



## **THE COMPANIES ACT 1985**

### **A Company Limited by guarantee and not having share capital**

#### **Memorandum of Association of Scottish Library and Information Council**

##### **1. NAME**

The name of the company is Scottish Library and Information Council (hereinafter referred to as "the Company").

##### **2. REGISTERED OFFICE**

The Company's registered office is to be situated in Scotland.

##### **3. OBJECTS**

**3.1.** Each and every clause (including this clause of the Memorandum of Association and of the Articles of Association of the Company shall be read and interpreted as if there were embodied therein an overriding qualification to the effect that no expenditure of income by the Company shall be permitted for the purpose of carrying out activities which are not wholly charitable within the meaning of section 505 of the Income and Corporation Taxes Act 1988, or of any amending Act or regulation thereunderthere under ( which meaning shall be ascribed to the work "charitable" wherever used in the Memorandum), and that in all cases in which activities permitted by the objects of the Company or are in their nature capable of being exercised for purposes which are not wholly charitable or only partially so, as well as for the purposes which are wholly charitable, the powers contained in the said objects shall be held to limit such activities to those which will not prejudice the charitable status of the Company.

**3.2.** The objects (hereinafter referred to as "the objects") for which the Company is established are:-

**3.2.1.** to act as a focus for library and information services in Scotland and in so doing to review, monitor and evaluate the provision and development of such services to achieve improved co-ordination and co-operation between such services;

**3.2.2.** to review, monitor, evaluate and update standards for all sectors of the library and information service;

**3.2.3.** to provide information, advice and examples of good library and information practice to library and information services in Scotland;

**3.2.4.** to provide education and training services and resources to library and information services in Scotland;

- 3.2.5.** to encourage, sponsor, arrange or undertake research and advisory activities on library and information matters in Scotland, whether in response to requests from Scottish Ministers, the Scottish Executive, or library and information services or otherwise;
  - 3.2.6.** to liaise with the Scottish Executive and the Convention of Scottish Local Authorities on library and information services;
  - 3.2.7.** to liaise with other bodies having similar or related objectives both within and outwith Scotland and where appropriate to comment and advise on developments and disseminate relevant information in Scotland;
  - 3.2.8.** to report to and advise Scottish Ministers on library and information matters; and to make recommendations to them and other library and information providers in Scotland;
  - 3.2.9.** to keep under review the statistical requirements of, and to work in co-operation with providers of library and information and related services to achieve co-ordination of statistical requirements, and to disseminate relevant information;
  - 3.2.10.** to set out policies, objectives and priorities in the form of a strategic plan, to be reviewed annually, and to take such action as may be appropriate to implement the recommendations contained therein;
  - 3.2.11.** to make grants to projects and initiatives of value to library and information services in light of policies identified in the Company's strategic plan, provided that this power shall not be exercised to distribute any funds provided as grant aid by the Scottish Ministers, unless specifically authorised by the Scottish Ministers;
  - 3.2.12.** To undertake such other activities as will assist in the provision of better library and information services to the public.
- 4.** In the furtherance of the objects but not further or otherwise, the Company shall have powers:-
- 4.1.** to cause to be written, printed or other reproduced and circulated, gratuitously or otherwise, periodicals, magazines, books, leaflets or other documents or films or recorded tapes;
  - 4.2.** to hold exhibitions, meetings, lectures, classes, seminars and courses either alone or with others;
  - 4.3.** to foster and undertake research into any aspect of the objects and the Company's work and to disseminate the results of any such research;
  - 4.4.** to co-operate and enter into arrangements with any authorities, institutions and organisations national, local or otherwise;
  - 4.5.** to raise funds (by way of appeal or otherwise), provided that the Company shall not undertake any permanent trading activities in raising funds for the above mentioned charitable objects.

