

**MEMORANDUM OF ASSOCIATION**

**THE COMPANIES ACT 2006**

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

**MEMORANDUM of ASSOCIATION  
of  
ABERFELDY DEVELOPMENT TRUST**

Based on the model prepared by Burness Paull LLP (Solicitors) for  
Development Trusts Association Scotland

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**of**  
ABERFELDY DEVELOPMENT TRUST

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

<b>Name of each subscriber</b>	<b>Signature of each subscriber</b>
Gill Steele	
Sally Murray	
Carol Laing	
Graham Forsyth	
Adam Hobson	
Chris Birt	

Dated:

**ARTICLES OF ASSOCIATION**

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# THE COMPANIES ACT 2006

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

### ARTICLES of ASSOCIATION of

#### ABERFELDY DEVELOPMENT TRUST

<b>CONTENTS</b>		
<b>GENERAL</b>	constitution of the company, defined terms, objects, powers, restrictions on use of assets, limit on liability, general structure	articles 1-15
<b>MEMBERS</b>	categories, qualifications, application, minimum number, re-registration, arrangements involving the company's website, register, withdrawal, expulsion, termination/transfer	articles 16-49
<b>GENERAL MEETINGS (meetings of members)</b>	general, notice, special/ordinary resolutions, procedure	articles 50-95
<b>DIRECTORS</b>	categories, maximum/minimum number, eligibility, election/retiral/re-election (Member Directors), appointment/re-appointment (Co-opted Directors), termination of office, register, office bearers, powers, conflicts of interest involving directors (or those connected with directors) – general, conflicts of interest relating to transactions/arrangements with the company, conflict of interest situations, remuneration and expenses	articles 96-133
<b>DIRECTORS' MEETINGS</b>	procedure, conduct of directors	articles 134-157
<b>ADMINISTRATION</b>	committees, operation of bank accounts, secretary, minutes, accounting records and annual accounts, notices	articles 158-174
<b>MISCELLANEOUS</b>	winding-up, indemnity	articles 175-181

## **Constitution of company**

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

## **Defined terms**

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

- (a) "board" means the directors;
- (b) "charity" means a body which is either a Scottish charity, or a "charity" within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
- (c) "charitable purpose" means a charitable purpose under section 7 of the Scottish Charities Act which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
- (d) "community body" means a community body within the meaning of section 34 of the Land Reform (Scotland) Act 2003 (as amended by section 37 of the Community Empowerment (Scotland) Act 2015) which is also regarded as a community body for the purposes of section 49(2)(h) of the Land Reform (Scotland) Act 2016;
- (e) "community transfer body" means a community transfer body within the meaning of section 77 of the Community Empowerment (Scotland) Act 2015 (as read with section 19 of the Community Empowerment (Scotland) Act 2015);
- (f) "Companies Act" means the Companies Act 2006;
- (g) "crofting community body" means a crofting community body within the meaning of section 71 of the Land Reform (Scotland) Act 2003 (as amended by section 62 of the Community Empowerment (Scotland) Act 2015);
- (h) "OSCR" means the Office of the Scottish Charity Regulator;
- (i) "Part 3A community body" means a Part 3A community body with the meaning of section 97D of the Land Reform (Scotland) Act 2003 (as inserted by section 74 of the Community Empowerment (Scotland) Act 2015);
- (j) "Part 5 community body" means a Part 5 community body within the meaning of section 49 of the Land Reform (Scotland) Act 2016;

- (k) "property" means any property or other asset (which may include rights or interests in land and intellectual property);
  - (l) "Scottish Charities Act" means the Charities and Trustee Investment (Scotland) Act 2005;
  - (m) "Scottish charity" means a "Scottish charity" within the meaning of section 13 of the Scottish Charities Act;
  - (n) "subsidiary" has the meaning given in section 1159 of the Companies Act;
  - (o) "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

## **Objects**

- 4 The company has been formed to benefit principally the community of Aberfeldy, Dull, Weem, Grandtully, Strathtay, which comprises the community council areas of Aberfeldy, Dull & Weem, and Mid Atholl, Strathtay & Grandtully. ("the Community") with the following objects:
- (1) The advancement of community development, including the advancement of rural regeneration
  - (2) The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.
  - (3) The advancement of the arts, heritage, culture or science.
- 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 article 66) 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 The company has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so.

- 8 In particular, (but without limiting the range of powers available under the Scottish Charities Act) the company has power:
- (a) To register any interest in land and to exercise any right to buy under Part 2 of the Land Reform (Scotland) Act 2003.
  - (b) To exercise any right to buy under Part 3A of the Land Reform (Scotland) Act 2003.
  - (c) To exercise any right to buy under Part 5 of the Land Reform (Scotland) Act 2016.
  - (d) To make any participation request under Part 3 of the Community Empowerment (Scotland) Act 2015, and to take any appropriate steps following upon the making of any such request.
  - (e) To make any asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015, and to take any appropriate steps following upon the making of any such request.

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

- 9 The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 4); and in particular (but without limiting the generality of that provision) any surplus funds or assets of the company must be applied for the benefit of the Community.
- 10 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.
- 11 No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- 12 No benefit (whether in money or in kind) shall be given by the company to any director except:
- (a) repayment of out-of-pocket expenses; or
  - (b) reasonable payment in return for particular services (outwith the ordinary duties of a director) actually rendered to the company.
- 13 Notwithstanding the provisions of articles 11 and 12, the company may make any payment to any individual who is a member or director of the company, where that payment is made in direct furtherance of the objects of the company.

