



THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

of

SCOTLANDIS

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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:

- 2.1 “Act” means the Companies Act 2006;
 - 2.2 “electronic form” has the meaning given in section 1168 of the Act;
 - 2.3 “OSCR” means the Office of the Scottish Charity Regulator;
 - 2.4 “property” means any property, heritable or moveable, real or personal, wherever situated; and
 - 2.5 “subsidiary” has the meaning given in section 1159 of the Act.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

- 4 The company’s objects are:
- 4.1 To advance the economy, including through promoting innovation, and with particular emphasis on growing the digital and technology economy.
 - 4.2 To promote the success of members of the company and to advance collaboration among the members and as between the members and the wider business community.
 - 4.3 To promote the interests of the company’s members as part of the digital and technology community.
- 5 The company’s objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may add to, remove or alter the statement of the company’s objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:
- 7.1 To carry on any other activities which further any of the above objects.
 - 7.2 To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company

which is a subsidiary of the company, all such functions as may be associated with a holding company.

- 7.3 To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities.
- 7.4 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- 7.5 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- 7.6 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- 7.7 To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- 7.8 To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.
- 7.9 To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- 7.10 To engage such consultants and advisers as are considered appropriate from time to time.
- 7.11 To effect insurance of all kinds (which may include officers' liability insurance).
- 7.12 To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- 7.13 To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
- 7.14 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 7.15 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).

- 7.16 To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 7.17 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any other body.
- 7.18 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

Restrictions on use of the company's assets

- 8 The income and property of the company shall be applied solely towards promoting the company's objects.
- 9 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.

Liability of members

- 10 Each member undertakes that if the company is wound up while he/she/it is a member (or within one year after he/she/it ceases to be a member), he/she/it will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- 10.1 payment of the company's debts and liabilities contracted before he/she ceases to be a member;
- 10.2 payment of the costs, charges and expenses of winding up; and
- 10.3 adjustment of the rights of the contributories among themselves.

General structure

- 11 The structure of the company consists of:
- 11.1 the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves; and
- 11.2 the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

Qualifications for membership

- 12 The members of the company shall consist of such organisations as are members at the time when these articles of association are adopted and such other organisations as are admitted to membership under article 13.
- 13 Membership shall be open to any organisation (being a corporate body) which supports the aims and activities of the company and has satisfied the requirements of articles 14 .

Application for membership

- 14 Any organisation which is a corporate body and wishes to become a member must make an electronic or phone request for membership, accompanied by a remittance for the membership subscription.
- 15 An organisation which has applied for membership under article 14 shall automatically be admitted to membership on receipt of the membership subscription.

Membership subscription

- 16 The board may require members to pay a membership subscription.
- 17 If the board determines that a membership subscription shall be payable, the terms of that membership subscription (including amount and whether payable annually or for a particular term), shall be determined by the executive team of the company.

Register of members

- 18 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which it was admitted to membership, and the date on which any organisation ceased to be a member.

Withdrawal from membership

- 19 Any organisation, which wishes to withdraw from membership shall lodge with the company a written notice to that effect, signed on its behalf by an appropriate officer of that body; on receipt of the notice by the company, it shall cease to be a member.
- 19.1 A member shall cease to be a member if they do not make payment of the membership subscription specified under articles 16 and 17.

Expulsion from membership

- 20 Any organisation may be expelled from membership by special resolution (see article 33), providing the following procedures have been observed:
- 20.1 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; and
- 20.2 an individual authorised by the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 21 Membership shall cease on the liquidation, winding-up, dissolution or striking-off of that organisation.
- 22 A member may not transfer its membership to any other organisation.

General meetings (meetings of members)

- 23 The directors shall convene an annual general meeting in each year.
- 24 Not more than 15 months shall elapse between one annual general meeting and the next.
- 25 The business of each annual general meeting shall include a report by the Chair on the activities of the Company.
- 26 Subject to articles 23, 24 and 27, the directors may convene a general meeting at any time.
- 27 The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

- 28 At least 14 clear days' notice must be given of a general meeting.
- 29 The reference to "clear days" in article 28 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.
- 30 A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 33) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.

31 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.

32 Notice of every general meeting shall be given:

32.1 in writing or (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or

32.2 (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

Special resolutions and ordinary resolutions

33 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 28 to 32; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the 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.

34 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,

34.1 to alter its name

34.2 to alter any provision of these articles or adopt new articles of association.

35 For the purposes of these articles, an “ordinary resolution” means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against and (as applicable) the chairperson's casting vote), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 28 to 32.

Written resolutions

36 A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the company in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic

form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it (which agreement cannot thereafter be revoked).

37 For the purposes of the preceding article:

37.1 the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);

37.2 the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Act, as follows:

45.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 36) by members representing a simple majority of the total voting rights of eligible members;

45.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 36) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.

