

**THE COMPANIES ACT 2006**

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

**ARTICLES of ASSOCIATION**

**of**

**GRAMPIAN REGIONAL EQUALITY COUNCIL LIMITED**

**Company No. SC396286**

## **Grampian Regional Equality Council Limited (the “Company”) - Constitution of the Company**

1 The articles of association as prescribed in schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of the Company.

### **Defined terms**

2 In these articles of association, unless the context requires otherwise:-

- (a) “Act” means the Companies Act 2006;
- (b) “area of benefit” means the North East of Scotland
- (c) “Board” means the board of Directors of the Company
- (d) “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 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) “electronic form” has the meaning given in section 1168 of the Act;
- (g) “local authority” shall have the meaning ascribed to it by the Local Government Act 1972
- (h) “OSCR” means the Office of the Scottish Charity Regulator;
- (i) “property” means any property, heritable or moveable, real or personal, wherever situated;
- (j) “age”, “disability”, “gender reassignment”, “marriage & civil partnership”, “pregnancy & maternity”, “race”, “religion or belief”, “sex”, “sexual orientation” and “discrimination” shall have the meanings ascribed to them by the Equality Act 2010; and
- (k) “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.

### **Objects**

4 The Company’s objects are:

- (1) To accept all the undertakings, assets and liabilities of Scottish Charity SC001823 and to carry on the undertakings of that charity for the public benefit.
- (2) To promote equality and diversity in the north east of Scotland

- (3) To advance human rights, conflict resolution or reconciliation in the north east of Scotland
- (4) To promote religious or racial harmony in the north east of Scotland
- (5) Any other purposes that may reasonably be regarded as analogous to any of the preceding purposes
- (6) and in furtherance of the above, by;
  - (i) the advancement of education
  - (ii) the advancement of citizenship or community development
  - (iii) working in partnership with other bodies

In furtherance of these objects, but not further or otherwise, the Company may undertake the following functions and within the limits permitted by the law may do anything lawful and necessary to fulfil them:

#### **Policy development**

- (7) to acquaint organisations, agencies and employers in the statutory, non-statutory, private, and voluntary sectors, especially in the company's area of benefit, with the extent and nature of discrimination and inequality experienced by groups with protected characteristics under The Equality Act 2010, with the aim of encouraging them to implement policies and practices which will eliminate discrimination and promote equality of opportunity, and good relations, between persons of different groups.

#### **Community support**

- (8) to support organisations in the Company's area of benefit which are concerned with the promotion of equal opportunity and fostering of good relations with regard to each of the protected characteristics, by providing them with such information, advice and other forms of assistance as may be both appropriate and in keeping with the company's objects.

#### **Assistance to individuals**

- (9) to give information, advice and support of a non-financial nature including the provision of representation at tribunals in circumstances where it is unreasonable, having regard to the financial resources available to an individual complainant, to expect him/her to obtain such representation to individuals who seek the Company's assistance as a consequence of their experience of discrimination, in circumstances where such information, advice and support are not readily obtainable from other local agencies.

#### **Public education**

- (10) to maintain an appropriate programme of public information and public education related to the Company's objects and functions.

#### **Work programme**

- (11) to devise a work programme to guide it in furthering its objects and carrying out its functions in pursuance thereof. In doing so, it shall have regard to:

(a) priorities for action agreed in national and regional planning between Regional Equality Councils, or their representative body, and in accordance with current anti-discrimination legislation and directives; and

(b) priorities for action related to local needs to which it can respond in keeping with its objects.

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 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 carry on any activities which further any of the above objects.

(b) 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.

(c) 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.

(d) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the Company's activities.

(e) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the Company.

(f) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the Company.

(g) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.

(h) 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.

(i) 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.