## **Liability of members**

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

## **General structure**

- 15 The structure of the company consists of:-
- (a) The MEMBERS - comprising (i) Ordinary Members (who have the right to participate in the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Companies Act; in particular, the Ordinary Members elect people to serve as directors and take decisions in relation to changes to the articles themselves), (ii) the Associate Members and (iii) the Junior Members; and
  - (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

## **MEMBERS**

### **Categories of Members**

- 16 For the purposes of these articles:-
- (a) "Ordinary Member" means a member who fulfils the qualifications set out in article 19; "Ordinary Membership" shall be interpreted accordingly;
  - (b) "Associate Member" means a member admitted under article 20 (as read with article 21); "Associate Membership" shall be interpreted accordingly;
  - (c) "Junior Member" means a member admitted under article 22; "Junior Membership" shall be interpreted accordingly



- 17 Associate Members and Junior Members are not eligible to stand for election as Member Directors (as defined in article 96), nor are they eligible to vote at any general meeting.

### **Qualifications for membership**

- 18 The members of the company shall consist of the subscribers to the memorandum of association and such other individuals and organisations as are admitted to membership under articles 19 to 32.
- 19 Ordinary Membership shall (subject to articles 24 and 28) be open to any person aged 16 years or over who:
- (a) is resident in the Community (as defined in article 4);
  - (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
  - (c) supports the objects of the company.
- 20 Associate Membership shall (subject to articles 24, 25 and 26) be open to:
- (a) individuals who do not fulfil the qualifications under paragraphs (a) and (b) of article 19 but support the objects and activities of the company; and
  - (b) (subject to article 21) organisations (wherever they have their principal office or place of business or their main area of operation) that support the objects and activities of the company.
- 21 In the case of an organisation which is not a corporate body, the organisation itself cannot be a member of the company; instead, membership shall be open to an individual nominated by that organisation (where the organisation would qualify for membership under article 20), but on the basis that no more than one individual nominated by each organisation under this article 21 can be a member of the company at any given time.
- 22 Junior Membership shall (subject to article 24) be open to those individuals aged between 12 and 15 (whether or not they are resident in the Community) who support the objects and activities of the company.
- 23 An individual, once admitted to Ordinary Membership, shall automatically cease to be a member if they cease to fulfil any of the qualifications for Ordinary Membership set out in article 19 (but will then be able to apply for admission as an Associate Member if they so wish).

### **Application for membership**

- 24 Any individual who wishes to become a member (in a personal capacity) must (subject to article 40) sign, and lodge with the company, a written application for membership, specifying the category of membership for which they are applying.
- 25 Any organisation which is a corporate body and wishes to become an Associate Member must (subject to article 40) lodge with the company a written application for membership, signed on its behalf by an appropriate officer of that organisation.
- 26 Any individual nominated under article 21 by an organisation which is an unincorporated body who wishes to become an Associate Member must (subject to article 40) lodge with the company a written application for membership, signed by that individual and also signed by an appropriate officer of the organisation which is nominating that individual for membership.
- 27 The company shall (subject to article 40) supply a form for applying for membership to any individual or organisation on request.
- 28 An individual applying for Ordinary Membership shall, if the company so requests, supply such evidence as the company may reasonably request to demonstrate that they fulfil the qualifications set out in article 19.
- 29 At the first board meeting which is held after receipt of an application for membership, the board shall review the application (together with any evidence supplied under article 28) to determine whether the applicant fulfils the qualifications for membership set out in articles 19, 20 or 22 (as the case may be).
- 30 If, on the basis of the review carried out under article 29, the applicant fulfils the qualifications for membership, the board shall (subject to article 31) admit the applicant to membership; and, within a reasonable time after the meeting, shall notify the applicant of the outcome of the application.
- 31 The board do not require to admit an applicant to membership (even if they fulfil the qualifications for membership) if:
  - (a) the effect of admitting them would be that the requirement under article 33 that at least three quarters of the members must be members of the community was no longer met; or
  - (b) they were expelled from membership under article 46 at any time in the past; or
  - (c) in the case of an individual applying for membership on the basis of nomination by an unincorporated body, any other individual previously nominated for membership by that organisation was expelled from membership under article 46 at any time in the past (unless a special resolution of the nature

referred to in article 47 has been passed in relation to that unincorporated body).

- 32 For the avoidance of doubt, in determining whether or not any individual or organisation fulfils the qualifications for membership, the board shall adhere to a transparent process which enshrines the principles of equal treatment and non-discrimination.

### **Minimum number of members**

- 33 The minimum number of members is 20; and at least three quarters of the members must, at all times, be members of the community.
- 34 The expression "members of the community" in article 33 shall be taken to be a reference to Ordinary Members.
- 35 In the event that either or both of the requirements under article 33 cease to be met through a reduction in the number of members or through a reduction in the proportion of members of the community included within the membership, the board may not conduct any business other than to ensure the admission of sufficient members (or, as the case may be, Ordinary Members) to ensure that those requirements are met once more.

