the company's articles of association
 - (d) "charity" means a body which is either a Scottish Charity, or a "charity" within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its objects are limited to charitable purposes;
 - (e) "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;
 - (f) "community body" shall mean a community body within the meaning of section 34 of the Land Reform (Scotland) Act 2003;
 - (g) "crofting community body" shall mean a crofting community body within the meaning of section 71 of the Land Reform (Scotland) Act 2003;
 - (h) "director" means a director of the company, and includes any person occupying the position of director, by whatever name called;
 - (i) "electronic form" has the meaning given in section 1168 of the Act;
 - (j) "Land Reform (Scotland) Act 2003" means the Act which, at section 2, confers on bodies representing rural communities a right to buy land with which the community has a connection.

- (k) "ordinary member" means a member from the community defined by Article 4
 - (l) "OSCR" means the Office of the Scottish Charity Regulator;
 - (m) "property" means any property, heritable or moveable, real or personal, wherever situated;
 - (n) "Scottish Charity" means a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005;
 - (o) "subsidiary" has the meaning given in section 1159 of the Act;
 - (p) "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

- 4 [The company has been formed to benefit the community of Coupar Angus which comprises the electoral register for the Burgh of Coupar Angus including the following postcode units [subject to change, in accordance with article 45(d), to ensure an inclusive approach to the definition of our community]: PH13 9AA, PH13 9AB, PH13 9AD, PH13 9AE, PH13 9AG, PH13 9AH, PH13 9AL, PH13 9AN, PH13 9AP, PH13 9AQ, PH13 9AR, PH13 9AS, PH13 9AT, PH13 9AU, PH13 9AX, PH13 9AY, PH13 9AZ, PH13 9BA, PH13 9BB, PH13 9BD, PH13 9BE, PH13 9BF, PH13 9BG, PH13 9BH, PH13 9BJ, PH13 9BL, PH13 9BN, PH13 9BP, PH13 9BQ, PH13 9BS, PH13 9BT, PH13 9BU, PH13 9BW, PH13 9BX, PH13 9BY, PH13 9BZ, PH13 9DA, PH13 9DB, PH13 9DD, PH13 9DE, PH13 9DG, PH13 9DH, PH13 9DJ, PH13 9DL, PH13 9DN, PH13 9DP, PH13 9DQ, PH13 9DR, PH13 9DS, PH13 9DT, PH13 9DU, PH13 9DW, PH13 9DX, PH13 9DY, PH13 9EA, PH13 9EB, PH13 9ED, PH13 9EE, PH13 9EF, PH13 9EG, PH13 9EH, PH13 9EL, PH13 9EN, PH13 9EP, PH13 9EQ, PH13 9ER, PH13 9ES, PH13 9EW, PH13 9FE, PH13 9FG, PH13 9FH, PH13 9HD, PH13 9HE, PH13 9HF, PH13 9JB, PH13 9LS, PH13 9LY, PH13 9LZ, PH13 9NA, PH13 9RA ("the Community") with the following objects:
- (1) To promote the sustainable development of the area, incorporating the aims of social inclusion, economic prosperity and a pleasant and healthy environment
 - (2) To promote effective democratic participation in decisions relating to the sustainable development of the area

- (3) To promote caring, supportive and constructive roles in the community, thereby preventing social isolation and discouraging anti-social behaviour
- (4) To encourage positive interaction between the generations
- (5) To provide within Coupar Angus recreational facilities, or organise recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- (6) To provide education and training in pursuance of the company's objects
- (7) To advance environmental protection and improvement in Coupar Angus through the provision, maintenance and/or improvement of public open space and other public amenities and other environmental and regeneration projects (but subject to appropriate safeguards to ensure that the public benefits so arising clearly outweigh any private benefit thereby conferred on private landowners).
- (8) To advance community development through the promotion of trade and industry within Coupar Angus for the benefit of the general public.

But such that the company shall do so following principles of sustainable development.

- 5 The company's objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may, subject to a Special Resolution of members [see articles 44 and 45], and subject to first obtaining the consent of OSCR, add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-
 - (a) [To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment.]
 - (b) [To establish, maintain, develop and/or operate a centre or centres providing facilities for childcare, community learning, healthy living initiatives, educational and cultural activities, training activities, leisure pursuits and accommodation for community groups, and for public sector agencies which

provide services of benefit to the community, and which may include refreshment facilities.]

