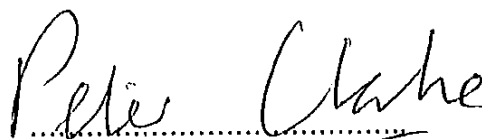


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**THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL**

**ARTICLES
OF ASSOCIATION
of
GATLIFF HEBRIDEAN HOSTELS TRUST**

(Adopted by special resolution passed on 6 July 2024)



Signed by Peter Clarke, Chair, Gatliff Hebridean Hostels Trust on 6 July 2024

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GENERAL

Definitions and Interpretation

1 In the Constitution, unless the context requires otherwise:-

- 1.1 "the 2005 Act" means the Charities and Trustee Investment (Scotland) Act 2005;
- 1.2 "the Act" means the Companies Act 2006;
- 1.3 "Articles of Association" means these Articles of Association as amended or replaced from time to time;
- 1.4 "the Board" means the board of directors of the Company from time to time appointed;
- 1.5 "the Company" means Gatliff Hebridean Hostels Trust, incorporated in Scotland with registered number SC111557;
- 1.6 "Charitable" means charitable for the purposes of the Taxes Act and also the 2005 Act;
- 1.7 "Director" means a charity trustee (as defined in the 2005 Act and article 3) of Gatliff Hebridean Hostels Trust;
- 1.8 "the Isles" means each and every island and group of islands within the western coastal waters and seas of Scotland and its continental shelf and includes such waters and seas;
- 1.9 "person" means any individual, organisation or body including any authorised representative of any organisation or body.
- 1.10 document includes, unless otherwise specified, any document sent or supplied in electronic form;
- 1.11 writing means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;
- 1.12 words or expressions importing the singular number only shall include the plural number and vice versa;
- 1.13 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders and vice versa;
- 1.14 words or expressions importing persons shall include partnerships, companies and unincorporated associations;
- 1.15 any reference to legislation or a statute shall include any statutory modification or re-enactment thereof from time to time being in force; and
- 1.16 other words or expressions shall have the meanings given in the Interpretation Act 1978 (by the provisions of that Act regarding

interpretation and construction), but if any such meaning conflicts with the constitution, the constitution will prevail.

OBJECTS & POWERS

Objects of the Company

2 The objects for which the Company is established are:-

- a) to help all, especially young persons of limited means, to a greater knowledge and love of and respect for the Isles, particularly by providing or encouraging the provision of simple accommodation for use in their travels within the Isles;
- b) to acquire buildings and land as simple accommodation within the Isles and to maintain the same and to allow all, especially young people of limited means admittance to the same at such times and upon such conditions as the directors do from time to time decide, such accommodation to be used principally for holiday, educational or connected purposes;
- c) to foster the conservation and understanding of the natural, vernacular and historic scenery, habitat, flora, fauna, buildings, monuments, culture, language and heritage of the Isles and their inhabitants; and
- d) to encourage (to such extent and in such manner as may be charitable) the improvement of the economic and social welfare of the inhabitants of the Isles and the improvement of communications and other facilities within, over and to the Isles.

The Company shall have the following powers exercisable in furtherance of the foregoing objects:-

- a) to apply the capital and income of the Company in any charitable manner which will further the said objects;
- b) to establish, furnish, equip, maintain, provision, service and manage hostels, bothies, shelters, sites for camping and caravans, moorings, tents, vehicles, water-craft or any other accommodation or means of transport, or centres for the study of the Isles or any aspect of them;
- c) to supply goods, literature, maps, meals, refreshments, equipment, fuel, services, facilities and all other matter;
- d) to make and enforce such fees, charges, rules and conditions for use, sale or hire of anything provided or made available by the Company as the directors of the Company shall consider expedient;
- e) to act in concert, consult or make arrangements with any national, regional or local department, commission, board, authority or agency, or any organisation, property owner, crofter, resident, or any other body or person and to assist any body or person to do or provide anything which could be done or provided by the Company;

