

**THE COMPANIES ACT**

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

**ARTICLES of ASSOCIATION  
of  
STRATHSPEY RAILWAY ASSOCIATION**

Company Number: SC132941

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## **GENERAL**

### **Constitution of company**

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

### **Defined terms**

- 2** In these articles of association, unless the context requires otherwise: -
- (a) “Act” means the Companies Act 2006;
  - (b) “charity” means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
  - (c) “charitable purpose” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
  - (d) “electronic form” and “electronic means” have the meanings given in section 1168 of the Act;
  - (e) “OSCR” means the Office of the Scottish Charity Regulator;
  - (f) “property” means any property, heritable or moveable, real or personal, wherever situated;
  - (g) “SRC” means The Strathspey Railway Company Limited
  - (h) “subsidiary” has the meaning given in section 1159 of the Act;
- 3** Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

### **Name**

- 4** The company’s name is Strathspey Railway Association (hereinafter called “the company”).

### **Registered Office**

- 5** The company’s registered office is situated in Scotland.

### **Objects**

- 6** The company exists for the benefit of its members, the general public and visitors to the Strathspey area, without distinction of age, ability, sex or of political, religious or other opinions, with the following objects:
- i. The advancement of education
  - ii. The advancement of the arts, heritage, culture or science
  - iii. To assist any other body through grants and other means any person or company to preserve, operate or restore part or all of the former Highland Railway line from Aviemore station to Grantown on Spey, now known as the

Strathspey Railway or beyond or any locomotive or other rolling stock or other railway relics.

- 7** The company's objects are restricted to those set out in article 6 (but subject to article 8).
- 8** The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company's objects in article 6; 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**

- 9** In pursuance of the objects listed in article 6 (but not otherwise), the company shall have the following powers:
- a) To operate a railway and/or support the activities of the SRC in connection with the operation of trains on the SRC's tracks.
  - b) To provide the means by which members can volunteer and participate in all aspects of the working of the SRC and any other companies with similar aims and objects to the company and the SRC.
  - c) To carry on any other activities which further any of the above objects.
  - d) To provide information, advisory, support and/or consultancy services which further the objects of the company.
  - e) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
  - f) To register any interest in land and to exercise the right to buy under the provisions of the Land Reform (Scotland) Act 2016.
  - g) 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.
  - h) To acquire and take over the whole or any part of the undertaking and liabilities of anybody holding property or rights which are suitable for the company's activities.
  - i) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
  - j) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
  - k) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
  - l) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
  - m) 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.
  - n) 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.
  - o) To engage such subcontractors, consultants and advisers as are considered appropriate from time to time.
  - p) To effect insurance of all kinds (which may include officers' liability insurance).

- q) 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).
- r) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- s) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- t) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- u) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- v) 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.
- w) To do anything, which may be incidental or conducive to the furtherance of any of the company's objects.

### **Restrictions on use of the company's assets**

- 10** The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 6) 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 any other charities based in Scotland whose objects accord with article 6.
- 11** 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.
- 12** 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.
- 13** 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**

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

### **General structure**

- 15** The structure of the company consists of: -

- (a) the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Companies Act; in particular, the Members elect people to serve as directors and take decisions in relation to changes to the articles themselves); and
- (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company and compliance with relevant legislation.

## **MEMBERS**

### **Categories of Members**

**16** For the purposes of these articles: -

- (a) “Ordinary Member” means a member admitted under article 18; “Ordinary Membership” shall be construed accordingly;
- (b) “Junior Member” means a member admitted under article 19; “Junior Membership” shall be construed accordingly;

### **Qualifications for membership**

- 17** 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 18 and 19.
- 18** Ordinary Membership shall (subject to article 21) be open to any individual aged 18 years or over who supports the objects and activities of the company.
- 19** Junior Membership shall (subject to article 21) be open to any individual aged 17 years or under who supports the objects and activities of the company.
- 20** Employees of the organisation are eligible to be members but are not eligible for election or appointment to the board.

### **Application for membership**

- 21** Any person who wishes to become a member must complete, and lodge with the company, a written application for membership in the form prescribed by the directors.
- 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 admission to membership of the company.
- 23** The directors reserve the right to refuse re-admittance to membership to anyone expelled under article 31.

### **Minimum number of members**

- 24** The minimum number of members is 20 (twenty); 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.