- (j) To engage such consultants and advisers as are considered appropriate from time to time.
- (k) To effect insurance of all kinds (which may include officers' liability insurance).
- (l) 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).
- (m) 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.
- (n) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the Company's objects.
- (o) To take such steps as may be deemed appropriate for the purpose of raising funds for the Company's activities.
- (p) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (q) To oppose, or object to, any application or proceedings which may prejudice the Company's interests.
- (r) 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.
- (s) To do anything which may be incidental or conducive to the furtherance of any of the Company's objects.
- (t) In furthering its objects and carrying out its functions in pursuance of the above articles, the Company:
  - (i) shall be non-party in politics and non-sectarian in religion; and
  - (ii) shall, in its own activities and its employment of staff, implement an effective equal opportunities policy and shall not, therefore, discriminate against any person on grounds of age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation.

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

- 8 (a) The income and property of the Company shall be applied solely towards promoting the Company's objects (as set out in article 4).
- (b) 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.
- (c) No director of the Company ("Director") 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.

(d) No benefit (whether in money or in kind) shall be given by the Company to any Director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the Company.

### **Liability of members**

9 Each member undertakes that if the Company is wound up while he/she is a 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 a member;
- (b) payment of the costs, charges and expenses of winding up; and
- (c) adjustment of the rights of the contributories among themselves.

### **General structure**

10 The structure of the Company consists of:-

- (a) the MEMBERS - who have the right to attend the annual general meeting (and any 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 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**

11 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 14 to 16.

12 Membership shall be open to:

- (a) any person who lives or works in the Company's area of benefit and who supports the objects of the Company;
- (b) any body corporate or unincorporated association with its principal office in the Company's area of benefit and which supports the objects of the Company ;

13 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**

14 Any person or body who wishes to become a member must sign, and lodge with the Company, a written application for membership. Any application from a body corporate or unincorporated association shall nominate someone over the age of 18 who will exercise the privileges of membership on its behalf.

### 14.1

14.1.1 The Company may admit to membership a body corporate or unincorporated association provided that there is nothing in the constitution, aims or actions of such body corporate or unincorporated association which conflicts with the Company's objects and functions.

14.1.2 Each member shall have one vote.

14.1.3 A member which is a body corporate or an unincorporated association may change the nominee made in terms of the preamble to this article 14, provided that

it gives notice in writing to the secretary of the Company of its intention to do so not less than seven days before any meeting of the Company at which such new nominee shall be present.

### 14.2 Associate Membership

14.2.1 The Company may at its discretion admit to associate membership any individual who lives outside the Company's areas of benefit, provided that she/he is not a member or associate member of any other Regional Equality Council.

14.2.2 Associate members may attend general meetings of the Company and may speak but they will not be entitled to vote.

## **Board**

15 The Directors may, at their discretion, refuse to admit any person or body to membership.

### Board Membership Panel

16. The Board may establish a membership panel comprising:

(i) three members of the Company over the age of 18 who are not members of the Board elected to the panel at the annual general meeting); and

(ii) two members of the Board (to be appointed annually by the Board at its first meeting after the annual general meeting).

16.1 The Board may delegate to the membership panel the following functions and powers:

(a) to receive and consider all applications for membership;

(b) to determine all such applications provided that an organisation or individual wishing to appeal against a decision of the panel shall have the right to do so, and to be heard in such appeal, at the next meeting of the Board;

(c) to recommend to the Board termination of membership or withdrawal of recognition.

### **Membership subscription**

17 At its discretion, the Company may require members to pay an annual subscription of an amount to be determined from time to time by the Company. The amount of the subscription may vary as between members, and associate members, and the Company may waive the payment of such subscriptions, or modify the amount to be paid, at its discretion.

### **Register of members**

18 The Directors shall maintain a register of members, setting out 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**

19 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**

20 Any person may be expelled from membership by special resolution (see article 33), 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.

### **Board Termination/transfer**

21 Membership shall cease on death.

22 A member may not transfer his/her membership to any other person, with the exception of bodies which are organisational members who may, by written application, vary the person who exercises the privileges of membership on their behalf.

### **General meetings**



23 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.

24 Not more than 15 months shall elapse between one annual general meeting and the next.

25 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 article 50- 57.

(d) the election/re-election of the membership panel as referred to in article 16.

26 The Directors may convene an extraordinary general meeting at any time.

27 The Directors must convene an extraordinary 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**

28 The Company shall meet in general meeting not fewer than three times a year. One of these meetings shall be the annual general meeting. At least 14 clear days' notice must be given of an annual general meeting or extraordinary general meeting.