- f) to apply for, obtain, purchase or otherwise acquire any trade marks, service marks or any other kind of intellectual property that may seem calculated directly or indirectly to effectuate the objects of the Company;
- g) to take on lease, purchase, feu, or in exchange, accept as a gift or on loan, hire or otherwise acquire and hold any property, heritable or moveable, real or personal, and any rights, privileges or licences necessary, convenient or desirable for the purposes of the Company, and to construct, maintain and alter any buildings or erections required for such purposes; and to sell, improve, develop, lease, let, hire, mortgage, exchange, dispose of or otherwise deal with all or any of such property, rights or privileges;
- h) to draw, make, accept and endorse cheques, promissory notes, bills of exchange and other negotiable instruments;
- i) to appeal for and accept subscriptions, donations, covenants, bequests, grants and loans and to borrow and raise money on such terms and security as may be thought fit, and to apply the same for the purposes of the Company;
- j) to invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or properties as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law and subject as hereinafter provided;
- k) to take over, purchase or otherwise acquire all or part of the share capital, property or assets, and to undertake any or all of the liabilities and engagements of any one or more companies, societies, associations or bodies having objects similar to those of the Company and to amalgamate with any such companies, societies, associations or bodies;
- l) to insure the Company or any other body or person acting with or for or employed by the Company against such risks and liabilities as the directors of the Company shall consider prudent;
- m) to employ and (subject to the provisions of Article 80) to remunerate employees, consultants or advisers of the Company and to contribute towards pensions or superannuation benefits for any such employees or otherwise assist such persons and their spouses, children or other dependants;
- n) to subscribe and make contributions to or otherwise support schools, institutions or charities and to give donations or guarantee money for charitable purposes in any way connected with the purposes of the Company or calculated to further its objects;
- o) to promote and encourage the objects of the Company by publicity and advertisement in or through any medium, the arranging or sponsoring of meetings, exhibitions, competitions, events and the production of goods and publications for any medium and to sell, hire or make available any material or items considered desirable for that purpose;

- p) to undertake and execute any charitable trusts which may lawfully be undertaken by the Company and may be conducive to its objects; and
- q) to do all such things as are incidental or conducive to the attainment of the above objects or any of them,

Provided that:-

- (i) in case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as may be allowed by law having regard to such trusts;
- (ii) the Company shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others, any regulation, restriction or conditions which, if an object of the Company would make it a trades union; and
- (iii) in case the Company shall take or hold any property subject to the jurisdiction of any educational or charitable authority, the Company shall not sell, feu, mortgage, charge or lease the same without such authority, approval or consent as may be required by law.

STRUCTURE

3 The structure of the Company consists of:-

- 3.1 the MEMBERS – who have the right to attend the annual general meeting (and any general meeting) and have important powers under the Articles of Association and the Companies Acts; in particular, the members take decisions in relation to changes to the Articles themselves.
- 3.2 the LIFE MEMBERS – who are Members who have been appointed for life (with full voting rights).
- 3.3 the HONORARY MEMBERS – who wish to support the Company but who do not have voting rights.
- 3.4 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; the directors are also charity trustees.

MEMBERS

Registers of members

- 4** 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.

Classes of membership

- 5 The membership of the Company shall comprise Members, Life Members and Honorary Members. Only Members and Life Members shall have the right to vote. Honorary Members shall be non-voting but shall be entitled to attend Annual General Meetings and, at the discretion of the directors, such other events organised by the Company from time to time.

Number of Members

- 6 There shall be no limit on the number of members of the Company.

Admission of Members

- 7 The power of admitting members shall be vested in the directors. The directors may delegate the power of admitting members to the Secretary or other officer appointed for the purpose.

Qualifications and Applications for membership

- 8 Membership of the Company shall be open to any individuals or bodies not operated for commercial profit or private advantage and having objects not inconsistent with the objects of the Company. The directors may admit such bodies into membership of the Company by cross-affiliation of the Company with such bodies, such cross-affiliation to be accepted by the Company as an annual subscription for membership of the Company in place of the annual subscription as defined in Article 9. An application for membership implies acceptance of these Articles. Every member shall sign a written consent to become a member.

Subscriptions

- 9 Every member shall pay to the Company such annual subscription as the Company shall from time to time in general meeting determine. Annual subscriptions shall be payable at such time as the directors of the Company shall from time to time determine.