- 4.6** to invite and receive contributions and property of any description by way of grant, subscription, bequest, donation, endowment or otherwise and whether or not subject to terms and conditions specified by the relevant contributor or subject to any special trust, and to hold meetings and take such other steps as may be necessary to secure funding for its projects and initiatives;
- 4.7** to promote and form a wholly owned subsidiary company solely for the purpose of furthering the objects and to hold shares in such a subsidiary company;
- 4.8** to purchase, take on feu, lease, in exchange, hire or otherwise acquire any property, heritable or moveable, real or personal and any rights, servitudes or privileges relating to any such property, to alter any of the same in whole or in part as is necessary for any of the objects and (subject to such consents as may be required by law) to sell, lease, grant securities over or otherwise dispose of or turn to account all or any of such property; provided that the prior consent of the Scottish Ministers shall be required to the extent that the exercise of the power contained in this clause would involve the use of funds provided by them, or would relate to property acquired using funds provided by them;
- 4.9** to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts;
- 4.10** subject to clause 4.8, to borrow or raise money for the objects on such terms and (with such consents as are required by law) on such security as may be thought fit;
- 4.11** to invest the monies of the Company not immediately required for its objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- 4.12** to employ persons other than members of the Company or members of its Board, or engage consultants to supervise, organise, and carry out work in furtherance of the objectives of the Company;
- 4.13** to insure and arrange insurance cover for its employees and members of its Board from and against all risks incurred in the course of the performance of their duties as may be thought fit;
- 4.14** to pay reasonable annual sums or premiums for or towards the provision of pensions or superannuation for employees for the time being of the Company or their dependents;
- 4.15** to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company;
- 4.16** to do all such other lawful things as shall further the objects or any of them provided that:
- a) In case the Company shall take or hold any property which may be subject to any trusts, the Company shall deal with or invest the same only in such manner as is allowed by law, having regard to such trusts.

- b) In case the Company shall take or hold any property subject to the jurisdiction of the Charity Commission for England and Wales or any similar body instituted or to be instituted in Scotland, the Company shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law and the Board for the time being of the Company shall be chargeable for any such property which may come into the Company's hands and shall be answerable and accountable for their acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would, as such Board, have been if no incorporation had been affected. The incorporation of the Company shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners or the equivalent Scottish institution as aforesaid over such Board. The members of the said Board, as regards to any such property, shall be jointly and severally subject to such control or authority as if the Company were not incorporated.

## **5. INCOME AND PROPERTY**

- 5.1 The income and property of the Company shall be applied solely towards the promotion of the objects and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company and no member of its Board shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or benefit in money or money's worth from the Company.

- 5.2 Provided that nothing contained in clause 5.1 shall prevent any payment in good faith by the Company:-

- a) of reasonable and proper remuneration to any member of the Company or any member of its Board, or employee of the Company (not being a member of the Company or a member of its Board) for any services other than services which would be provided by a Board member as such;
- b) of interest on money lent by any member of the Company or of its Board at a rate per annum not exceeding 2 percent less than the minimum lending rate prescribed for the time being by a clearing bank selected by the Board or 3 percent whichever is the greater;
- c) of reasonable and proper rent for premises let to the Company by any of its members or members of its Board;
- d) of fees, remuneration or other benefit in money or money's worth to a Company of which a member of the Board may be a member holding not more than 1/100<sup>th</sup> part of the capital of the Company;
- e) and of reasonable out of pocket expenses to members of committees and sub-committees of the Board, working parties and to the Chair.

## **6. LIABILITY**

The liability of the members is limited.

## **7. WINDING UP**

Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while it is a member, or within one year after it ceases to be a member, for payment of the debts and liabilities of the Company contracted before it ceases to be a member, and of the 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.

## **8. TRANSFER OF ASSETS**

If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other charitable institution or institutions having objects similar to those objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of clause 5 hereof, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and in so far as effect cannot be given to such provision, then to the National Library of Scotland, provided that no transfer of assets should take place without the prior consent of the Scottish Ministers where their consent would otherwise be required by clause 4.8.

## **9. ALTERATIONS TO THE MEMORANDUM OR ARTICLES OF ASSOCIATION**

No alteration or addition shall be made to the Memorandum or Articles of Association of the Company which would have the effect that the company would cease to be a company to which Section 30 of the Companies Act 1985 applies.

## THE COMPANIES ACT 1985

### A Company Limited by guarantee and not having share capital

#### Articles of Association of Scottish Library and Information Council

#### 1. DEFINITIONS

In these regulations:-

"the Act" means the Companies Act 1985 including any statutory modifications or re-enactment thereof for the time being in force

"the Articles" means the Articles of Association of the Company from time to time in force

"the Observer" means the Observer to the Company appointed in accordance with Article 8

"clear days" in relation to period of notice means that period excluding the day for which it is given or on which it is to take effect.

"the Company" means the above named company.

"executed" includes any mode of execution.

"the Memorandum" means the Memorandum of Association of the Company from time to time in force.

"the office" means the registered office of the Company.

"the register of members" means the register of members kept by the Company under the Act.