29 The reference to "clear days" in article 28 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.

30 A notice calling a general 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 (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.

31 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.

32 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**

33 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 such meeting and of the intention to propose the resolution has been given in accordance with articles 28 to 32; 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 such meeting.

34 The Company and all its committees shall observe the standing orders set down by the Directors from time to time provided that such standing orders are consistent with these articles and that, in the event of a conflict between such standing orders and the provisions of these articles the latter shall prevail.

35 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.

36 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 28 to 32.

### **Procedure at general meetings**

37 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 25% of the members entitled to vote (each being a member or a proxy for a member),

38 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.

39 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.

40 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.

41 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.

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

(a) shall lodge with the company, at the Company's registered office, a written instrument of proxy (in such form as the Directors require), signed by 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).

43 An instrument of proxy which does not conform with the provisions of article 42, or which is not lodged or sent in accordance with such provisions, shall be invalid.

44 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

45 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.

46 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.

47 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.

48 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.

49 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.

#### **Maximum number of Directors**

50 The maximum number of Directors shall be 21. Collectively they shall be known as the Board.

50.1 The members of the Board must be over the age of 18 and the Board shall consist of:

(a) not more than 12 members of the Company, elected by ballot at the annual general meeting in accordance with article 58 below. Any vacancies occurring between annual general meetings may be filled through co-option;

(b) not more than two or such other number as may be approved by the Board persons appointed by each of the public bodies (as such expression is defined in the Race Relations (Amendment) Act 2000 operating in the Company's area of benefit; and

(c) not more than 3 (except where a vacancy occurs through resignation) persons co-opted by the Board, to serve until the next AGM, for the purposes of enabling the Board to fulfil its functions more effectively.

### **Consultant Observers**

50.2 The chief executive of any local authority or public body in the Company's area of benefit or her/his named representative, may attend general meetings of the Company and may speak but may not vote. The Board may invite such chief executives or their representatives to attend Board meetings, and meetings of sub-committees or ad hoc working parties on the same basis.

### **Eligibility**

51 A person shall not be eligible for election/appointment or to be nominated for election as a Director or to nominate or to vote in such an election unless he/she has been a member (or a nominated representative of a member in terms of article 14 hereof) of the Company continuously for a period of six months immediately prior to the election.

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

52 At each annual general meeting, the members may (subject to articles 50) elect any member (providing he/she is willing to act) to be a Director.

53 The Directors may (subject to article 50) at any time appoint any member (providing he/she is willing to act) to be a Director

54 All Directors may serve for a period of three years and shall retire from office at the annual general meeting – but shall then be eligible for re-election. At each annual general meeting one-third of the Directors previously elected by a general meeting of the Company shall resign from office as Director or if their number is not a multiple of three, the number nearest to one-third shall resign from office as director . The Directors to retire at each such annual general meeting shall be those who have been longest in office since their last election but as between persons who became or who were last re-elected Directors on the same day, those to resign shall (unless they otherwise agree among themselves) be determined by lot

### **Termination of office**

55 Any member of the Board may resign her/his/its membership by giving to the Board written notice to that effect.

56 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;

(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 a 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**

57 The Company 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**

58.1

The honorary Treasurer will be elected at the AGM. Failing this, the Board may appoint an honorary Treasurer from amongst the Directors or by co-option in accordance with article 53.

58.2 A member who has not been a member of the Company continuously for a period of six months immediately prior to the election shall not be eligible to be nominated for any honorary office or to nominate or to vote in an election for honorary office.

58.3 Every individual member or a nominated representative of a member in terms of article 14 hereof nominated and seconded in writing to serve on the Board or in any honorary office may in writing accept the nomination within 14 days of the closing date for nominations and shall at the same time sign a declaration that she/he will:

(a) seek to promote the objects of the Company and not the interests of any one group of members;

(b) fulfil her/his share of responsibility for:

- (i) implementing the Company's policies and work programme;
- (ii) the employment, management and support of staff;
- (iii) the financial affairs of the Company;

(c) participate actively in Board meetings;

(d) undertake such training as may be required to fully execute his/her duties.

