



**ARTICLES
OF
ASSOCIATION
OF
SPORT
ABERDEEN**

(Registered Company Number SC 350981)

THE COMPANIES ACT 2006

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

Of

SPORT ABERDEEN

1. Definitions and interpretation

- 1.1. The model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles shall not apply to the Company except insofar as they are repeated or contained in these Articles.
- 1.2. In these Articles, the words and expressions below shall have the following meanings unless the context requires otherwise: -
 - 1.2.1 **“2005 Act”** means the Charities and Trustee Investment (Scotland) Act 2005, including any statutory modification or re-enactment thereof for the time being in force;
 - 1.2.2 **“2006 Act”** means the Companies Act 2006, including any statutory modification or re-enactment thereof for the time being in force;
 - 1.2.3 **“Alternate Director”** means a Director, or any other person, who is authorised by and willing to act as an alternate director on behalf of a Director at a Board meeting where said Director would be otherwise unable to attend;
 - 1.2.4 **“Articles”** means these articles of association together with any duly authorised amendments or alterations from time to time, and the term **“Article”** shall be a reference to a regulation contained in these Articles;
 - 1.2.5 **“Board”** means the board of Directors of the Company;
 - 1.2.6 **“Chair”** means the chairperson of the Board;
 - 1.2.7 **“clear day”** in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
 - 1.2.8 **“Committee”** means a committee of the Board constituted from current directors and mandated to carry out specified functions, programs, or projects assigned by the Board.
 - 1.2.9 **“communication”** means the same as in the Electronic Communications Act 2000;
 - 1.2.10 **“Company”** means **SPORT ABERDEEN**;

- 1.2.11 **“Council”** means Aberdeen City Council constituted by section 2 of the Local Government (Scotland) Act 1994 and any statutory successor to Aberdeen City Council;
- 1.2.12 **“Director”** means a person (of 18 years of age and over) who is a director of the Company, including, where the context so admits, any Alternate Director duly appointed in accordance with these Articles;
- 1.2.13 **“electronic communication”** means the same as in the Electronic Communications Act 2000;
- 1.2.14 **“Eligible Director”** means a Director who would be entitled to vote on the matter at a meeting of Directors, but excluding any Director whose vote is not to be counted in respect of the particular matter;
- 1.2.15 **“in writing”** means written, printed, typewritten, faxed, lithographed or produced or any other mode of representing or reproducing words in a legible or non-transitory form or partly one and partly another;
- 1.2.16 **“Managing Director”** has the meaning given in Article 10.1;
- 1.2.17 **“Member”** means the Council in its capacity as the member of the Company and for the time being registered as a member in the Register of Members of the Company;
- 1.2.18 **“month”** means calendar month;
- 1.2.19 **“Office”** means the registered office from time to time of the Company;
- 1.2.20 **“Relevant Loss”** has the meaning given in Article 25.
- 1.2.21 **“Relevant Officer”** has the meaning given in Article 25.
- 1.2.22 **“Secretary”** means any person appointed to perform the duties of the secretary of the Company including a joint, assistant or deputy secretary;
- 1.2.23 **“Statute”** means the 2006 Act and the 2005 Act and any other Act of Parliament or the Scottish Parliament for the time being in force which applies to the Company as a company and/or as a charity;
- 1.2.24 **“United Kingdom”** means Great Britain and Northern Ireland;
- 1.2.25 **“Vice Chair”** means the vice chair of the Board; and
- 1.2.26 **“year”** means calendar year, i.e. a one-year period that begins on January 1 and ends on December 31.
- 1.3. Unless the contrary intention appears:
- 1.3.1. Words importing the singular number shall include the plural number and vice versa;
- 1.3.2. Words importing a particular gender include any gender; and
- 1.3.3. Reference to a “person” includes any natural person, or any legal person, body or organisation, incorporate or unincorporated, and any other person.