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

"the United Kingdom" means Great Britain and Northern Ireland.

"Board" is the Board of Directors as defined in 7.1.

"Library and Information Professionals" means those individuals with a recognised qualification in library and information science or who have managed library services at a senior level for more than five years

Unless the context otherwise requires, words, or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Company.

The Articles are in substitution for the Articles of Association contained in Table C of the Companies (Table A-F) Regulations 1985, which shall not apply to the Company.

#### 2. MEMBERS

**2.1.** The subscribers to the Memorandum and such organisations as are admitted to membership in accordance with the Articles shall be members of the Company.

**2.2.** No organisation shall be admitted a member of the Company unless it is approved by the Board and funds the Company by grant or subscription. Every member of the Company other than the subscribers to the Memorandum shall sign either a written application or consent to become a member or sign the Register of Members on becoming a member.

- 2.3** Membership of the Company shall be open to all organisations, who fund the Company whether by grant or subscription (the method applying in each case to be determined by the Company) and who have made said grant and paid said subscription (as determined by the Company) and who in the opinion of the Board are interested in furthering the objects. No person other than such an organisation may be admitted.
- 2.4** A member may at any time withdraw from the Company by giving at least 90 days clear notice to the Company. Membership shall not be transferable.
- 2.5** A member shall also forthwith cease to be a member if:-
- a)** Part or all of any annual grant or annual subscription payable by it remains overdue for payment to the company by more than 90 days;
  - b)** It is adjudged bankrupt or makes an arrangement with its creditors or has its estate sequestrated or grants a Trust Deed for its creditors or a composition contract;
  - c)** It is the subject of an administration order or winding-up order or a receiver is appointed over the whole or part of its undertaking;
  - d)** It is otherwise dissolved.
  - e)** It transfers its assets and undertaking to some other body.
  - f)** The Board resolves after giving reasonable notice and a reasonable opportunity of being heard to the member (and the nominating body) that the member should cease to be a member.
- 2.6** Any organisation ceasing by any means to be a member shall remain liable for and shall pay to the Company all monies due from it to the Company at the time of it ceasing to be a member or for which it may become liable under the provisions of the Memorandum and Articles.

### **3. GOVERNANCE**

- 3.1** The Company shall each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Board shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 3.2** The Board may, whenever they think fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitions, as provided by the Act. If at any time there are not within the United Kingdom sufficient members of the Board to form a quorum, any member of Board or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

#### 4. NOTICE OF GENERAL MEETINGS

- 4.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one days' notice in writing. Other meetings shall be called by at least twenty-one days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day of the meeting and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Articles, entitled to receive such notices from the Company.
- 4.2 Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it so agreed:-
- a) in the case of the annual general meeting, by all members entitled to attend and vote at the meeting; and
  - b) in the case of any other meeting, by a majority of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent of the total voting rights at that meeting of all the organisations.
- 4.3 The accidental omission to give notice of a meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

#### 5. PROCEEDINGS AT GENERAL MEETINGS

- 5.1 The business to be transacted at an annual general meeting shall be to consider and approve reports of the Board and future plans, approval of the accounts, balance sheets and auditor's reports, the election of chairman, the election of members of the Board in the place of those retiring and the appointment of the auditors.
- 5.2 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business: ten members represented in person or **one-tenth** of the membership, whichever is greater, shall be a quorum. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.
- 5.3 The Chair of the Company shall chair every general meeting of the Company or, if he/she shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the members of the Company present shall elect one of the members of the Board to chair the meeting.
- 5.4 The Chair may, with the consent of any meeting at which a quorum is present ( and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more,

notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 5.5** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) is demanded:
- a) By the Chair; or
  - b) By at least two members present in person or by proxy

Unless a poll is so demanded, a declaration by the Chair that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such a resolution.

The demand for a poll may be withdrawn.

- 5.6** In the case of an equality of votes, whether on a show of hands or on a poll, the Chair of the meeting shall be entitled to a second or casting vote.
- 5.7** A poll demanded on the election of a Chair in terms of clause 5.3 hereof, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken at such time and in accordance with the Code of Conduct for the Chair as the meeting directs, and any business other than that upon which a poll has been demanded may proceed pending the taking of the poll. Subject to this, if a poll is duly demanded it shall be taken in such a manner as the Chair directs, and the result of the poll shall be deemed to be the resolution of the matter in respect of which the poll was demanded.
- 5.8** Subject to the provisions of the Act, a resolution in writing signed by the members shall be as valid and effective as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of two or more documents in like form each signed by one or more members.