58.4 A meeting of the Board shall take place within 14 days of each annual general meeting.

58.5 To assist it to fulfil its responsibilities, the Board shall elect from among its members a Chair, and such other honorary officers of the Board as it sees fit.

58.6 The Company may at any time, at its discretion, and on the recommendation of the Board, confer the titles of honorary President or Vice-President on a person or persons subscribing to the objects of the Company and wishing to support its work. Any title so conferred shall be subject to annual review.

58.7 The Board, at its first meeting after each annual general meeting of the Company shall elect, from among the members of the Board, elected in terms of article 52, members of the membership panel.

59. All members of the Board, regardless of the number of years remaining in their three-year period of service, are eligible for re-election to an honorary office.

60 All of the holders of any honorary office shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.

61 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.

### **Duties and Powers of Directors**

62.1 The duties of the Chair shall be:

- (a) to preside at meetings of the Company and of the Board;
- (b) to prepare, in consultation with any senior employee of the Company and with any honorary secretary agendas for meetings of the Company and the Board;
- (c) as may be required by the Company or the Board, to act as a principal spokesperson on public occasions or when representations are being made on behalf of the Company to public bodies; and

(d) to uphold the constitution and standing orders of the Company, to ensure efficient and proper conduct of its affairs, and to encourage co-operation and goodwill among members and paid staff in promoting the Company's objects and fulfilling its functions.

62.2 The Chair may, on the advice of the senior employee and/or of other members of the Board, take decisions on behalf of the Company between Board meetings, provided that:

(a) whenever possible, she/he shall do so only after consultation with at least two other members of the Board;

(b) all such action shall be reported to the next meeting of the Board;

(c) expenditure incurred shall not exceed a sum to be pre-determined by the Board annually;

(d) the Chair shall not have power to employ or dismiss a member of staff, but may suspend a member of staff until such time as the case may be properly dealt with under the Company's discipline and grievance procedures.

62.3 The Vice-Chair shall deputise for the Chair in the performance of any of his/her duties:

(a) when so requested by the Chair, or

(b) in the absence or non-availability of the Chair.

In the absence or non-availability of both the Chair and Vice-Chair, the Board may appoint one of its number to deputise for the Chair.

62.4 If the office of Chair falls vacant, through resignation or any other cause, the Board shall, as soon as possible, elect one of its number to assume the title and duties of the office until the first Board meeting after the next annual general meeting. If the person elected to the Chair is the person who has been serving as Vice-Chair, the Board shall similarly elect a new Vice-Chair.

62.5 The duties of the Treasurer shall be:

(a) to keep or ensure

(i) that proper accounts are kept of all monies received by or on behalf of the Company and of all payments made on its behalf,

(ii) that they are presented annually for audit by a qualified auditor, and

(iii) that the auditor's report thereon is presented to the annual general meeting;

(b) in consultation with any sub-committee appointed to supervise the finances of the Company, to prepare an annual budget to cover the work of the Company and to keep the out-turn under review;

(c) to advise such sub-committee, and through it the Board and the Company, on all matters relating to the Company's financial management;

(d) to present an account of current income and expenditure to the Board at least once a quarter.

63 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 Board, who may exercise all the powers of the company.

64 A meeting of the Board at which a quorum is present may exercise all powers exercisable by the Directors.

### **Personal interests**

65 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 75) from voting on the question of whether or not the Company should enter into that arrangement.

66 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.

67 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 69 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 66) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

68 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.

69 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) fewer than half of the Directors must be receiving remuneration from the Company (or benefit from remuneration of that nature).

70 The Directors may be reimbursed 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**

71.1 The Board shall hold at least six ordinary meetings each year. A special meeting may be called at any time by the Chair or by any two members of the Board upon not less than 4 days' notice being given to the other members of the Board of the matters to be discussed, but if the matters include the appointment of a co-opted member, not less than 21 days' notice must be given.

71.2 Except as otherwise prescribed herein, every matter shall be determined by a majority of votes of the Directors present and voting on the question. In the case of an equal number of votes being cast for and against a motion, the Chair shall exercise one additional vote which shall be a casting vote.