- 1.4. The headings (excluding the numbering) in these Articles are for convenience only and shall not affect the construction of the Articles.
- 1.5. Any words or expressions defined in the 2006 Act shall, if not inconsistent with the subjects or context, bear the same meaning in these Articles but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

2. Objects

- 2.1 The name of the Company is SPORT ABERDEEN.
- 2.2 The Company's registered office is to be situated in Scotland.
- 2.3 The Company shall be established for charitable objects only and shall not have the capacity or power to act other than in furtherance of the charitable objects for which it is established. For the purposes of these Articles, "charitable objects" and "charitable purposes" shall mean objects or purposes which are charitable under Section 7 of the Charities and Trustees Investment (Scotland) Act 2005 (including any statutory amendment or re-enactment from time to time in force) (the "2005 Act") and which are also regarded as charitable in relation to the application of the Tax Acts (as defined in Schedule 1 to the Interpretation Act 1978).
 - 2.3.1 The objects of the Company shall be to promote the benefit of the inhabitants of Aberdeen and its environs, without distinction of sex, sexuality, political, religious or other opinions, by association with the local statutory authorities, voluntary organisations and inhabitants in order to:-
 - 2.3.1.1 Advance public participation in sport;
 - 2.3.1.2 To provide facilities, or assist in the provision of facilities, in the interest of social welfare for recreation and other leisure-time occupation so that their conditions of life may be improved;
 - 2.3.1.3 Advance education;
 - 2.3.1.4 Advance community development;
 - 2.3.1.5 Advance the arts, heritage and culture; and/or
 - 2.3.1.6 Advance such similar charitable purposes as the Directors may determine from time to time.
 - 2.3.2 Without prejudice to the foregoing generality, the Company is established:-
 - 2.3.2.1 To provide, or assist in the provision of, indoor and outdoor sporting, recreational and/or leisure facilities (such facilities being provided from time to time being hereinafter referred to as "the Facilities"), at reasonable cost to the public, in, or in connection with, the Local Authority area of Aberdeen City Council as defined in Schedule 1 to the Local Government etc (Scotland) Act 1994 (such Local Authority area being hereinafter referred to as "Aberdeen") and other parts of Scotland in the interests of social welfare and in order to improve the conditions of life of the public in Aberdeen and others parts of Scotland; and

- 2.3.2.2 To promote use of the Facilities by members of the public by providing, or procuring the provision of, education, instruction, training and coaching in the sports available at the Facilities and generally to encourage the wider use of the Facilities by residents of and visitors to, Aberdeen and Scotland.
- 2.3.3 The purposes for which the Company is established are as set out in this Article 2 and hereinafter referred to as “the Objects of the Company”.
- 2.3.4 In furtherance of the Objects of the Company but not otherwise, the Company shall have the following powers subject to any restrictions thereon that may from time to time apply at law:
- 2.3.4.1 To operate the Facilities within Aberdeen or elsewhere in Scotland and to construct, develop, adapt, modify, renovate and maintain the Facilities for the advancement of the Objects of the Company or any of them and to enter into all or any contracts in connection therewith;
- 2.3.4.2 To ensure that young persons, the disabled, the elderly, minority and underprivileged social groups have access to the Facilities on reduced terms;
- 2.3.4.3 To promote, organise and manage sporting and recreational events of all kinds (whether indoor or outdoor) including, without limitation, football and other sports pitches, swimming pools and indoor sports facilities, ice arenas, tennis centres, golf courses, outdoor sports facilities and pitches, community centres, school facilities and kick about areas, dry ski slopes and leisure centres;
- 2.3.4.4 To act as proprietors of indoor and outdoor sporting, recreational and/or leisure facilities of all kinds (whether indoor or outdoor) including, without limitation, football and other sports pitches, swimming pools and indoor sports facilities, ice arenas, tennis centres, golf courses, outdoor sports facilities and pitches, community centres, school facilities and kick about areas, dry ski slopes and leisure centres;
- 2.3.4.5 To purchase or otherwise acquire equipment, plant, machinery, furniture, fixtures, fittings and all other effects of every description necessary or convenient or usually or normally used for the purpose of all or any of the Objects of the Company;
- 2.3.4.6 To promote for the benefit of residents of Aberdeen and its environs, community participation in healthy recreation by the provision of facilities for playing particular sports;
- 2.3.4.7 To engage, instruct and retain such professional and other advisers as may be deemed appropriate and to provide consultancy and other services to third parties on such terms and conditions as may be deemed appropriate;
- 2.3.4.8 To liaise with, form connections with and enter into joint ventures with other persons based either in Scotland, other parts of the United Kingdom or abroad which have similar objects to the Company or with such associations as the Directors may from time to time determine would be beneficial for or promote directly or indirectly the Objects of the Company or any of them;
- 2.3.4.9 To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the Objects of the Company;