This article does not apply to:-

- a) A resolution under section 303 removing a member of the committee before the expiry of his/her period of office; or
- b) a resolution under section 386 removing an auditor before the expiry of his/her period of office;

but subject to these exceptions, it applies to all resolutions, whether ordinary, special or extraordinary, and a written resolution complying with this article is effective without the need for any previous notice.

- 5.9** Any members shall have one vote as a fully paid up member and may by resolution of its board of directors, or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting of the Company ("Nominated Representative"). The Nominated Representative shall be entitled to exercise the same powers on behalf of the organisation which represents as that organisation could exercise if it were an individual member of the company. No more than one individual nominated by a member may constitute a Nominated Representative at

any given time. A Nominated representative should give notice to the Company of nomination and must lodge with the Company the relevant nomination signed by the appropriate officers of the member.

- 5.10** On a poll votes may be given either personally or by proxy.
- 5.11** The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.
- 5.12** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the forms specified in Articles 60 and 61 of Table A contained in The Companies (Tables A to F) Regulations 1985 or a form as near thereto as circumstances admit.
- 5.13** The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 5.14** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used."

## **6. CHAIR AND DEPUTY CHAIR**

- 6.1** The election of the Chair of the Company by the Company in general meeting shall be based on nominations made by the Board. The Chairman need not be a representative of the members or of an organisation that has nominated a person for membership of the company.
- 6.2** On election, the Chair of the Company shall become automatically a member of the Board, and the provisions of article 11.1 and 11.2 regarding retiral and re-election shall apply to the post of Chair as they apply to a member of the Board.
- 6.4** The Board of Directors will elect a Deputy Chair from its membership on an annual basis at the first meeting following the AGM.
- 6.3** The post of Chair and Deputy Chair shall not be remunerated.

## 7. BOARD

**7.1** The Board shall fulfil the role of the Board of Trustees and comprise individuals as follows:

- a) Chair of the Company and the Company Secretary, who become a member of the Board by virtue of being elected as Chair and appointed as Company Secretary;
- b) Representatives from the following organisations;
  - i. One representative of Scottish local authorities appointed by the Convention of Scottish local authorities;
  - ii. One representative of the National Library of Scotland;
  - iii. One representative of the Scottish Funding Councils (SFC) appointed by SFC;
  - iv. One representative from those Scottish institutions offering professional library qualifications;
  - v. One representative of Lifelong Learning UK (LLUK);
  - vi. One representative from one of the Health Boards in Scotland.
- c) Nine library and information professionals elected at the annual general meeting of the company allocated as follows:
  - i. Three representatives from the local authority library and information sector in Scotland;
  - ii. Two representatives from the higher education library and information sector in Scotland;
  - iii. Two representatives from the further education library and information sector in Scotland;
  - iv. One representative from the health science library and information sector in Scotland;
  - v. One representative of providers of information not otherwise represented.

**7.2** In addition the Board may at any one time co-opt up to **three** individuals for specific purposes for specific terms not to exceed the maximum currently applied to elected members.

**7.3** The Scottish Executive shall be entitled to appoint and remove two observers of the Board.

**7.4** Any appointment or removal of observer shall be notified to the Chair and noted in the minutes of the next Board meeting. The observers shall be entitled

to receive notice of, attend and speak at, but not vote at, any meeting of the Board or of any sub-committee formed in accordance with Article 12.9.

- 7.5** In the event of the absence or unavailability of the observer the Scottish Executive shall be entitled to nominate a substitute to attend and act at meetings in place of the observer.

## **8. EXPENSES**

The Chair of the Company, the Board members, or members appointed to sub-committees and working parties shall be paid all reasonable expenses properly incurred by them in attending and returning from Board meetings or general meetings or sub-committee meetings of the Company or in connection with the business of the Company. No remuneration shall be paid in respect of such functions.