### **Re-registration**

- 36 The board may at any time request all members, or all members within a given category, to confirm that they wish to remain in membership of the company.
- 37 Any request under article 36 must be issued:
- (a) in hard copy form; or
  - (b) (where the member to whom notice is given has notified the company of an email address to be used for the purpose of communications from the company) by way of email;
- and must refer to the possible consequences (under article 38) of failing to confirm, within the period allowed for under article 38, that the member wishes to remain in membership.
- 38 If the company does not receive confirmation from any member, within four weeks after the issue to that member of a request under article 36, that they wish to remain in membership of the company, the board may, by resolution to that effect, expel that individual or organisation from membership.
- 39 Subject to article 40, any confirmation under articles 37 and 38 must be:

- (a) in hard copy form, signed by the relevant individual (or, in the case of an organisation which is a corporate body, signed on its behalf by an appropriate officer of that organisation), and sent or delivered to the company; or
- (b) sent by way of email to the company, at the email address supplied by the company to the members for this purpose.

### **Arrangements involving the company's website**

- 40 The board may, if they consider appropriate, introduce arrangements under which an individual or organisation can apply for membership and/or an individual or organisation may confirm that they wish to remain a member, by accessing the company's website (and, where applicable, links from the company's website), and completing and submitting forms electronically.
- 41 The board shall ensure that any arrangements introduced under article 40 incorporate appropriate security measures and reserve the right for the company to request signed hard copy documentation and/or evidence of eligibility in any case where the board consider that to be appropriate.

### **Register of members**

- 42 The board shall maintain a register of members, setting out the full name and address of each member, the date on which each member was admitted to membership, the category of membership into which the member falls, and the date on which any individual or organisation ceased to be a member.
- 43 Where an individual was admitted to Associate Membership on the basis of nomination by an organisation which is not a corporate body, the entries against that individual's name in the register of members shall include details of the organisation which nominated that individual for membership.

### **Withdrawal from membership**

- 44 Any individual or organisation who/which wishes to withdraw from membership shall lodge with the company a written notice to that effect, signed by that individual or (in the case of a corporate body) signed on its behalf by an appropriate officer of that body; on receipt of the notice by the company, that individual or organisation shall cease to be a member.
- 45 An organisation which has nominated an individual for membership under article 21 may withdraw its nomination at any time, by way of notice to the company to that effect, signed by an appropriate officer of that organisation; on receipt of the notice by the company, that individual will automatically cease to be a member.

### **Expulsion from membership**

- 46 Any individual or organisation may be expelled from membership by special resolution (see article 63), 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 (or, in the case of a corporate body, an individual authorised by it) shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.
- 47 Where an individual who was admitted to membership on the basis of nomination by an unincorporated organisation (i.e. an organisation which is not a corporate body) is expelled from membership under article 46, no other individual nominated for membership by that organisation will be eligible for membership unless and until a special resolution to that effect is passed.

### **Termination/transfer**

- 48 Membership shall cease:
- (a) in the case of an individual, on death;
  - (b) in the case of an organisation which is a corporate body, on the liquidation, winding-up, dissolution or striking-off of that organisation; or
  - (c) in the case of an individual admitted to membership on the basis of nomination by an organisation which is not a corporate body, if that organisation is wound up or dissolved.
- 49 A member may not transfer their membership to any other individual or organisation.

## **GENERAL MEETINGS**

### **General meetings (meetings of members)**

- 50 The board shall convene an annual general meeting in each year (but excluding the year in which the company is formed).
- 51 The first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
- 52 Not more than 15 months shall elapse between one annual general meeting and the next.
- 53 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 Member Directors, as referred to in articles 102 to 107.
- 54 Subject to articles 50 and 55, the board may convene a general meeting at any time.
- 55 The board must convene a general meeting if there is a valid requisition by members (under section 303 of the Companies Act) or a requisition by a resigning auditor (under section 518 of the Companies Act).

### **Notice of general meetings**

- 56 At least 14 clear days' notice must be given of any general meeting.
- 57 The reference to "clear days" in article 56 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 email, the day after it was sent), and also the day of the meeting, should be excluded.
- 58 A notice calling a meeting shall specify the time of the meeting, and (subject to article 60) the place where the meeting is to be held; and
- (a) it shall indicate the general nature of the business to be dealt with at the meeting;
  - (b) if a special resolution (see article 63) (or a resolution requiring special notice under the Companies Act) is to be proposed, it shall also state that fact, giving the exact terms of the resolution; and
  - (c) it shall notify the Ordinary Members of their right to appoint a proxy.
- 59 If members and directors are to be permitted to participate in the meeting by way of audio and/or an audio-visual link, the notice (or notes accompanying the notice) shall:
- (a) set out details of how to connect and participate via (in the case of participation by way of audio) dial-in details, or (in the case of participation by way of an audio-visual link) that link; and
  - (b) for the benefit of those members who do not have access to a computer or to an adequate internet connection, draw members' attention to (i) the ability to participate in the meeting via audio only means, (ii) the ability of Ordinary Members to appoint the chairperson of the meeting as proxy,

and to direct the chairperson on how they should vote in relation to each resolution to be proposed at the meeting, or (iii) (where attendance in person is to be permitted) the ability to attend and vote in person at the meeting.