- 2.3.4.10 To purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the Objects of the Company;
- 2.3.4.11 To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Company;
- 2.3.4.12 To sell, feu, let, hire, licence, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Company;
- 2.3.4.13 To lend money and give credit to any person, with or without security and to grant guarantees and contracts of indemnity on behalf of any person;
- 2.3.4.14 To borrow money and give security for the payment of money by, or the performance of other obligations of, the Company or any other person;
- 2.3.4.15 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- 2.3.4.16 To employ staff and to remunerate any individual in the employment of the Company for services provided by such individual to the Company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to make any payment for or towards the insurance of, any such individuals;
- 2.3.4.17 To promote any private Act of the United Kingdom Parliament, Act of the Scottish Parliament, Provisional Order and other authority to enable the Company to carry out its objects, alter its constitution and achieve any other purpose which may promote the Company's interests and to oppose or object to any application or proceedings which may prejudice the Company's interests;
- 2.3.4.18 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the Objects of the Company and to obtain from any such organisation, government or authority any charter, right, privilege or concession;
- 2.3.4.19 To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any charitable body, whether incorporated or unincorporated;
- 2.3.4.20 To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of;
- 2.3.4.21 To effect insurance against risks of all kinds;
- 2.3.4.22 To invest moneys of the Company not immediately required for the purposes of its activities in such investments, securities and property and that in such a manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments, securities and property;
- 2.3.4.23 To promote and/or establish companies whose activities may further one or more of the Objects of the Company or which may generate income to support one

or more of the Objects of the Company, to acquire and hold shares, stocks, debentures and other interests 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;

2.3.4.24 To establish and support any association or other unincorporated body having objects altogether or in part similar to the Objects of the Company and to promote any company or other incorporated body formed for the purpose of carrying on any activity which the Company is authorised to carry on;

2.3.4.25 To amalgamate with any charitable body, incorporated or unincorporated, having objects altogether or in part similar to the Objects of the Company;

2.3.4.26 Pursuant to any amalgamation in terms of Article 2.3.4.25 to transfer all or any part of the undertaking, property and rights of the Company to any body, incorporated or unincorporated;

2.3.4.27 Pursuant to any amalgamation in terms of Article 2.3.4.25 to transfer all or any part of the undertaking, property and rights of the Company to any body, incorporated or unincorporated;

2.3.4.28 To subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the Company or the furtherance of the Objects of the Company;

2.3.4.29 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds either absolutely or conditionally or in trust for any of the Objects of the Company;

2.3.4.30 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the Company, whether by way of subscriptions, grants, loans, donations or otherwise; and

2.3.4.31 To do anything which may be incidental or conducive to the attainment of any kind of the Objects of the Company.