### **Membership subscription**

- 25** Members will be required to pay such membership subscription as may be approved, by way of an ordinary resolution to that effect, by the members at an annual general meeting.
- 26** The rights associated with any type of membership will be approved, by way of an ordinary resolution to that effect, by the members at an annual general meeting.
- 27** If a membership subscription payable by any member remains outstanding more than eight weeks after the date on which it fell due (and providing they have been given at least one written reminder) the directors may, by resolution to that effect, expel them from membership; for the avoidance of doubt, it will be open to an individual expelled from membership under this article to reapply for membership if they so wish.
- 28** 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**

- 29** The directors shall maintain a register of members, setting out the full name and address of each member, the date on which they were admitted to membership, and the date on which any person ceased to be a member.

### **Withdrawal from membership**

- 30** 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, they shall cease to be a member.

### **Expulsion from membership**

- 31** 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**

- 32** Membership shall cease on death.
- 33** A member may not transfer their membership to any other person.

## GENERAL MEETINGS

### General meetings (meetings of members)

- 34** The directors shall convene an annual general meeting in each year.
- 35** Not more than 15 months shall elapse between one annual general meeting and the next.
- 36** 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 65 to 71 **Error! Reference source not found..**
- 37** Subject to article 35, the directors may convene a general meeting at any time.
- 38** The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

### Notice of general meetings

- 39** At least 14 clear days' notice must be given of any general meeting.
- 40** The reference to "clear days" in article 39 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.
- 41** 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 44) (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.
- 42** A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 43** Notice of every general meeting shall be given
- (a) in hard copy form
  - (b) in writing or (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
  - (c) (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

### Special resolutions and ordinary resolutions

- 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 a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 39 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 total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 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 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 a general meeting, providing proper notice of the meeting has been given in accordance with articles 39 to 43.

#### **Procedure at general meetings**

- 47** No business shall be dealt with at any general meeting unless a quorum is present (see article 48); the quorum for a general meeting shall be 11 (eleven) individuals entitled to vote (each being a member or a proxy for a member).
- 48** The directors may make arrangements, in advance of any members’ meeting, to allow members to participate in the members’ meeting by means of a conference telephone, video conferencing facility or similar communications equipment - so long as all those participating in the meeting can hear each other; a member participating in a members’ meeting in this manner shall be deemed to be present in person at the meeting.
- 49** If a quorum is not present (see article 48) within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 50** The chair of the company shall (if present (see article 48) and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
- 51** The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such date, time and place as the chairperson may determine.
- 52** Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 53** Any member who wishes to appoint a proxy to vote on their behalf at any meeting (or adjourned meeting):
- (a) shall lodge with the company, a written instrument of proxy (in such form as the directors require), signed by them; or

- (b) shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

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

- 54** An instrument of proxy which does not conform with the provisions of article 53, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 55** A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 56** A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed them to speak at the meeting and need not be a member of the company.
- 57** A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the company at the company's registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.
- 58** If there are an equal number of votes for and against any resolution proposed at a general meeting, the chairperson of the meeting shall not be entitled to a casting vote.
- 59** A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members or proxies for members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
- 60** If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

## **DIRECTORS**

### **Maximum/minimum number of directors**

- 61** The maximum number of directors shall be 9 (nine)
- 62** The minimum number of directors shall be 4 (four)

### **Eligibility**

- 63** A person shall not be eligible for election/appointment as a director unless they are a member of the company.
- 64** A person shall not be eligible for election/appointment as a director if they are an employee of the company.

## **Election, retiral, re-election of Directors**

- 65** At each annual general meeting, the members may (subject to article 61) elect any Ordinary Member (providing they are willing to act) to be a director (a “Member Director”).
- 66** At each annual general meeting, 3 (three) of the Member Directors shall retire from office at that meeting.
- 67** The directors to retire under article 66 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.
- 68** A director who retires from office under article 66 or 67 shall be eligible for re-election.
- 69** The directors may (subject to article 61) at any time appoint any Ordinary Member (providing they are willing to act) to be a director (a “Co-opted Director”).
- 70** At each annual general meeting, all Co-opted Directors shall retire from office.
- 71** A Co-opted Director who retires from office at an annual general meeting under article 70 shall be eligible for election as a Member Director.