71.3 The Company shall keep minutes, in books kept for the purpose, of the proceedings at meetings of the Board.

71.4 The Board may from time to time make and alter rules for the conduct of its business, the summoning and conduct of its meetings and the custody of documents. No rule may be made which is inconsistent with this constitution.

72 Any Director may call a meeting of the Directors or request the secretary to call a meeting of the Directors.

73 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.

74 No business shall be dealt with at a meeting of the Directors unless a quorum is present; the quorum for meetings of the Board shall be one third of the actual number of Directors or five (of whom at least four shall be Directors elected in terms of article 52 and at least one shall be an honorary officer) whichever number is the greater.

75 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.

76 The Directors may, at their discretion, invite any person who they reasonably consider appropriate, to attend and speak at any meeting of the Directors; for the avoidance of doubt, any such invitee shall not be entitled to vote.

77 A Director having a personal interest as defined in article 66 in a matter under discussion at a Board meeting (or at a meeting of a sub-committee of the Board) must withdraw from the meeting while that item is dealt with.

78 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.

79 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 77 and 78.

### **Conduct of Directors**

80 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;

(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 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 putting the interests of the Company first, 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

and

(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**

81.1 The Board may appoint from amongst the members of the Company the following sub-committees whose meetings and proceedings shall be governed by the terms of article 71.

81.2 A finance and general purposes sub-committee, to fulfil its obligations under articles 88-90 below. It shall consist of no more than five persons being members of the Board of whom one shall be the honorary Treasurer. It shall report to each meeting of the Board, and in doing so it may make such recommendations and/or seek such endorsement by the Board as it may think fit.

81.3 A personnel sub-committee consisting of up to seven members of the company of whom one shall be the honorary Chair. Subject to any limits and guidelines set down by the Board, it may recruit and appoint staff, establish their conditions of service, and deal with matters relating to discipline and grievances.

81.4 Two panels consisting of three members of the personnel sub-committee shall be set up, as and when necessary, to deal with:

(a) the appointment of staff;

(b) disciplinary and grievance matters.

81.5 The panels may appoint as a consultant observer, with the right to speak but not to vote, a representative of the local authority or any other funding agency.

81.6 Both panels may make appointments and resolve disputes and shall report their decisions to the personnel sub-committee and the Board.

81.7 The Board may appoint other sub-committees, ad hoc working parties or task groups consisting of such persons as the Board shall determine for the support of specialist areas of the company's work. Each of these shall:

(a) have power to co-opt persons, whether members of the Company or not, who have expertise to offer in the subject area of such sub-committee, working party or task group;

(b) include at least one member of the Board; and

(c) report to each meeting of the Board, making recommendations on all matters requiring policy decisions.

Such sub-committees, working parties or task groups may not commit the Company.

82 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.

83 Any delegation of powers under article 82 may be made subject to such conditions as the Directors may impose and may be revoked or altered.

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

85 The signatures of two of the signatories appointed by the Board 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 of the two signatures must be that of a Director.

### **Secretary**

86 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**

87 The Company shall ensure that minutes are made of all proceedings at general 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**

88 The Directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

89 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.

90 No member shall (unless he/she is a Director) have any right to inspect 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**

91 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.

92 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.

93 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**

94.1 The Company may at any time be dissolved by a resolution passed by a two thirds majority of those present and voting at a properly constituted and quorate general meeting. Such a resolution may give instructions for the disposal of any assets held by or in the name of the Company provided that if any property remains after the satisfaction of all debts and liabilities such property shall not be paid to or distributed amongst the members of the Company but shall be given or transferred to such 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.

94.2 If notice of the intention to move such a resolution has been given in accordance with article 94.1 to two successive meetings of the Company and neither of them has been quorate, then, providing the resolution provides for the application of all the property of the company the Chair shall (pursuant to this article) declare the resolution passed 15 minutes after the time for commencement of the second meeting had it been quorate, and shall dispose of any assets in accordance with any instructions in the said resolution.

95 For the avoidance of doubt, a body to which property is transferred under article 94 may be a member of the Company.

### **Indemnity**

96 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.

97 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).