- 60 If participation in the meeting is to be by way of audio and/or audio-visual links – with no intention for the meeting to involve attendance in person by two or more members in one place – the requirement under article 58 to specify the place of the meeting in the notice calling the meeting shall not apply (except to the extent that this remains a requirement under the Companies Act).
- 61 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 62 Notice of every general meeting shall be given to all the members and directors, and (if auditors are in office at the time) to the auditors:
- (a) in hard copy form; or
  - (b) (where the individual or organisation to whom notice is given has notified the company of an email address to be used for the purpose of communications from the company) by way of email; 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 Companies Act) by means of a website.

### **Special resolutions and ordinary resolutions**

- 63 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 56 to 62.
- 64 For the avoidance of doubt, the reference in article 63 to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution; and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 65 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Companies Act allow the company, by special resolution,
- (a) to alter its name; or
  - (b) to alter any provision of these articles or adopt new articles of association.

- 66 If the company is a Scottish charity, amendments to the objects of the company (as set out in article 4) will require the prior approval of OSCR; and OSCR's prior approval is also required in relation to any change of name.
- 67 If:
- (a) the company is a community body (as defined in article 2) and (i) it has registered a community interest in land under Part 2 of the Land Reform (Scotland) Act 2003 and remains so registered, or (ii) has bought land under Part 2 of the Land Reform (Scotland) Act 2003 any part of which remains in its ownership; or
  - (b) the company is a Part 3A community body or Part 5 community body (in each case, as defined in article 2) and has bought land under Part 3A of the Land Reform (Scotland) Act 2003 or Part 5 of the Land Reform (Scotland) 2016 any part of which remains in its ownership,
- the company must give written notice to the Scottish Ministers of any amendments to the articles of association of the company as soon as possible after such amendments take effect.
- 68 For the purposes of these articles, an "ordinary resolution" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 56 to 62.

### **Procedure at general meeting**

- 69 The board may, if they consider appropriate (whether on the basis of concerns relating to health risks associated with large gatherings, or otherwise) make arrangements for members and directors to participate in general meetings by way of audio and/or audio-visual links, providing:
- (a) the means by which members and directors can participate in this manner are not subject to technical complexities, significant costs or other factors which are likely to represent – for all, or a significant proportion, of the members - a barrier to participation;
  - (b) the notice calling the meeting contains the information required under article 58; and
  - (c) the manner in which the meeting is conducted ensures, so far as reasonably possible, that those members and directors who participate via the audio or audio-visual links are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those members



and directors (if any) who are attending in person (and vice versa).

- 70 A general meeting may involve two or more members or directors participating via attendance in person while other members and/or directors participate via audio and/or audio-visual links; or it may involve participation solely via audio and/or audio-visual links.
- 71 For the avoidance of doubt, an individual participating in a general meeting (whether as a member, as a proxy for a member, as the authorised representative of a member which is a corporate body, as a director, or as the chairperson of the meeting) via an audio or audio-visual link shall be deemed to be present (or, as the case may be, in attendance) at the meeting.
- 72 Where a general meeting is to involve participation solely via audio and/or audio-visual links, the board shall encourage any individuals participating in that general meeting who do not have access to a computer or to an adequate internet connection to dial-in to the meeting via audio means, failing which the board shall take reasonable steps to encourage such individuals to participate in the meeting through:
- (a) (in the case of Ordinary Members) the submission of a proxy form (which may appoint the chairperson of the meeting as proxy, and with the proxy form being completed in a manner which directs the chairperson on whether to vote in favour of, or against, each of the resolutions to be proposed at the meeting); and/or
  - (b) the submission of questions and/or comments, which (subject to article 73) the chairperson of the meeting will be expected to read out, and address, in the course of the meeting.
- 73 The requirements under paragraph (b) of article 72 shall not apply if and to the extent that the questions or comments are of an unreasonable length (individually or taken together), or contain material which is defamatory, racist or otherwise offensive.
- 74 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall (subject to article 75) be 15 Ordinary Members, either present or represented by proxy.
- 75 A quorum shall not be deemed to be present at any general meeting unless the Ordinary Members present or represented by proxy at the meeting form a majority of the members present or represented by proxy at the meeting.
- 76 For the avoidance of doubt, Associate Members and Junior Members shall not be counted in determining whether a quorum is present at any general meeting.

- 77 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 (subject to article 78) place, as may be fixed by the chairperson of the meeting.
- 78 Where participation in the adjourned meeting is to be by way of audio and/or audio-visual links - with no intention for the adjourned meeting to involve attendance in person by two or more members or directors in one place - the requirement under article 77 for the chairperson to fix the place of the adjourned meeting shall not apply.
- 79 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.
- 80 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such date, time and (subject to article 78) place as the chairperson may determine.
- 81 Every Ordinary Member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 82 Where an Ordinary Member, or a proxy for an Ordinary Member, is participating in a meeting via audio or an audio-visual link, they may cast their vote on a given resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically - and providing the board have no reasonable grounds for suspicion as regards authenticity, any such action shall be deemed to be a vote cast via a show of hands.
- 83 For the avoidance of doubt, Associate Members and Junior Members shall have no power to vote at general meetings.
- 84 Any Ordinary Member who wishes to appoint a proxy to vote on their behalf at any meeting (or adjourned meeting):
- (a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the board require), signed by that Ordinary Member; 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 board 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).