38 A resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution.

39 For the purposes of article 36, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 37), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Procedure at general meetings

40 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:

40.1 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;

40.2 the notice calling the meeting contains the information required under article 30; and

40.3 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).

41 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.

42 For the avoidance of doubt, an individual participating in a general meeting (whether as a proxy for a member, as the authorised representative of a member, 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.

43 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:

43.1 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

43.2 the submission of questions and/or comments, which (subject to article 42) the chairperson of the meeting will be expected to read out, and address, in the course of the meeting.

44 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.

45 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 3 individuals entitled to vote (each being an authorised representative of a member or a proxy for a member).

- 46 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 47 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 46 for the chairperson to fix the place of the adjourned meeting shall not apply.
- 48 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.
- 49 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
- 50 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally (in the case of a corporate body, via an authorised representative) or by proxy.
- 51 Where a member, or a proxy for a member, or the authorised representative of a member which is a corporate body 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.
- 52 Any member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting (or adjourned meeting):
- 52.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer; or
- 52.2 shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);
- providing (in either case), the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).

- 53 An instrument of proxy which does not conform with the provisions of article 52, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 54 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 55 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who/which appointed him/her to speak at the meeting and need not be a member of the company.
- 56 A member which is a corporate body may authorise an individual to act as its representative at any general meeting of the company; the individual so authorised shall be entitled to exercise the same powers on behalf of the member which he/she represents as that corporate body could exercise if it were an individual member.
- 57 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the company at the company's registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.
- 58 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.
- 59 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members, as authorised representatives of members which are corporate bodies or as proxies for members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
- 60 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.
- 61 Where a member, or a proxy for a member, or the authorised representative of a member which is a corporate body, 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 60, providing reasonable steps are taken to preserve anonymity (while at the same time, maintaining confidence in the validity of the process).

Categories of director

- 62 For the purposes of these articles:

62.1 “**Member Director**” means a director (drawn from the membership of the company) appointed under articles 66 to 76;

62.2 “**Co-opted Director**” means a (non-member) director appointed or re-appointed by the directors under articles 79 and 80.

Composition of board of directors

63 At any given time, no more than 20% of the directors in office shall be Co-opted Directors.

Eligibility

64 A person shall not be eligible for election/appointment as a Member Director unless he/she is a member of the company or has been nominated for election/appointment as a director by a member which is a corporate body; a person appointed as a Co-opted Director need not, however, be a member of the company.

65 A person shall only be eligible for election/appointment as a director if he/she is an employee of the company by agreement by the board.

Election, retiral, re-election: Member Directors

66 The members may (subject to articles 63 to 65 and articles 67 to 72) elect any individual who has been nominated for election/appointment as a director by a member providing they are willing to act to be a director (a “**Member Director**”).

67 An individual who has been nominated for election/appointment as a director by a member shall be eligible to become a Member Director only if he/she shall have been duly nominated for election in accordance with the company’s nomination procedures and thereafter cleared (by the board of directors) to stand for election in accordance with articles 71 and 72.

68 The company’s nomination procedures shall be determined by the directors and, unless otherwise so determined, shall require not less than 14 nor more than 21 days before the election date appointed for the meeting, there to be submitted to the company, by an authorised representative of a member notice of that member’s intention to propose such a person for election.

69 No more than one individual may be nominated by a given corporate body in pursuance of articles 66 to 68; consequently, no more than one individual nominated by a given corporate body may serve as a director at any given time.

70 The directors shall review each valid nomination submitted in accordance with article 68 and shall then decide which nominees can be put forward for election (in accordance with the detailed procedures contained within the standing orders).

71 Once the nominees for member director have been approved, there will be an election process held, in accordance with such principles as to be determined by the board from time to time.

- 72 The results of the election process shall be subject to final ratification at the annual general meeting and shall take effect from that date.
- 73 At each annual general meeting any member director who has held office for a period of three years since he/she was last elected or re-elected shall retire from office.
- 74 For the purposes of article 73 and for the purposes of article 77:
- 74.1 the period between the date of appointment of a director and the annual general meeting which next follows shall be taken to be a period of one year, unless it is of less than six months' duration (in which case it will be disregarded);
 - 74.2 the period between one annual general meeting and the next shall be deemed to be a period of one year;
 - 74.3 if an individual ceases to hold office as a director but is re-appointed as a director within a period of six months, he/she will be deemed to have held office as a director continuously;
 - 74.4 any period in office as a Member Director prior to the adoption of these articles shall not be included in calculating the three-year period;
 - 74.5 where a Member Director is appointed as the chair or vice-chair of the company, his/her period in office as a Member Director shall not be counted during his/her tenure as chair or vice-chair i.e. his/her tenure in those office bearer positions shall be deducted from his/her overall period in office as a Member Director.
- 75 For the avoidance of doubt, a Member Director who is due to retire at an annual general meeting shall remain in office as a director throughout that annual general meeting; he/she shall, however, unless re-elected under article 76, automatically vacate office at the conclusion of that annual general meeting.
- 76 A director who retires from office under article 73 shall (subject to article 77) be eligible for re-election.
- 77 A person who has served as a Member Director for a period of 6 years (on the basis that he/she has served two three-year terms) shall automatically vacate office on expiry of that sixth year period and shall then not be eligible for re-election until a further year has elapsed.
- 78 Notwithstanding the provisions of article 77, the board shall have the power, at its sole discretion, to relax the provisions of article 77 if they consider it in the best interests of the company to do so.