2.4 Subject to Article 2.5:-

2.4.1 The income and property of the Company shall be applied solely towards the promotion of the Objects of the Company and income from the provisions of education, instructions, training and coaching may be applied to the provision of the Facilities and vice versa;

2.4.2 No part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to the Member of the Company;

2.4.3 No benefit in money or money's worth shall be given by the Company to any Directors (except repayment of out-of-pocket expenses reasonably and properly incurred in relation to the conduct of the affairs of the Company); and

2.4.4 No Director may be given any remuneration by the Company for carrying out his/her duties as a Director.

- 2.5 The Company shall be entitled notwithstanding the provisions of Article 2.4 but subject always to compliance with any legal restrictions that may apply from time to time:-
- 2.5.1 To pay reasonable and proper remuneration to the Managing Director (appointed pursuant to the Company's Articles of Association and hereinafter referred to as the "Managing Director"), to include remuneration (or an element thereof) which is related to the gross income of the Company, provided always that such remuneration (or element thereof) is reasonable and proper;
- 2.5.2 To pay reasonable and proper remuneration to the Member of the Company in return for services actually rendered to the Company;
- 2.5.3 To pay interest at a rate not exceeding a reasonable commercial rate on money lent to the Company by any Director or the Member of the Company;
- 2.5.4 To pay rent at a rate not exceeding the open market rent or fee for premises licensed or let to the Company by any Director or the Member of the Company;
- 2.5.5 To purchase assets from, or sell assets to, any Director or the Member of the Company providing such purchase or sale is at market value;
- 2.5.6 To pay any Director who is a solicitor, accountant or engaged in any profession, any reasonable charges for business done by him or her or his or her firm, when instructed by the Company to act in a professional capacity on behalf of the Company, provided that the relevant Director must withdraw from any meeting of the Directors at which his or her own instruction or remuneration or performance, or that of his or her firm, is under discussion.
- 2.6 The liability of the Member of the Company is limited.
- 2.7 The Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he/she/it is the Member or within one year after he/she/it ceases to be the Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
- 2.8 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 to the Member of the Company but shall be transferred to some other charitable body or bodies (being a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Tax Acts) established for the benefits of the people of Aberdeen whose charitable objects are altogether or in part similar to the Objects of the Company and whose constitution restricts the distribution of income and assets to the Member to an extent at least as great as these Articles.
- 2.9 The body or bodies to which property is transferred under Article 2.8 shall be determined by the Directors of the Company at or before the time of dissolution, or, failing such determination, by such court as may have jurisdiction.
- 2.10 To the extent that effect cannot be given to the provisions of Articles 2.8 and 2.9, the relevant property shall be applied to some other charitable object or objects.

3. Members

- 3.1 The subscriber to the memorandum of association of the Company shall be the sole Member.
- 3.2 Membership of the Company shall only be open to the Council.
- 3.3 The rights of the Member shall not be transferable or transmissible.

4. Member's reserve power

- 4.1 The Member may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

5 General meetings

The Directors may call general meetings and, on the requisition of the Member pursuant to the provisions of the 2006 Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the 2006 Act. At any time if there is an insufficient number of Directors within the United Kingdom to call a general meeting any individual Director or the Member may call a general meeting.

6 Notice of general meetings

- 6.1 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if so agreed by the Member.
- 6.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.
- 6.3 The notice shall be given to the Member and to the Directors and auditors.
- 6.4 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 6.5 As soon as such an accidental omission is discovered all reasonable steps shall be taken to give notice forthwith to any person so entitled by communication and/or electronic communication.
- 6.6 An annual general meeting of the Company shall be called once a year.

7 Proceedings at general meetings

- 7.1 No business shall be transacted at any meeting unless a quorum is present, other than a proposal to call another meeting. The duly authorised representative of the Member shall constitute the quorum.
- 7.2 If the quorum required under the preceding Article is not present within 15 minutes after the time appointed for the meeting or if during a meeting such a quorum ceases to be present the meeting shall stand adjourned to such time and place as may be fixed by the Chair of the meeting.