- (c) [To advise in relation to, prepare, organise, conduct and/or support training courses, educational and training events and activities of all kinds.]
- (d) [To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multimedia products and display materials, and to create and maintain a website or websites.]
- (e) [To promote, operate, co-ordinate, monitor, and/or support other projects and programmes (which may include workspace projects) which further the objects of the company.]
- (f) [To provide information, advisory, support and/or consultancy services which further the objects of the company.]
- (g) [To liaise with local authorities, central government authorities and agencies, charities/community benefit bodies and others, all with a view to furthering the objects of the company.]
- (h) [To register any interest in land and to exercise the right to buy under the provisions of Part 2 of the Land Reform (Scotland) Act 2003]
- (i) To carry on any other activities which further any of the above objects.
- (j) 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.
- (k) 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.
- (l) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- (m) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- (n) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- (o) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.

- (p) 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.
- (q) 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.
- (r) To engage such consultants and advisers as are considered appropriate from time to time.
- (s) To effect insurance of all kinds (which may include officers' liability insurance).
- (t) 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).
- (u) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- (v) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (w) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (x) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (y) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity.
- (z) To do anything which may be incidental or conducive to the furtherance of any of the company's objects.
- (aa) To develop constructive working relationships with local groups in pursuance of the company's objects.
- (bb) To continually improve the methods and skills base of the company in pursuance of its objects.
- (cc) To facilitate informed discussion of, and democratic participation in, decisions relating to the sustainable development of the area by providing the necessary information, facilities and other support as may be deemed necessary
- (dd) To provide or support the provision and coordination of voluntary roles within the community

- (ee) To form a local development plan, which will be updated at least once a year (or sooner should circumstances require this) and which shall include specific proposals for achieving the company's objects in the short, medium and long term

Restrictions on use of the company's assets

- 8 The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 4) and in particular (but without limiting the generality of that provision) any surplus funds or assets of the company must be applied for the benefit of the Community.
- 9 No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
- 10 No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- 11 No benefit (whether in money or in kind) shall be given by the company to any director except
 - (a) repayment of out-of-pocket expenses; or
 - (b) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

Liability of members

- 12 Each ordinary member undertakes that if the company is wound up while he/she is an ordinary member (or within one year after he/she ceases to be a member), he/she will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
 - (a) payment of the company's debts and liabilities contracted before he/she ceases to be an ordinary member;
 - (b) payment of the costs, charges and expenses of winding up; and
 - (c) adjustment of the rights of the contributories among themselves.

General structure

- 13 The structure of the company consists of:-
 - (a) the ORDINARY MEMBERS - who have the right to attend the annual general meeting (and any extraordinary general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves

- (b) the ASSOCIATE and JUNIOR MEMBERS - who have the right to attend the annual general meeting (and any extraordinary general meeting) but do not have the powers or liabilities of ordinary members under the articles of association and the Act
- (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

Qualifications for membership

- 14 The members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 15 to 20.
- 15 Membership shall (subject to articles 17 and 19) be open to any person aged 18 years or over who:
 - (a) is ordinarily resident in the Community as defined in article 4, being therefore an "ordinary member"; and
 - (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
 - (c) supports the objects and activities of the company.
- 16 An individual, once admitted to ordinary membership, shall cease to be a member if he/she ceases to be eligible for ordinary membership in terms of article 15.
- 17 Associate Membership shall (subject to articles [19, 21 and 22]) be open to those individuals aged 18 or over who are not ordinarily resident in the Community and those organisations wherever located that support the objects of the Company. Associate Members are neither eligible to stand for election to the Board nor to vote at any general meeting.
- 18 Junior Membership shall (subject to articles [19, 21 and 22]) be open to those individuals who are aged between 12 and 17, who are ordinarily resident in the Community and who support the objects of the Company. Junior Members are neither eligible to stand for election to the Board nor to vote at any general meeting.
- 19 Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

Application for membership

- 20 Any person who wishes to become a member must sign, and lodge with the company, a written application for membership; the company shall supply a form for applying for membership to any person on request; the form shall enable the applicant to indicate

the type of membership [ordinary, associate or junior] he or she seeks.

- 21 The directors may, at their discretion, refuse to admit any person to membership where they have reasonable grounds to believe that he/she might, if admitted to membership, act in a manner which would damage the reputation of the company, undermine the efficiency of its operations and/or disrupt the proper conduct of its meetings.
- 22 The directors shall consider each application for membership at the first directors' meeting which is held after receipt of the application; the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.

Minimum number of members

- 23 The minimum number of members is 20; in the event that the number of members falls below 20, the directors may not conduct any business other than to ensure the admission of sufficient members to achieve the minimum number.
- 24 For the avoidance of doubt, the majority of members will, at all times, be those persons ordinarily resident in the community who are eligible for ordinary membership under article 15.