- 85 An instrument of proxy which does not conform with the provisions of article 84, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 86 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 87 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed that proxy to speak at the meeting; and a proxy need not be a member of the company.
- 88 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 email, was received by the company at the address notified by the company to the members for the purpose of email communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.
- 89 An Associate Member which is a corporate body shall be entitled to appoint an individual to attend and speak at any general meeting as its authorised representative.
- 90 If there are an equal number of votes for and against any resolution proposed at a general meeting, the chairperson of the meeting shall not be entitled to a casting vote.
- 91 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 participating in the meeting and entitled to vote, whether as Ordinary Members or as proxies for Ordinary 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.
- 92 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such manner as the chairperson may direct.
- 93 Where an Ordinary Member, or a proxy for an Ordinary Member, is participating in a meeting via audio or an audio-visual link, the chairperson's directions regarding how a secret ballot is to be conducted may allow them to cast their votes on the secret ballot via any of the methods referred to in article 82, providing

reasonable steps are taken to preserve anonymity (while at the same time, maintaining confidence in the validity of the process).

- 94 The result of any secret ballot shall be declared at the meeting at which the ballot was demanded.
- 95 These articles of association impose certain requirements regarding the means which can be adopted for participation and voting at general meetings; providing the arrangements made by the board in relation to a given general meeting are consistent with those requirements:
- (a) an Ordinary Member cannot insist on participating in the general meeting, or voting at the general meeting, by any particular means;
  - (b) the general meeting need not be held in any particular place;
  - (c) the general meeting may be held without any number of those participating in the meeting being together at the same place (but on the basis that the quorum requirements – taking account of those participating via audio or an audio-visual link – must still be met);
  - (d) the general meeting may be held by any means which permits those attending to hear and contribute to discussions at the meeting;
  - (e) an Ordinary Member will be able to exercise the right to vote at a general meeting (including where a secret ballot is to be held) by such means as is determined by the chairperson of the meeting (consistent with the arrangements made by the board) and which permits that Ordinary Member's vote to be taken into account in determining whether or not a resolution is passed.

## **DIRECTORS**

### **Categories of director**

- 96 For the purposes of these articles

"Member Director" means a director (drawn from the Ordinary Membership of the company) appointed under articles 102 to 107;

"Co-opted Director" means a director appointed or re-appointed by the directors under articles 108 and 109.

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

- 97 The maximum number of directors shall be 10; out of that number, no more than 8 shall be Member Directors and no more than 2 shall be Co-opted Directors.
- 98 At any given time, directors who are also Ordinary Members must form a majority of the total number of directors in office.
- 99 The minimum number of directors shall be 5, of whom a majority must be Member Directors.

### **Eligibility**

- 100 A person shall not be eligible for election/appointment as a Member Director unless they are an Ordinary Member of the company; a person appointed as a Co-opted Director need not, however, be a member of the company.
- 101 A person shall not be eligible for election/appointment as a director if they are an employee of the company.

### **Election, retiral, re-election: Member Directors**

- 102 At each annual general meeting, the Ordinary Members may (subject to articles 97 to 101) elect any Ordinary Member (providing they are willing to act) to be a director (a "Member Director").
- 103 The board may (subject to articles 97 to 101) at any time appoint any Ordinary Member (providing they are willing to act) to be a director (a "Member Director").
- 104 At the first annual general meeting, all of the Member Directors shall retire from office.
- 105 At each annual general meeting (other than the first):
- (a) any Member Director appointed under article 103 during the period since the preceding annual general meeting shall retire from office;
  - (b) out of the remaining Member Directors, one third shall retire from office.
- 106 The directors to retire under paragraph (b) of article 105 shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.
- 107 A director who retires from office under article 105 shall be eligible for re-election.

## **Appointment/re-appointment: Co-opted Directors**

- 108 In addition to their powers under article 103, the board may (subject to articles 97 to 101) at any time appoint any individual (providing they are willing to act) to be a director (a "Co-opted Director") on the basis that they have been nominated by a body with which the company has close contact in the course of its activities or on the basis that they have specialist experience and/or skills which could be of assistance to the board or on the basis that they are in a position to bring an additional perspective (e.g. a young person's perspective) to the work of the board.
- 109 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then (subject to articles 97 to 101) be eligible for re-appointment under article 108.

## **Termination of office**

- 110 A director shall automatically vacate office if:
- (a) they cease to be a director through the operation of any provision of the Companies Act or become prohibited by law from being a director;
  - (b) they become debarred under any statutory provision from being a charity trustee (within the meaning of section 106 of the Scottish Charities Act);
  - (c) they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months;
  - (d) (in the case of a Member Director) they cease to be an Ordinary Member of the company;
  - (e) they become an employee of the company;
  - (f) they resign office by notice to the company;
  - (g) they are absent (without permission of the board) from more than three consecutive board meetings, and the board resolve to remove them from office;
  - (h) they are removed from office by resolution of the board on the grounds that they are considered to have been in serious or persistent breach of their duties under section 66(1) or (2) of the Scottish Charities Act;
  - (i) they are removed from office by resolution of the board on the grounds that they are considered to have committed a serious breach of the code of conduct for directors (as referred to in article 157); or

- (j) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Companies Act.
- 111 A resolution under paragraph (h) or (i) of article 110 shall be valid only if: -
- (a) the director who is the subject of the resolution is given reasonable prior written notice of the grounds upon which the resolution for removal is to be proposed;
  - (b) the director concerned is given the opportunity to address the meeting at which the resolution is proposed, prior to the resolution being put to the vote; and
  - (c) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

### **Register of directors**

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

### **Officebearers**

- 113 The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.
- 114 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 115 A person elected to any office shall cease to hold that office if they cease to be a director, or if they resign from that office by written notice to that effect.