- 7.3 The Chair (or in his absence, the Vice Chair) shall (if present and willing to act as chair of the meeting) preside as chair of the meeting. If neither the Chair nor the Vice Chair is present and willing to act as chair of the meeting within 15 minutes of the time appointed for holding the meeting the Directors present shall elect one of their number to act as chair of the meeting. If there is only one Director present and willing to act he or she shall be Chair of the meeting.
- 7.4 If no Director is willing to act as chair of the meeting or if no Director is present within half an hour after the time appointed for holding the meeting the duly authorised representative of the Member shall be chair of the meeting.
- 7.5 The Chair of the meeting, at which a quorum is present, shall if so directed by a simple majority of the meeting adjourn the meeting from time to time and from place to place.
- 7.6 At any such meeting reconvened after an adjournment no business shall be transacted other than that which could properly have been transacted at the initial meeting had the adjournment not taken place.
- 7.7 Where a meeting is adjourned for thirty days or more at least seven clear days' notice shall be given specifying the time and place that the adjourned meeting shall be reconvened and indicating the general nature of the business to be transacted. In any other case it shall not be necessary to give notice before reconvening an adjourned meeting.
- 7.8 A resolution put to the vote of a meeting shall be decided on a show of hands and no poll may be demanded.

8 Number of Directors

The maximum number of Directors shall be thirteen (13), and out of that number a maximum of three (3) Directors shall be current elected members of the Council.

9 Appointment and removal of Directors

9.1 Subject to Articles 8 and 9.3:-

- 9.1.1 the Member may by notice in writing, signed on its behalf by one of its senior officers (i.e. of the post of head of service or above) and given to the Company, nominate to the Board any person who is willing to act as a Director and/or propose to the Board the removal of any Director(s);
- 9.1.2 the Board may take the necessary steps to appoint Directors when vacancies arise and/or for succession planning purposes when serving Directors come to the end of their designated term of appointment;
- 9.1.3 the Managing Director will inform the Member on the occurrence of a Director vacancy and the Board shall make the necessary arrangements for the recruitment of a suitable replacement Director. The Member shall be informed forthwith of any such appointment. In order to be properly made such appointment must be subject to Board approval,

This Article 9.1 shall not apply to the appointment of Managing Directors whose appointment and removal is governed by Article 10.

9.2 Any appointment of a Director under Article 9.1 shall have effect from the date on which the relevant notice is given to the Company.

9.3 The powers conferred by Article 9.1 shall be deemed to be limited such that: -

9.3.1 one of the Directors who is not an elected member of the Council shall be appointed on the basis that, in the opinion of the Member, he/she possesses the appropriate skills and experience to serve as the Chair of the Company; and

9.3.2 the remainder of the Directors shall be appointed on the basis that they have skills and experience which will allow them to make a substantial contribution to the work of the Board.

9.4 The Director appointed pursuant to Article 9.3.1 shall be the “**Chair**” for the purposes of these Articles, but: -

9.4.1 if the Chair resigns from that office; or

9.4.2 the Member considers that another Director (not being an elected member of the Council) possesses greater appropriate skills and experience to hold that office,

the Member may by notice in writing, signed on its behalf by one of its senior officers (i.e. of the post of head of service or above) and given to the Company, propose any other Director (not being an elected member of the Council) as Chair who in the opinion of the Member, possesses the appropriate skills and experience to hold that office.

10 Managing Director

10.1 The Board shall appoint an individual, having the relevant skills and experience, as the managing director of the Company (the “**Managing Director**”).

10.2 If the Managing Director ceases to hold that post, the Board shall appoint another individual, having the relevant skills and experience, as the Managing Director of the Company.

10.3 Without prejudice to the application of Article 11, the Managing Director shall continue to hold office as a Director of the Company unless and until he/she ceases (for whatever reason) to hold the post of Director of the Company, at which point he/she shall *ipso facto* cease to be the Managing Director.