## **Termination of office**

- 72** A director shall automatically vacate office if: -
- (a) they cease to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;
  - (b) they become debarred under any statutory provision from being a charity trustee (within the meaning of section 106 of the Charities and Trustee Investment (Scotland) Act 2005);
  - (c) they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months;
  - (d) they cease to be a member of the company;
  - (e) they become an employee of the company;
  - (f) they resign office by notice to the company;
  - (g) they are absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove them from office;
  - (h) they are removed from office by resolution of the directors on the grounds that they are considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 102);
  - (i) they are removed from office by resolution of the directors on the grounds that they are considered to have been in serious or persistent breach of their duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or

- (j) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

**73** A resolution under paragraph (h) or (i) of article 72 shall be valid only if:

- a) the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for their removal is to be proposed;
- b) the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
- c) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

### **Register of directors**

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

### **Office bearers**

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

**76** All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.

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

### **Powers of directors**

**78** Subject to the provisions of the Act and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.

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

### **Personal interests**

**80** A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; they will be debarred (in terms of article 97) from voting on the question of whether or not the company should enter into that arrangement.

**81** For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs **or** any firm of which they are a partner **or** any limited company of which they are a substantial shareholder or director **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity trustee **or** any registered society or unincorporated association of which they are a management committee member (or any other party who/which is deemed to be connected with them for the purposes of the Act), has a personal interest in that arrangement.

**82** Provided

- (a) they have declared their interest;
- (b) they have not voted on the question of whether or not the company should enter into the relevant arrangement; and
- (c) the requirements of article 86 are complied with,

a director will not be debarred from entering into an arrangement with the company in which they have a personal interest (or is deemed to have a personal interest under article 81) and may retain any personal benefit which they gain from their participation in that arrangement.

**83** The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.

**84** For the avoidance of doubt, the provisions of section 175 of the Act and article 83 do not apply to a conflict of interest relating to a transaction or arrangement with the company; conflicts of that kind are regulated by the provisions of articles 80 to 82 and articles 97 to 100.

**85** No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out their duties as a director.

**86** 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).

**87** 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.

## **DIRECTORS' MEETINGS**

### **Procedure at directors' meetings**

**88** Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.

- 89** Notice of directors' meetings should allow minimum 7 (seven) days' notice, unless all directors agree a shorter period.
- 90** Directors may participate in a meeting of the board by means of a conference telephone, video conferencing facility or similar communications equipment - so long as all the directors participating in the meeting can hear each other; a director participating in a meeting in this manner shall be deemed to be present in person at the meeting.
- 91** 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.
- 92** No business shall be dealt with at a meeting of the directors unless a quorum is present (see article 90); the quorum for meetings of the directors shall be 4 (four).
- 93** If at any time the number of directors in office falls below the number fixed as the quorum or ceases to comply with the provisions of article 62, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 94** A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors shall be as valid and effectual as if it had been passed by a meeting of directors held in accordance with the provisions of articles 88 to 90 and may consist of several documents in like form each signed by one or more directors.
- 95** Unless they are unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which they are present (see article 90); 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 they have a personal interest which conflicts (or may conflict) with the interests of the company; they 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 theirs **or** any firm of which they are a partner **or** any limited company of which they are a substantial shareholder or director **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity trustee **or** any registered society or unincorporated association of which they are a management committee member 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 they are 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 their functions as a director of the company, act in the interests of the company; and, in particular, must
- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out article 6)
  - (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 them from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question
  - (d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 102** Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time.
- 103** For the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association; and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

## **ADMINISTRATION**

### **Delegation to sub-committees**

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

### **Operation of bank accounts**

- 107** 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.

- 108** Where the company uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in article 107 where possible.

### **Secretary**

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

### **Minutes**

- 110** 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**

- 111** The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 112** The accounting records shall be maintained by the treasurer and overseen by the chair, 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.
- 113** The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
- 114** No member shall (unless they are 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**

- 115** 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 them 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.
- 116** 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.
- 117** 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.

## MISCELLANEOUS

### Winding-up

- 118** 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 2016) remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; instead, that property shall be transferred to some other body or bodies (whether incorporated or unincorporated) as may be determined by the members of the company at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.

### Indemnity

- 119** 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 they may sustain or incur in connection with the execution of the duties of their 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 them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted **or** any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
- 120** The company shall be entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of their office, and such insurance may (subject to the provisions of section 68A) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).