## **9. POWERS AND DUTIES OF THE BOARD**

- 9.1** The business of the Company shall be managed by the Board who may pay all the expenses incurred in the formation of the Company and may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting. Any such requirement may be imposed either by the Act or by the Articles or by any regulation made by the Company in general meeting; but no such regulation shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- 9.2** The Board shall have power to establish and define the scope and authority of working parties for such purposes and periods as the Board may determine. The members of the working party need not be members of the Board.
- 9.3** All cheques and other negotiable instruments, and all receipts for monies paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as Board shall from time to time determine.
- 9.4** The Board shall cause minutes to be made:
- a)** of all appointments of Chair, Deputy Chair and Company Secretary made by the Company;
  - b)** of the names of the Board members present at each meeting of the Board;
  - c)** of all resolutions and proceedings at all meetings of the Company, and of the Board and sub committees formed in accordance with article 12.9.
- 9.5** The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, as security for any debt liability or obligation of the Company.
- 9.6** The Board may from time to time make any such rules or byelaws as it may deem necessary or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes and conditions of membership and in particular but without prejudice to the generality of the foregoing, it may be by such rules or byelaws regulating:-

- a) The admission and classification of member organisations of the Company, and the rights and privileges of such member organisations, and the conditions of membership and terms on which member organisations may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments made by member organisations.
- b) The conduct of member organisations of the Company in relation to one and other and to the Company's employees.
- c) The setting aside of whole or any part or parts of the Company's premises at any particular time or times for any particular purpose or purposes.
- d) The procedure at general meetings and meetings of the management committee and sub committees in so far as such procedure is not regulated by the Articles.

**9.7** The Company in general meeting shall have power to alter or repeal the rules or bye-laws and to make additions to them and the Board shall adopt such means as it deems sufficient to bring to the notice of members of the Company all such rules or bye-laws which, so long as they shall be in force, shall be binding on all members of the Company. Provided, nevertheless, that no rule or byelaw shall be inconsistent with, or shall affect or repeal anything contained in the Memorandum or Articles.

## **10. DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS**

**10.1** The office of Board member shall be vacated if the member:

- a. has been adjudged bankrupt, or made an arrangement with his/her creditors, or had his/her estate sequestrated, or granted a Trust Deed for his/her creditors or a composition contract; or
- b. ceases to be a Board member by virtue of the Act or becomes prohibited by law from being a Board member: or
- c. becomes incapable by reason of mental disorder, illness or injury of managing and administering his/her property and affairs: or
- d. resigns his/her office by written notice to the Company: or is removed by those with a right to appoint him/her under article 7; or
- e. is directly or indirectly interested in any contract with the Company and fails to declare the nature of his/her interest as required by Section 317 of the Act or as required otherwise by law; or
- f. ceases to be a member of his/her appointing organisation; or
- g. the organisation of which he/she is a member ceases to be a member of the Company; or
- h. is convicted of a crime other than minor road traffic offences; or

- i. is absent without agreement of the Board for more than 3 out of six meetings of the Board or of its sub committees and the Board resolve that his/her office should be vacated; or
- j. The Company may by ordinary resolution, of which special notice has been given with Section 303 of the Act remove any Board member before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such member. The Company may by ordinary resolution, and subject to the provisions of article 7, appoint another person in place of a Board member removed under this article; or
- k. Becomes disqualified under section 69 of the Charities and Trustees Investment (Scotland) Act 2005.

## **11 RETIRAL AND RE-ELECTION OF BOARD**

- 11.1** Elected members of the Board must retire from the board at the AGM once they have served for three years.
- 11.2** Members so retiring are eligible for re-election for a further period of up to three years when they must retire and may not be eligible for subsequent re-election or re-appointment until they are absent from the Board for a period of two years.
- 11.3** Nominations for elected membership should be with the Company not less than 14 days before the date set for the AGM, such nominations for elected membership shall be in writing signed by a member qualified to attend and vote at the meeting and also signed by that person of his/her willingness to be elected. In the event of sufficient nominations not being received, the Board may nominate members to fill vacancies on a secondment basis.
- 11.4** The Board shall have power at any time to appoint any person to be a Board member to fill a casual vacancy. Any Board member so appointed shall hold office only until the next meeting of the company and shall then be eligible for re-election.
- 11.5** The provisions of Articles 11.1 to 11.4 are subject to the provisions of Article 10.

## **12 PROCEEDINGS AT BOARD**

- 12.1** The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings, as it sees fit.
- 12.2** Questions arising at any meeting shall be decided by a majority of votes
- 12.3** In the case of an equality of votes the Chair, who shall be the Chair of the meeting shall have the second or casting vote.
- 12.4** Emergency or additional meetings may be called by contacting the Chair/ Chief Executive to summon a Board meeting or if one third of the Board members make a formal request in writing to the Chair. The Chair and Chief Executive will determine the reasonableness of the request and if so will call one with reasonable notice.