11 Vacation of office

11.1 A Director shall vacate office if he/she:

11.1.1 ceases to be a Director or becomes prohibited by law from being a Director or a charity trustee by virtue of any provision of Statute or court order;

11.1.2 becomes bankrupt or apparently insolvent;

11.1.3 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 (6) months;

11.1.4 is convicted of a criminal offence (other than a motoring offence which is not punishable by imprisonment) or acts in a manner which brings the affairs of the Company into disrepute;

- 11.1.5 resigns, is deemed to have resigned or is removed from office pursuant to these Articles or Statute;
- 11.1.6 resigns office by notice to the Company; or
- 11.1.7 is absent (without permission of the Board) for more than three (3) consecutive meetings of the Board held in any period of nine (9) months or more and the Board resolves to remove him/her from office.

12 Appointments to office

- 12.1 The office of Chair shall be filled in accordance with provision of Article 9.3.1 or 9.4.
- 12.2 The Board may appoint Directors to hold office of Vice Chair and such other offices as the Directors may consider appropriate. The positions of office will be agreed at the Board meeting immediately following the company annual general meeting.
- 12.3 Each office (other than the office of Chair) shall be held (subject to Articles 9.1 and 11.1) until the conclusion of the annual general meeting which next follows.
- 12.4 The appointment of any Director as Chair, or as holder of an office under Article 12.2 shall terminate if he/she ceases to be a Director or if he/she resigns from that office by notice to the Company.
- 12.5 If the appointment of any Director to any office terminates, the Board shall, at the commencement of their next meeting, appoint another Director to hold such office in his/her place. A Director whose office terminates pursuant to Article 12.4 shall be eligible for re-appointment.

13 Directors' duties and expenses

- 13.1 Subject to provisions of the 2006 Act, the 2005 Act, and Articles 2.5.6 and 13.3, and provided that he or she has disclosed to the Directors the nature and extent of any material interest of his/hers, a Director notwithstanding his/her office:
 - 13.1.1 may be a party to, or otherwise interested in, any transaction or arrangements with the Company or in which the Company is otherwise interested;
 - 13.1.2 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any 'body corporate' promoted by the Company or in which the Company is otherwise interested; and
 - 13.1.3 shall not, by reason of his or her office, be accountable to the Company for any benefit which he or she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be treated as void on the grounds of any such interest or benefit.
- 13.2 For the purposes of the preceding Article:
 - 13.2.1 a general notice given to the members of the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is

interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

13.2.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.

13.3 A Director must, in exercising functions in that capacity, act in the interests of the Company and must, in particular:

13.3.1 seek, in good faith, to ensure that the Company acts in a manner which is consistent with its purposes;

13.3.2 act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person;

13.3.3 in circumstances capable of giving rise to a conflict of interest between the Company and the Director or any person responsible for the appointment or nomination of the Director put the interests of the Company before those of the Director or other person; or

13.3.4 where any other duty prevents the Director from doing so, disclose the conflicting interest to the Company and refrain from participating in any deliberation or decision of the Board with respect to the matter in question.

13.4 The Directors may be paid all reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Directors, general meetings or meetings of Committees of Directors or otherwise in connection with the discharge of their duties.

14 Power of Directors

14.1 Subject to the provisions of the 2006 Act and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.

14.2 No alteration these Articles and no direction given by special resolution shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

14.3 The powers conferred by Article 14.1 shall not be limited by any special power conferred on the Directors by the Articles.

14.4 A meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors other than those by law which would require a special resolution.

14.5 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purpose and on such conditions as they may determine, including authority for the agent to delegate all or any of her/his powers.

15 Decision making by Directors

- 15.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 15.2.
- 15.2 Directors may take a unanimous decision when all Eligible Directors indicate to each other by any means that they share a common view on a matter, which decision may take the form of a resolution in writing where each Eligible Director has signed one or more copies of it.
- 15.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