Life Membership

- 10 The directors shall have power to admit Life Members on such terms as to subscription or otherwise as the Company shall from time to time in general meeting prescribe. Article 9 shall not apply to Life Members.

Honorary Membership

- 11 The Company shall have power to admit Honorary Members on such terms as the Company shall from time to time in general meeting prescribe.

Rights of Members

- 12 No member of the Company shall have the right to enter or remain in any premises under the control of the Company or to enjoy any facility or privilege provided by or through the Company except in accordance with the rules and conditions from time to time determined by the directors and at the charges from time to time determined by the Company in general meetings.

- 13 No member of the Company shall have power to pledge the credit of the Company or to incur any liability whatsoever on behalf of or in the name of the Company in any circumstances whatsoever.

Cessation of Membership

- 14 A member of the Company shall forthwith cease to be a member:-
- 14.1 if such member should die; or
 - 14.2 if such member shall resign giving a written notice to the Company to that intent; or
 - 14.3 if such member's annual subscription shall remain unpaid for 4 (four) calendar months after becoming due; or
 - 14.4 if such member shall be removed from membership by a resolution of the directors, provided that such member shall have been given a proper opportunity of attending and being heard at the meeting of directors at which such resolution is considered.

GENERAL MEETINGS

General meetings (meetings of members)

- 15 The directors:
- 15.1 shall convene an annual general meeting in each year;
 - 15.2 shall ensure that not more than 15 months shall elapse between one annual general meeting and the next;
 - 15.3 may convene a general meeting at any time; and
 - 15.4 must convene a general meeting if there is a valid requisition by no less than 10% of the members from time to time.
- 16 The business of each annual general meeting shall include:-
- 16.1 a report by the chair on the activities of the Company;
 - 16.2 consideration of the annual accounts of the Company;
 - 16.3 the appointment/re-appointment of the independent examiner/auditor of the Company; and
 - 16.4 the election/re-election of directors, as referred to in Articles 37 to 43.

Notice of general meetings

- 17 At least 14 clear days' notice must be given of an annual general meeting or general meeting. Where:-
- 17.1 the term "clear days" in this Article 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 contained in an electronic communication, the

day after the time when it was sent) and also the day of the meeting, should be excluded;

17.2 any notice calling a meeting shall specify the time and place of the meeting; it shall:-

(i) indicate the general nature of the business to be dealt with at the meeting; and

(ii) if a special resolution (see Article 28) (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.

17.3 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 a general meeting; and

17.4 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 independent examiners/auditors in office at the time) to the independent examiners/auditors.

Procedure at general meetings

18 No business shall be dealt with at any general meeting unless a quorum is present and where:

18.1 the quorum for a general meeting shall be six persons entitled to vote, each being a member or a proxy for a member; and

18.2 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.

19 The chair of the Company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting:

19.1 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; and

19.2 may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.

20 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) must be given personally or by proxy. A member who is not an individual shall vote through their duly authorised representatives.

21 A resolution may be decided by postal ballot if so decided by the Board.

- 22 If there is an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.
- 23 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 members present in person at the meeting); 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.
- 24 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.
- 25 A resolution of the members in writing, passed in accordance with the provisions of the Act, shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several documents in the like form, each executed by or on behalf of one or more members.
- 26 The Board may resolve to enable persons entitled to attend and participate in a general meeting to do so (wholly or partly) by simultaneous attendance and participation by means of electronic facility or facilities, and may determine the means, or all different means, of attendance and participation used in relation to the general meeting. The members present in person or by proxy by means of an electronic facility or facilities (as so determined by the Board) shall be counted in the quorum for, and be entitled to participate in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chairperson of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to:
 - 26.1 participate in the business for which the meeting has been convened;
 - 26.2 hear all persons who speak at the meeting; and
 - 26.3 be heard by all other persons attending and participating in the meeting.
- 27 If pursuant to Article 26 the Board determines that a general meeting shall be held partly by means of electronic facility or facilities, the notice shall:
 - 27.1 include a statement to that effect;
 - 27.2 specify the means, or all different means, of attendance and participation thereat; and
 - 27.3 state how it is proposed that persons attending or participating in the meeting electronically should communicate during the meeting.