- 12.5** The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be fixed by one third of the membership of Board.
- 12.6** The Board may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Board members, the Board may act for the purpose of increasing the number of members to that number or of summoning a general meeting of the Company, but for no other purpose.
- 12.7** A Board member may be precluded from voting at a meeting of the Board or sub-committee on a resolution by virtue of his/her tenure of any office (office (including office on the governing board) or employment with an organisation which organisation which is a member of the Company and that he/she has an interest in the matter to which the resolution relates which gives rise to a material interest or duty on his part which conflicts or may conflict with the interests of the Company.
- 12.8** If at any meeting the Chair/Deputy Chair is not present within fifteen minutes after the time appointed for holding the same, the Board Members present may choose one of their number to chair the meeting.
- 12.9** The Board may delegate any of its powers to sub-committees consisting of such persons as it thinks fit; any sub-committees so formed shall conform to any regulations that may be imposed on it by the Board and shall report all acts and proceedings to the Board as soon as it is reasonably practicable.
- 12.10** A sub-committee may elect a chair of its meeting; if no such chair is elected, or if at any meetings the Chair is not present within fifteen minutes after the time appointed for holding the same, the Board Members present may choose one of their number to chair the meeting.
- 12.11** A sub-committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in the case of an equality of votes the chair shall have a second or casting vote.
- 12.12** All acts done my any meeting of the Board or of a sub-committee, or by any person acting as Board or a sub-committee member, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid if every such person had been duly appointed and was qualified to be a Board or sub-committee member.
- 12.13** A resolution in writing, signed by all the Board members entitled to receive notice of a Board meeting, shall be as valid and effectual as if it had been passed at a Board meeting duly convened and held, and may consist of several documents in like form each signed by one or more Board members.

**12.14** All or any of the Board may participate in a meeting of the Board by means of a conference telephone or any other communication equipment which allows all of those participating in the meeting to communicate with each other. Any member of the Board so participating shall be deemed to be present, in person, at the meeting and, accordingly, shall be entitled to vote and shall be taken into account in determining whether a quorum is present. Such meeting shall be determined to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is at the time of the meeting.

### **13. COMPANY SECRETARY**

Subject to Section 283 of the Act the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as the committee may think fit; and any secretary so appointed may be removed by it; provided always that no Board member may occupy the salaried position of secretary. The Company Secretary will be a member of Board in an unsalaried appointment.

### **14. ACCOUNTS**

**14.1** The Board shall cause accounting records to be kept in accordance with the Act.

**14.2** The accounting records shall be kept at the registered office of the Company or subject to the Act, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the officers of the Company. Members of the Company may request to inspect accounts in writing and the Chief Executive will make the appropriate arrangements for this.

**14.3** The Board shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such income and expenditure accounts, balance sheets, group accounts(if any) and reports as are referred to in the Act.

**14.4** A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditor's report, and the Board's report, shall not less than 21 days before the date of the meeting, be sent to every member of the Company and the auditor. Provided that this article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any debenture.

**14.5** At the end of each financial year (which shall be 31 March each year) or on such other date as may be determined by the Board, the Board shall cause to be prepared and shall submit to organisations which provide funds to the Company and which request such information, an annual forecast for the following year of the Company's financial requirements set out under appropriate expenditure headings in line with Company priorities.

### **15 AUDIT**

Auditors shall be appointed and their duties regulated in accordance with the Act.

### **16 NOTICES**

- 16.1** A notice may be given by the Company to any member either by hand or by sending it by post to it the registered address, or (if the members has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied to the Company for giving of notice to it. Proof that an envelope containing a notice was properly addressed, prepared and posted shall be conclusive evidence that notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 16.2** Notice of every general meeting shall be given in any manner hereinbefore authorised to:-
- a. every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for giving notices to them;
  - b. the auditor for the time being of the Company;
  - c. each Board member;
  - d. any observer in accordance with articles 4 and 7.

No other organisations shall be entitle to receive notices of general meetings

## **17. DISSOLUTION**

Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in the Articles

## **18. INDEMNITY**

Every member of the Board or other officer or auditor of the Company shall be indemnified (to the extent permitted by sections 309A, 309B and 310 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 including, 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 in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the Company.

For the avoidance of doubt, the Company shall be entitled to purchase and maintain for any member of the Board insurance against any loss or liability which he/she 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 309A(1) of the Act (negligence etc. of a member of the Board).