Appointment/re-appointment: Co-opted Directors

- 79 The directors may (subject to articles 63 to 65 at any time appoint any non-member of the company (providing he/she is willing to act) to be a director (a **“Co-opted Director”**) on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
- 80 The term of office of the co-opted directors appointed in terms of article 79 shall be determined at the discretion of the board.

Termination of office

- 81 A director shall automatically vacate office if:-
- 81.1 he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;
 - 81.2 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
 - 81.3 in the case of a Member Director nominated by a member which is a corporate body, the body which nominated him/her ceases to be a member of the company;
 - 81.4 he/she resigns office by notice to the company;
 - 81.5 he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office;
 - 81.6 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 112);
 - 81.7 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 82 A resolution under paragraph 81.6 of article 81 shall be valid only if:-
- 82.1 the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
 - 82.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and

82.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Register of directors

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

Office bearers

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

85 All of the office bearers shall cease to hold office at the conclusion of the second annual general meeting following his/her appointment to that office.

86 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Powers of directors

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

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

Personal interests

89 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 108) from voting on the question of whether or not the company should enter into that arrangement.

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

91 Provided

91.1 he/she has declared his/her interest; and

91.2 he/she has not voted on the question of whether or not the company should enter into the relevant arrangement

a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 90) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

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

93 For the avoidance of doubt, the provisions of section 175 of the Act and article 92 do not apply to a conflict of interest relating to a transaction or arrangement with the company; conflicts of that kind are regulated by the provisions of articles 89 to 91 and articles 108 to 111.

94 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties, such expenses to be agreed in advance.

Procedure at directors' meetings

95 Any director may call a meeting of the directors.

96 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.

97 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be three.

98 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:

98.1 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

- 98.2 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).
- 99 A director participating in a board meeting in the manner provided for under article 98 shall be deemed to be present in person at the meeting.
- 100 For the avoidance of doubt, a board meeting may involve participation solely via audio and/or audio-visual links.
- 101 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:
- 101.1 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;
- 101.2 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.
- 102 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.
- 103 Providing the arrangements in relation to a given board meeting are consistent with the requirements set out in articles 98 to 102:
- 103.1 a director cannot insist on participating in the board meeting, or voting at the board meeting, by any particular means;
- 103.2 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);
- 103.3 the board meeting may be held by any means which permits those attending to hear and contribute to discussions at the meeting;
- 103.4 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.

- 104 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 105 Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the vice-chair of the company shall preside as chairperson, failing which the directors present shall elect from among themselves the person who will act as chairperson of the meeting
- 106 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) at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
- 107 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors, or (as the case may be) a committee of directors, duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.
- 108 A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 109 For the purposes of article 108, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director or any limited liability partnership of which he/she is a member or any Scottish charitable incorporated organisation of which he/she is a charity trustee or any registered society or unincorporated association of which he/she is a management committee member has a personal interest in that matter.
- 110 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 111 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 108 to 110.

Conduct of directors

- 112 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time.

113 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.

Delegation to sub-committees

114 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.

115 Any delegation of powers under article 114 may be made subject to such conditions as the directors may impose and may be revoked or altered.

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

117 There shall be such sub-committees as the directors may from time to time determine.

Operation of bank accounts

118 The directors shall put in place (and review and adjust from time to time) appropriate authorities (complying with the recommendations of the auditors or independent examiners from time to time) for the operation of the bank and building society accounts held by the company.

Secretary

119 The directors 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 such conditions of appointment shall be as determined by the directors; the company secretary may be removed by them at any time.

Minutes

120 The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

Accounting records and annual accounts

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

122 No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company.

Notices

123 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member or be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her/it to the company or (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.

124 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.

125 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

Winding-up

126 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company but shall be transferred to some other body or bodies (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the company and whose constitution restricts the distribution of income and assets among members to an extent at least as great as does article 8 (as read with articles 9 to 11).

127 The body or bodies to which property is transferred under article 126 shall be determined by the members of the company at or before the time of dissolution or, failing such determination, by such court as may have or may acquire jurisdiction

Indemnity

128 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted or any liability in connection with an application in

which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.

- 129 The company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office; and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).