Special resolutions and ordinary resolutions

- 28 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 general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with Article 17, 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.

- 29 In addition to the matters expressly referred to elsewhere in these Articles, the provisions of the Act allow the Company, by special resolution only,
- 29.1 to alter its name;
 - 29.2 to alter its Objects or Activities; and
 - 29.3 to alter any provision of these Articles or adopt new Articles of Association.
- 30 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, and (as applicable) the chairperson's casting vote), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with Article 17.

DIRECTORS

Number of Directors

- 31 Unless otherwise determined by ordinary resolution, the number of directors shall not be less than four nor more than twelve.
- 32 No person who is not a member of the Company shall in any circumstances be eligible to hold office as a director.

Powers of Directors

- 33 Subject to the provisions of the Act, the Articles and to any directions given by special resolution, the directors shall be responsible for the management of the Company's business and may exercise all the powers of the Company for that purpose.
- 34 No alteration of the Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 35 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

Delegation of Directors' Powers

- 36 The directors may delegate any of their powers to any sub-committee consisting of two 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. Any delegation of powers under this Article may be made subject to:-

(a) such conditions as the directors may impose and may be revoked or altered; and

(b) such rules of procedure for any sub-committee shall be as prescribed by the directors.

Appointment and Retiral of Directors

- 37 At each annual general meeting all the directors shall retire from office.
- 38 If the Company at the meeting at which a director retires, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.
- 39 No person other than a director retiring shall be appointed or reappointed a director at any general meeting unless -
- 39.1 he is recommended by the directors; or
- 39.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
- 40 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors.
- 41 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 42 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
- 43 Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

Termination of office

44 A director shall automatically vacate office if:-

- 44.1 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;
- 44.2 he/she becomes debarred under any statutory provision from being involved in the management or control of a charity;
- 44.3 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;
- 44.4 he/she ceases to be a member of the Company;
- 44.5 he/she resigns office by notice to the Company;
- 44.6 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
- 44.7 he/she is removed from office by resolution of the directors.

Register of directors/Directors' Interests

45 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 specifying the date on which any person ceased to hold office as a director and containing details of directors' interests.

Directors' Declarations of Interests

46 The directors may, in accordance with the requirements set out in Articles 46 to 51, authorise any matter proposed to them by any director which would, if not authorised, involve or constitute a director (an "Interested Director") breaching or infringing his duty under section 175 of the Act to avoid conflicts of interest (the "Conflict").

47 Any authorisation under Articles 46 to 51 will be effective only if:

- 47.1 the matter in question, to the extent permitted by the Act, shall have been proposed by any director for consideration at a meeting of the Board of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- 47.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the Interested Director; and
- 47.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director had not been counted in the vote.

48 Any authorisation of a matter under Articles 46 to 51 may (whether at the time of giving the authority or subsequently):

48.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

48.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine on the Interested Director; or

48.3 be terminated or varied by the directors at any time.

This will not affect anything done by the Interested Director prior to such termination or variation in accordance with the terms of the authorisation.

49 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authority or subsequently) that the Interested Director:

49.1 is excluded from discussions (whether at meetings of the Board of directors or otherwise) related to the Conflict;

49.2 is not given any documents or other information relating to the Conflict; or

49.3 may not vote (or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

Notwithstanding the fact that the directors have made provisions (or otherwise) under this Article 49, the Interested Director whose Conflict has been authorised shall not be in breach of his duties to the Company where the Interested Director, of his own accord, does not attend any discussions, refuses to receive any documents or information relating to the Conflict or refuses to vote on any resolution relating to the Conflict (or refuses to do or does any similar action).

50 Where the directors authorise a Conflict:

50.1 the Interested Director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict;

50.2 the Interested Director will not breach or infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors may impose in respect of its authorisation; and

50.3 the directors may decide (whether at the time of giving the authority or subsequently) that, if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

(i) disclose such information to the directors or to any director or other officer or employee of the Company; or

(ii) use or apply any such information in performing his duties as a director; and

(iii) where to do so would amount to a breach of that confidence and, accordingly, by not disclosing, using or applying such information, the director shall not be in breach or infringe his duties to the Company in terms of Sections 171 to 177 of the Act.