Membership subscription

- 25 For ordinary and associate members, a membership subscription of £1 shall be payable at the time of admission to membership; there will not, however, be any requirement to pay an annual membership subscription. For junior members there shall be no membership fee.
- 26 The amount of the membership subscription may be varied from time to time, by ordinary resolution passed at an annual general meeting of the company.
- 27 A person who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

Register of members

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

Withdrawal from membership

- 29 Any person who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on

receipt of the notice by the company, he/she shall cease to be a member.

Expulsion from membership

- 30 Any person may be expelled from membership by special resolution (see article 44), providing the following procedures have been observed:-
- (a) at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion
 - (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 31 Membership shall cease on death, or when a member leaves the area defined in Article 4.
- 32 A member may not transfer his/her membership to any other person.

General meetings (meetings of members)

- 33 The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
- 34 Not more than 15 months shall elapse between one annual general meeting and the next.
- 35 The business of each annual general meeting shall include:-
- (a) a report by the chair on the activities of the company
 - (b) consideration of the annual accounts of the company
 - (c) the election/re-election of directors, as referred to in articles 64 to 70.
- 36 The directors may convene an extraordinary general meeting at any time.
- 37 The directors must convene an extraordinary general meeting if there is a valid requisition by ordinary members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

- 38 At least 21 clear days' notice must be given of an annual general meeting, and 14 clear days' notice for an extraordinary general meeting.
- 39 The reference to "clear days" in article 38 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.
- 40 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 43) (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.
- 41 In every notice calling a meeting of a company there must appear, with reasonable prominence, a statement informing each ordinary member of his right to appoint a proxy, defined in articles 55-61 (in accordance with section 325 of the Companies Act 2006).
- 42 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called an extraordinary general meeting.
- 43 Notice of every general meeting shall be given
- (a) in hard copy form
 - (b) in electronic form, (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication);
 - (c) (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website; or
 - (d) a combination of any of the above

Special resolutions and ordinary resolutions

- 44 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 an annual general meeting or extraordinary general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 38 to 43; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 45 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 its objects listed in Article 4
 - (c) appoint an ordinary member to be a director (with reference to Article 69)
 - (d) to alter any provision of these articles or adopt new articles of association.
- 46 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 an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with articles 38 to 43.

Procedure at general meetings

- 47 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 20 individuals entitled to vote (each being an ordinary member or a proxy for an ordinary member). Members ordinarily resident in the community eligible under article 15 (i.e. ordinary members) must be in the majority.
- 48 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.
- 49 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.
- 50 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such date, time and place as the chairperson may determine.
- 51 Every ordinary member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 52 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.
- 53 A resolution put to the vote at a general meeting shall be decided on a show of hands by ordinary members 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.

- 54 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.

Proxy votes

- 55 Any ordinary member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):

- (a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in the format and mode of delivery described in article 56) signed by him/her; or
- (b) shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

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

- 56 (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

- 57 (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.
- 58 An instrument of proxy which does not conform with the provisions of articles 55-57, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 59 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 60 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and need not be a member of the company.
- 61 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.

Categories of director

- 62 For the purposes of these articles
- “Member Director” means a director (drawn from the ordinary members of the company) appointed under articles 67 to 73;
- “Co-opted Director” means a (non-member or associate member) director appointed or re-appointed by the directors under articles 74 and 75.

Maximum/minimum number of directors

- 63 The maximum number of directors shall be **11**; out of that number, no more than **7** shall be Member Directors and no more than **4** shall be Co-opted Directors.
- 64 The minimum number of directors shall be 5, of whom a majority must be Member Directors. However all effort shall be made to have **7** Member Directors, preferably by contested election.

Eligibility

- 65 A person shall not be eligible for election/appointment as a Member Director unless he/she is an ordinary member of the company; a person appointed as a Co-opted Director need not, however, be an ordinary member of the company.
- 66 A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.

Election, retiral, re-election: Member Directors

- 67 Within four months of incorporation, an extraordinary general meeting shall be held at which the initial directors shall retire and the ordinary members may (subject to article 63) elect any ordinary member (providing he/she is willing to act) to be a director (a "Member Director").
- 68 At each annual general meeting, the ordinary members may (subject to article 63) elect any ordinary member (providing he/she is willing to act) to be a director (a "Member Director")
- 69 The directors may (subject to articles 45 and 63) at any time appoint any ordinary member (providing he/she is willing to act) to be a director (a "Member Director").
- 70 At the first annual general meeting, 3 of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by some random method.
- 71 At each annual general meeting (other than the first)
- (a) any Member Director appointed under article 69 during the period since the preceding annual general meeting shall retire from office;
 - (b) out of the remaining Member Directors, 3 shall retire from office.
- 72 The directors to retire under paragraph (b) of article 71 shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.