16 Proceedings of Directors

- 16.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. Unless the Directors otherwise resolve, not more than three (3) months shall elapse between meetings of the Directors.
- 16.2 Any Director may call a meeting of the Directors or request the Secretary to call a meeting of the Directors.
- 16.3 No notice of a meeting of Directors need be given to a Director who is at that time absent from the United Kingdom.
- 16.4 Notice of a meeting of Directors will be given to the Member.
- 16.5 Questions arising at a meeting of Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chair and/or the Managing Director shall have a casting vote, provided it is a matter in which they are entitled to vote as an Eligible Director.
- 16.6 In deciding the terms and conditions of service of any employee of the Company, that employee should be absent from any meetings and discussions concerning their own appointment, conditions of service and remuneration and may not vote on these matters. An employee cannot vote on any other employee's terms and conditions of service.
- 16.7 A Director who is also an Alternate Director shall be entitled in the absence of his or her appointor to a separate vote on behalf of his/her appointor in addition to his or her own vote.
- 16.8 The quorum for the transaction of business of the Directors may be fixed by the Directors but shall not be less than two. A person acting as Alternate Director shall, if his or her appointor is not present, be counted in the quorum provided that the appointment of the Alternate Director has been approved by resolution of the Board prior to participating in any Directors' meetings or resolutions of the Company.
- 16.9 Notwithstanding vacancies the remaining Directors may act on behalf of the Company although if the number of remaining Directors is fewer than the number fixed as the quorum they may act only for the purpose of filling vacancies or for calling a general meeting.
- 16.10 Unless he or she is unwilling or unable to do so, the Chair shall preside as chairperson at every meeting of Directors at which the Chair is present.

- 16.11 If the Chair is unwilling to do so, the Vice Chair shall preside as chairperson. If the Vice Chair is unwilling or unable to act as chairperson of the meeting or is not present within fifteen minutes after the appointed start time for the meeting, those Directors present may appoint one of their number to be chairperson for that meeting only.
- 16.12 All business conducted and concluded at a meeting of Directors or by a meeting of one of their Committees, or by a Director shall; notwithstanding that it is afterwards discovered that there was a defect in the appointment of any Director, that any of them was disqualified from holding office, had vacated office or was not entitled to vote; be valid and effective as if every such person had been duly appointed, legitimately held office, had continued to be a Director and had been entitled to vote.
- 16.13 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 and it may consist of several documents in the same form each signed by one or more Directors.
- 16.14 A resolution signed by an Alternate Director need not also be signed by his/her appointor. A resolution signed by a Director who has appointed an Alternate Director need not be signed by the Alternate Director in that capacity.
- 16.15 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he or she is not entitled to vote.
- 16.16 Where proposals are under consideration concerning the appointment of two or more Directors to executive offices with the Company the proposals may be divided and considered in relation to each Director separately provided he or she is not for another reason precluded from voting. Each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his or her own appointment.
- 16.17 The Directors may invite or allow any person to attend and speak but not to vote at any meeting or meetings of the Directors or of any Committee of the Directors.
- 16.18 Any duly authorised representative of the Member (not being a Director or an Alternate Director) may attend and speak but not vote at any meeting or meetings of the Directors or of any Committee of the Directors.

17 Alternate Directors

- 17.1 A Director (other than an Alternate Director) may if so permitted by resolution of the Directors appoint any other Director or any other person approved by resolution of the Directors and willing to act to be an Alternate Director and may remove from office an Alternate Director so appointed by him or her.
- 17.2 An Alternate Director shall be entitled, subject to the following Article, to be given notice of all meetings of Directors and meetings of Committees of Directors of which his or her appointor is a member to attend and vote at any such meeting at which the Director appointing him or her is not personally present and generally to perform all the functions of the appointor as a Director in his or her absence.
- 17.3 No notice of a meeting of Directors or a meeting of a Committee of Directors need to be given to an Alternate Director who is absent from the United Kingdom.

- 17.4 An Alternate Director shall not be entitled to receive any remuneration from the Company for his or her services as an Alternate Director.
- 17.5 An Alternate Director shall, subject to the following Article 17.6, cease to be an Alternate Director if his or her appointor ceases to be a Director.
- 17.6 An appointment or removal of an Alternate Director may be effected by notice given to the Company at the Office signed by the Director making or revoking the appointment or may be effected in any other manner approved by the Directors.
- 17.7 An Alternate Director shall alone be responsible for his or her own acts and defaults; an Alternate Director shall not be deemed to be the agent of the Director appointing him/her.
- 17.8 References in the Articles to Directors shall unless the context otherwise requires be construed as including Alternate Directors.