### **Powers of directors**

- 116 Subject to the provisions of the Companies 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.
- 117 A board meeting at which a quorum is present may exercise all powers exercisable by the board.

## **Conflicts of interest involving directors (or those connected with directors) - general**

118 The board shall use every effort to ensure that conflicts of interest involving directors (or involving individuals or bodies connected with directors) are identified at the earliest opportunity and appropriately managed; the following provisions of these articles are of particular relevance in that regard:

- (a) articles 118 to 126 (reflecting similar provisions contained in the Companies Act) require directors to declare any personal interest which they (or an individual or body connected with them) may have in any transaction or arrangement with the company;
- (b) article 123 prohibits a director with a personal interest of this nature from voting on the question of whether the company should enter into that arrangement;
- (c) articles 127 to 130 refer to the duty on directors under the Companies Act to avoid any conflict of interest situation, and outline the process by which the board may authorise a conflict of interest situation if they consider that to be appropriate (note: this does not apply to a conflict of interest relating to a transaction or arrangement with the company);
- (d) articles 131 to 133 (reflecting similar provisions contained in the Scottish Charities Act) set out restrictions and conditions which would apply to any arrangement under which remuneration would be paid to a director (or where the director might benefit from remuneration paid to a connected party).

119 In addition to complying with the articles referred to in article 118:

- (a) the board shall maintain a register of directors' interests, identifying all directorships or other similar positions with other organisations held by each director from time to time;
- (b) every individual, on becoming a director, shall be required to declare any matters which ought to be entered against their name in the register of directors' interests;
- (c) every director shall notify the board promptly of any change which should be made to the matters entered against their name in the register of directors' interests;
- (d) the chairperson of each board meeting shall, shortly after the commencement of the meeting, ask the directors participating in the meeting to declare any personal interest which they (or an individual or body connected with them) may have in the matters to be discussed at that meeting (except to the extent that that is evident from entries in the register of directors' interests);



- (e) the minutes of each board meeting shall identify any conflicts of interest which have been declared at the meeting, and shall record in detail how any such conflicts of interest have been managed;
- 120 The code of conduct for directors (as referred to in article 157) shall include rules on conflict of interest which shall define in greater detail, and supplement, the requirements set out (or referred to) in articles 118 and 119.

**Conflicts of interest relating to transactions/arrangements with the company**

- 121 A director who has a personal interest (directly or indirectly) in any transaction or other arrangement which the company is proposing to enter into, must declare that interest (including details of the nature and extent of the director's interest) at a board meeting.
- 122 Any declaration under article 121 must be made before the discussion at the board meeting on the question of whether the transaction or other arrangement should be entered into.
- 123 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into will be debarred under article 149 (unless the special circumstances outlined in article 124 apply) from voting on the question of whether or not the company should enter into that arrangement.
- 124 Where a transaction or arrangement has already been entered into by the company and a director has a personal interest in that arrangement, that director must (unless they declared their interest in advance of the company entering into the arrangement, in accordance with articles 121 and 122) declare the nature and extent of their interest at a board meeting or by way of a notice to the directors.
- 125 For the purposes of articles 121 and 123, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs or any third sector organisation of which they are a board member or any firm of which they are a partner or any limited company of which they are a substantial shareholder or director or any limited liability partnership of which they are a member (or any other party who/which is deemed to be connected with them for the purposes of the Companies Act), has a personal interest in that arrangement.
- 126 Provided
  - (a) the director has declared their interest;
  - (b) they have not voted on the question of whether or not the company should enter into the relevant arrangement; and

- (c) the requirements of articles 131, 132 and 149 are complied with,

a director will not be debarred from entering into an arrangement with the company in which they have a personal interest (or are deemed to have a personal interest under article 125) and may retain any personal benefit which they gain from their participation in that arrangement.

### **Conflict of interest situations**

- 127 Section 175 of the Companies Act imposes a duty on every director to avoid any situation (referred to below as a "Conflict Situation") in which they have, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company – unless the matter has been authorised by the board under article 130.
- 128 For the purposes of section 175 of the Companies Act, conflict of interest is taken to include a conflict of interest and duty, and a conflict of duty.
- 129 The duty referred to in article 127 does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that kind should be addressed in accordance with the provisions of articles 121 to 126, and the code of conduct referred to in article 157.
- 130 The board may, if they consider it appropriate to do so, pass a resolution (in accordance with the provisions of section 175 of the Companies Act), authorising any particular Conflict Situation ; the board may give authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances, and may amend or vary any such authorisation.