51 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract, agreement or arrangement relating to a Conflict that has been authorised by the Board of directors shall be liable to be avoided on such grounds.

Personal Interests

52 A director who is in any way, whether directly or indirectly interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act. For the purposes of this 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.

53 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 52.

54 Subject, where applicable, to the disclosures required under Article 52 and Article 53, and to any terms and conditions imposed by the directors in accordance with these Articles 53 to 55, a director shall not be entitled to vote in respect of any proposed or existing transaction or arrangement with the company in which he is interested and he shall not be taken into account in ascertaining whether a quorum is present.

55 A director need not declare an interest under Article 52 and Article 53 as the case may be:

55.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

55.2 if the director is not aware of a potential conflict of interest, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware; or

55.3 if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware;

Provided he/she has declared his/her interest a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

DIRECTORS' MEETINGS

Procedure at directors' meetings

- 56 Board meetings will be held on a regular basis. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 57 A resolution in writing executed by all the members for the time being of the Board or of any committee thereof who are entitled to receive notice of a meeting of the Board or of such committee shall be as valid and effectual as if it had been passed at a meeting of the Board or of such committee duly convened and constituted, and may consist of several documents in the like form each executed by one or more members of the Board or any such committee.
- 58 A meeting of the Board or any committee thereof may, subject to notice thereof having been given in accordance with these Articles, be for all purposes deemed to be held when Board members are in simultaneous communication with each other by telephone or by any means of audio-visual communication, if all the directors agree to treat the meeting as so held and the number of directors participating in such communication constitutes the quorum of the Board which would otherwise be required by these Articles to be present at the meeting. Such meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairperson of the meeting then is and the word "meeting" shall be construed accordingly.
- 59 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.
- 60 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 four. 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.
- 61 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.
- 62 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.

- 63 Subject to the Articles, 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.
- 64 Subject to the Articles, 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.
- 65 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.

ADMINISTRATION

Operation of bank accounts

- 66 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 in excess of £1,000 (other than lodgement of funds) on the bank, building society or other financial institution accounts held by the Company.

Secretary

- 67 The directors may in their sole discretion decide to appoint a Company secretary 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.

Minutes

- 68 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

- 69 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements for both companies and charities.
- 70 No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the Company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the Company.

Notices

- 71 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
- 71.1 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;

- 71.2 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;
- 71.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 71.4 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
- 71.5 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.

For the purposes of this Article, 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.

MISCELLANEOUS

Winding-up

- 72 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:
- 72.1 being a charitable body or bodies having objects similar to the Objects of the Company; and
- 72.2 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

- 73 Without prejudice to Articles 74 and 76 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 independent examiner/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.

- 74 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:
- 74.1 civil proceedings in relation to the Company (unless judgment is given against the director and the judgment is final);
 - 74.2 criminal proceedings in relation to the Company (unless the director is convicted and the conviction is final); or
 - 74.3 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).
- 75 For the purposes of Article 74 judgment, conviction or refusal of relief becomes final if:
- 75.1 the period for bringing an appeal (or any further appeal) has ended; and
 - 75.2 any appeal brought is determined, abandoned or otherwise ceases to have effect.
- 76 Every director or other officer or independent examiner/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.
- 77 The indemnity contained in Article 76 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

- 78 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:-

- 78.1 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 independent

examiner/auditors), or any trustee of a pension fund or employee benefits trust of the Company;

- 78.2 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
- 78.3 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).

Liability of Members

- 79 The liability of the members is limited to ONE POUND (£1.00). Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the:-
- 79.1 debts and liabilities of the Company contracted before he ceases to be a member;
- 79.2 costs, charges and expenses of winding up,
- and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding ONE POUND.
- 80 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:-
- 80.1 of out-of-pocket expenses incurred in carrying out duties by any member, director, officer or employee of the Company;
- 80.2 reasonable payment in return for services rendered to the Company;
- 80.3 director/trustee indemnity insurance; and
- 80.4 payment or benefits permitted in terms of the Charities and Trustee Investment (Scotland) Act 2005.

Interpretation

- 81 The model Articles of Association as described in Schedule 2 to the Companies (Model Articles) Regulations 2008 are excluded in respect of the Company.