- 73 A director who retires from office under article 70 or 71 shall be eligible for re-election.

Appointment/re-appointment: Co-opted Directors

- 74 In addition to their powers under article 69, the directors may (subject to articles 63 and 64) at any time appoint any non-member or associate member of the company (providing he/she is willing to act) to be a director (a "Co-opted Director") either on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
- 75 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then be eligible for re-appointment under article 74.

Termination of office

- 76 A director shall automatically vacate office if:-
- (a) he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;
 - (b) he/she becomes debarred under any statutory provision from being a charity trustee (within the meaning of section 106 of the Charities and Trustee Investment (Scotland) Act 2005);
 - (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
 - (d) he/she ceases to be an ordinary member of the company;
 - (e) he/she becomes an employee of the company;
 - (f) he/she resigns office by notice to the company;
 - (g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office; or
 - (h) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

Register of directors

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

Officebearers

- 78 The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.
- 79 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.
- 80 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Powers of directors

- 81 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.
- 82 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests

- 83 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 97) from voting on the question of whether or not the company should enter into that arrangement.
- 84 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her for the purposes of the Act), has a personal interest in that arrangement.
- 85 Provided
- (a) he/she has declared his/her interest;
 - (b) he/she has not voted on the question of whether or not the company should enter into the relevant arrangement; and
 - (c) the requirements of article 84 are complied with,
- a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 84) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

- 86 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
- 87 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).
- 88 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

- 89 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 90 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall (subject to article 91) have a casting vote.
- 91 The chairperson of the meeting shall not be entitled to have a casting vote if he/she is a Co-opted Director.
- 92 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article 93) be **3**.
- 93 A quorum shall not be deemed to be constituted at any meeting of directors unless the Member Directors form a majority of the total number of directors present at the meeting.
- 94 If at any time the number of directors in office falls below the number fixed as the quorum or fails to comply with the provisions of article 64, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 95 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.

- 96 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.
- 97 A director shall not vote at a directors' meeting (or at a meeting of a sub-committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 98 For the purposes of article 97, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.
- 99 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.
- 100 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 97 to 99.

Conduct of directors

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

Delegation to sub-committees

- 102 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.
- 103 Any delegation of powers under article 102 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 104 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

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

Secretary

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

Minutes

- 107 The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

Accounting records and annual accounts

- 108 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 109 The accounting records shall be maintained by the Treasurer and overseen by the Chairperson, or otherwise by, or as determined by, the directors; such records shall be kept at such place or places as the directors think fit and shall always be available for inspection by the directors.
- 110 The directors shall prepare annual accounts, complying with all relevant statutory requirements.

- 111 Subject to article 112, the directors shall ensure that an audit of such accounts is carried out by an auditor.
- 112 Notwithstanding the provisions of article 111, an audit (within the meaning of the Act) by a company auditor (as defined in the Act) shall not be required, in a case where the company is exempt (under the Act) from the requirement to have an audit, if and to the extent that proper arrangements for the auditing of the company's accounts are made in a manner which satisfies the requirements of the Act and paragraph (f) of subsection 34(1) of the Land Reform (Scotland) Act 2003.
- 113 No ordinary member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or authorised by ordinary resolution of the company.

Notices

- 114 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the company *or* (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.
- 115 Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 116 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

- 117 If on the winding-up of the company any property (including any land acquired by the company in terms of the Land Reform (Scotland) Act 2003) remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the ordinary members of the company; instead, that property shall (subject to article 119) be transferred to some other community body or bodies or to a crofting community body or bodies as may be determined by the ordinary members (subject to the identity of the transferee body or bodies being approved by the

Scottish Ministers) or some other charity or charities (whether incorporated or unincorporated).

- 118 If the ordinary members do not resolve to transfer any property of the nature referred to in article 117 to a community body or bodies orcrofting community body or bodies approved by Scottish Ministers, such property shall instead be transferred to the Scottish Ministers or to such Scottish Charity as the Scottish Ministers may direct
- 119 No property shall be transferred under article 117 or 118 to any body unless it is a body entered in the Scottish Charity Register.

Indemnity

- 120 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted **or** any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
- 121 The company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).
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