### **Remuneration and expenses**

- 131 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out their ordinary duties as a director.
- 132 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 board must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and

- (c) less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
- 133 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at board meetings, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

## **DIRECTORS' MEETINGS**

### **Procedure at board meetings**

- 134 Any director may call a board meeting or request the secretary to call a board meeting.
- 135 Questions arising at a board meeting shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall (subject to article 136) have a casting vote.
- 136 A chairperson who is not an Ordinary Member shall not be entitled to a casting vote.
- 137 A resolution agreed to in writing (or by e-mail) by a majority of the directors (providing a copy of the resolution has been circulated to all of the directors) shall be as valid as if duly passed at a board meeting.
- 138 No business shall be dealt with at a board meeting unless a quorum is present; the quorum for board meetings shall (subject to article 139) be 5.
- 139 A quorum shall not be deemed to be constituted at any board meeting unless the Member Directors who are also Ordinary Members form a majority of the total number of directors present at the meeting.
- 140 If at any time the number of directors in office falls below the number fixed as the quorum or ceases to comply with the provisions of article 139, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 141 A director may, if considered appropriate (whether on the basis of concerns relating to health risks associated with gatherings, or otherwise) participate in board meetings by way of audio and/or audio-visual links, providing:
  - (a) the means by which directors can participate in this manner are not subject to technical complexities, significant costs or other factors which are likely to represent – for all, or a significant proportion, of the directors - a barrier to participation; and

- (b) the manner in which the meeting is conducted ensures, so far as reasonably possible, that those directors who participate via the audio or audio-visual links are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those directors (if any) who are attending in person (and vice versa).
- 142 A director participating in a board meeting in the manner provided for under article 141 shall be deemed to be present in person at the meeting.
- 143 For the avoidance of doubt, a board meeting may involve participation solely via audio and/or audio-visual links.
- 144 If directors are to be permitted to participate in the meeting by way of audio and/or an audio-visual link, the directors shall, in advance of the meeting:
  - (a) be provided with details of how to connect and participate via (in the case of participation by way of audio) dial-in details, or (in the case of participation by way of an audio-visual link) that link;
  - (b) be made aware, for the benefit of those directors who do not have access to a computer or to an adequate internet connection, of (i) the ability to participate in the meeting via audio only means, or (ii) (where attendance in person is to be permitted) the ability to attend and vote in person at the meeting.
- 145 Where a director is participating in a board meeting via audio or an audio-visual link, they may cast their vote on a given resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically.
- 146 Providing the arrangements in relation to a given board meeting are consistent with the requirements set out in articles 141 to 145:
  - (a) a director cannot insist on participating in the board meeting, or voting at the board meeting, by any particular means;
  - (b) the board meeting may be held without any number of those participating in the meeting being together at the same place (but on the basis that the quorum requirements – taking account of those participating via audio or an audio-visual link – must still be met);
  - (c) the board meeting may be held by any means which permits those attending to hear and contribute to discussions at the meeting;

- (d) a director will be able to exercise the right to vote at a board meeting by such means as is determined by the chairperson of the meeting and which permits that director's vote to be taken into account in determining whether or not a resolution is passed.
- 147 Unless they are unwilling to do so, the chair of the company shall preside as chairperson at every board meeting at which they are present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
- 148 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to participate (whether in person or by way of an audio or audio-visual link) in any board meeting; for the avoidance of doubt, any such person who is invited to participate in a board meeting shall not be entitled to vote.
- 149 A director shall not vote at a board meeting (or at a meeting of a sub-committee) on any resolution concerning a matter in which that director has a personal interest which conflicts (or may conflict) with the interests of the company; and they must withdraw from the meeting while an item of that nature is being dealt with.
- 150 For the purposes of article 149, a person shall (subject to article 151) be deemed to have a personal interest in a particular matter if any partner or other close relative of theirs or any third sector organisation of which they are a board member or any firm of which they are a partner or any limited company of which they are a substantial shareholder or director or any limited liability partnership of which they are a member, has a personal interest in that matter.
- 151 Where a subsidiary of the company has an interest in a particular matter which is to be considered by the board, a director of the company who is also a director of that subsidiary will not be debarred from voting on that matter (unless they have a different personal interest in that matter, unrelated to their position as a director of that subsidiary).
- 152 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 153 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 149 to 152.

### **Conduct of directors**

- 154 It is the duty of each director of the company to take decisions (and exercise their other powers and responsibilities as a director) in such a way as they consider will be in the best interests of the

company and will promote the success of the company in furthering its objects; and irrespective of any office, post, engagement or other connection which they may have with any other body which may have an interest in the matter in question.

- 155 Each of the directors shall, in exercising their functions as a director of the company, act in the interests of the company; and, in particular, must
- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out article 4)
  - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
  - (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party
    - (i) put the interests of the company before that of the other party, in taking decisions as a director; or
    - (ii) where any other duty prevents that director from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question;
  - (d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Scottish Charities Act.
- 156 In addition to the duties outlined in article 154, all of the directors must take such steps as are reasonably practicable for the purpose of ensuring:
- (a) that any breach of any of those duties by a director is corrected by the director concerned and not repeated; and
  - (b) that any director who has been in serious or persistent breach of those duties is removed as a director.
- 157 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

## **ADMINISTRATION**

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

- 158 The board may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the board 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.
- 159 Any delegation of powers under article 158 may be made subject to such conditions as the board may impose and may be revoked or altered.
- 160 The rules of procedure for any sub-committee shall be as prescribed by the board.