18 Delegation to Committees of Directors

- 18.1 The Directors may delegate any of the powers conferred on them by the Articles to such person or Committee as they see fit.
- 18.2 Committees must consist of two or more Directors.
- 18.3 Any delegation of powers under the preceding Article may be made subject to such conditions as the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
- 18.4 The Directors may determine the quorum for the transaction of business of a Committee but, in default of such determination, the quorum shall be the lesser of:
- 18.4.1 the number and type of Directors specified in Article 16.8: or
- 18.4.2 the number of Directors who comprise the Committee.
- 18.5 Subject to any condition imposed in pursuance of the preceding Article 16, the proceedings of a meeting of a Committee shall be governed by Article 16, which regulates the proceedings of meetings of Directors so far as they can be applied logically and practically to the circumstances of the Committee meeting.
- 18.6 A resolution in writing signed by all members of a Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in the same for each signed by one or more members of the Committee.

19 Secretary

Subject to the provisions of the 2006 Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit. Any secretary so appointed may be removed from office by them by giving notice of the revocation of office fourteen (14) days in advance.

20 Minutes

The Managing Director, the Secretary and chairperson of each meeting shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the Board, meetings of committees of the Board and resolutions made by groupings of Directors howsoever made. A minute of a meeting of the Board or of a Committee of the Board detailing the business conducted and concluded shall include the names of the Directors and other persons present.

21 Accounts

21.1 The Member shall have full access to inspect any accounting records or other books or documents of the Company.

21.2 Accounting records and statements of account shall be kept in accordance with all applicable requirements of Statute and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place and shall contain a record of the assets and liabilities of the Company. Such accounting records shall be open to inspection at all times by any Director of the Company and otherwise to the extent required by law.

22 Auditors

22.1 Auditors of the Company shall be appointed and their duties regulated in accordance with Statute.

22.2 The Company's auditors shall make a report to the Member on the accounts examined by them and on every balance sheet and income and expenditure account and on all group accounts, copies of which to be laid before the Company at its general meeting.

23 Notices

23.1 Any notice, document or other information to be given pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing and shall be deemed served on or delivered to the intended recipient:-

23.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom (in the case of the Member at its address shown in the Register of Members of the Company), 48 hours after it was posted;

23.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address (in the case of the Member at its address shown in the Register of Members of the Company);

23.1.3 if properly addressed and sent or supplied by electronic means, 48 hours after it was sent or supplied; or

23.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website,

For the purposes of this Article, no account shall be taken of any part of a day that is not a Business Day.

23.2 Proof that any notice, document or other information was properly addressed, prepaid and posted shall be conclusive evidence that that notice was given. Proof that any notice, document or other information sent or supplied by electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

23.3 If the Member has an authorised representative present at any meeting of the Company it shall be deemed to have received notice of the meeting and of the purpose for which it was called.

24 Winding-up

If the Company is wound up or dissolved the liquidator shall transfer the assets or property of the Company to an appropriate body in accordance with Article 2.8.

25 Insurance

Subject to the provisions of the 2006 Act and the 2005 Act, the Company may take out and maintain insurance for the benefit of the Directors and the officers of the Company in respect of any loss or liability which has been or may be incurred by any Director or other officer of the Company ("Relevant Officer") in connection with that Relevant Officer's proper execution of their duties of office and powers in relation to the Company including liability for negligence ("Relevant Loss").

26 Indemnity

26.1 Subject to Article 26.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

26.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all proper, reasonable and verifiable costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his/her duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he/she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his/her part or in connection with any application in which the court grants him/her, in his/her capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

26.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him/her in connection with any proceedings or application referred to in Article 26.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This Article 26 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law and any such indemnity is limited accordingly.