### **Operation of bank accounts**

- 161 The board shall adopt such systems of financial control relating to the operation of bank accounts (including online banking) as recommended from time to time by the organisation's auditors or other external accountants.

### **Secretary**

- 162 The board may appoint a company secretary, and on the basis that the term of the appointment, the remuneration (if any) payable to the company secretary, and the conditions of appointment, shall be as determined by the board; the company secretary may be removed by the board at any time.

### **Minutes**

- 163 The board shall ensure that minutes are made of all proceedings at general meetings, board meetings and meetings of committees; a minute of any meeting shall include the names of those participating in the meeting, and (as far as possible) shall be signed by the chairperson of the meeting.
- 164 Any person may request a copy of the minutes of any meeting of the company (whether a general meeting or a board meeting) and, provided that the request is reasonable, the company must, subject to article 165, provide a copy of the minutes to that person within 28 days of the request.
- 165 Where a request for a copy of minutes is made under article 164, the company may withhold information contained in the minutes provided that the person requesting a copy of the minutes is informed of the reasons for doing so.

### **Accounting records and annual accounts**

- 166 The board shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 167 The accounting records shall be maintained by the treasurer and overseen by the chair, or otherwise by, or as determined by, the board; such records shall be kept at such place or places as the board think fit and shall always be available for inspection by the board.
- 168 The board shall prepare annual accounts, complying with all relevant statutory requirements.
- 169 Subject to article 170, the board shall ensure that an audit of the annual accounts is carried out by an auditor.
- 170 Notwithstanding the provisions of article 169, an audit (within the meaning of the Companies Act) by a company auditor (as defined in the Companies Act) shall not be required, in a case where the company is exempt (under the Companies Act) from the requirement to have an audit, if and to the extent that proper arrangements for the auditing or independent examination of the company's accounts are made in a manner which satisfies the requirements of the Companies Act and (if the company is a Scottish charity at the time) the requirements of the Scottish Charities Act.
- 171 No member shall (unless they are a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or authorised by ordinary resolution of the company.

## **Notices**

- 172 Any notice which requires to be given to a member under these articles shall be given either in writing or by email (or, in the case of a notice of general meeting, by way of a website - (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 Companies Act); 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 that member to the company or (in the case of a member who/which has notified the company of an address to be used for the purpose of email communications) may be given to the member by way of email.
- 173 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.
- 174 Any notice sent by email 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 email was indeed sent, it shall be sufficient to



provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

## **MISCELLANEOUS**

### **Winding-up**

- 175 If – at the time when the company is being wound up – the company has registered any interest in land and/or exercised any right to buy under Part 2 of the Land Reform (Scotland) Act 2003, any property remaining after satisfaction of all the company's debts and liabilities shall not be paid to or distributed among the members of the company; instead, that property shall be transferred (subject to article 179) to:
- (a) such other community body or bodies, crofting community body or bodies or Part 3A community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers); or
  - (b) (if no community body, crofting community body or Part 3A community body is approved by the Scottish Ministers) the Scottish Ministers (to be held for charitable purposes only) or to such Scottish charity as the Scottish Ministers may direct.
- 176 If – at the time when the company is being wound up – the company has exercised any right to buy under Part 3A of the Land Reform (Scotland) Act 2003, any property remaining after satisfaction of all the company's debts and liabilities shall not be paid to or distributed among the members of the company; instead, that property shall be transferred (subject to article 179) to:
- (c) such other community body or bodies or crofting community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers); or
  - (d) (if no community body or crofting community body is approved by the Scottish Ministers) the Scottish Ministers (to be held for charitable purposes only) or to such Scottish charity as the Scottish Ministers may direct.
- 177 If – at the time when the company is being wound up – the company has exercised any right to buy under Part 5 of the Land Reform (Scotland) Act 2016, any property remaining after satisfaction of all the company's debts and liabilities shall not be paid to or distributed among the members of the company; instead, that property shall be transferred (subject to article 179) to:

- (e) such other community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers); or
  - (f) (if no community body is approved by the Scottish Ministers) the Scottish Ministers (to be held for charitable purposes only) or to such Scottish charity as the Scottish Ministers may direct.
- 178 If – at the time when the company is being wound up – the company has made any asset transfer request under Part 5 of the Community Empowerment (Scotland) Act 2015, any property remaining after satisfaction of all the company’s debts and liabilities shall not be paid to or distributed among the members of the company; instead, that property shall be transferred (subject to article 179) to:
- (a) another community transfer body;
  - (b) a Scottish charity;
  - (c) such community body or bodies or crofting community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers); or
  - (d) (if no community body or crofting community body is approved by the Scottish Ministers) the Scottish Ministers (to be held for charitable purposes only) or to such Scottish charity as the Scottish Ministers may direct.
- 179 If – at the time when the company is being wound up – the company is a Scottish charity, no property shall be transferred under articles 175, 176, 177 or 178 to any body unless it is a body entered in the Scottish charity register; for the avoidance of doubt, the Scottish Ministers should be taken to be a “body” for the purposes of this articles 175, 176, 177 and 178.

## **Indemnity**

- 180 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 Companies Act) out of the assets of the company against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Companies Act), any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted or any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.

- 181 The company shall be entitled (subject to the provisions of section 68A of the Scottish Charities Act) to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of their office, and such insurance may (subject to the provisions of section 68A) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).