

THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

of

THE MOUNT STUART TRUST

SC118464

("the Company")

Adopted by Special Resolution of the Company dated 23 September 2020

PART 1

INTERPRETATION, OBJECTS, POWERS AND LIMITATION OF LIABILITY

Defined terms

1. In these Articles, unless the context requires otherwise:

the "Act"	means the Companies Act 2006, insofar as they apply to the Company including any statutory modifications or re-enactment thereof for the time being in force;
"AGM"	has the meaning in Article 28.1;
"Articles"	means the Company's articles of association;

"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy and "bankrupt" shall be construed accordingly;
"the Board"	means the board of directors of the Company;
"bye-laws"	means bye-laws made by the Board pursuant to the powers in that behalf conferred upon it by the Articles;
"chairman"	has the meaning given in Article 15;
"chairman of the meeting"	has the meaning given in Article 31;
"Charities Act"	means the Charities and Trustee Investment (Scotland) Act 2005 including any statutory modifications or re-enactment thereof for the time being in force;
"Director"	means a director of the Company under the Act and a Charity Trustee under the Charities Act and includes any person occupying the position of director, by whatever name called;
"Member"	has the meaning given in section 112 of the Act;
"ordinary resolution"	has the meaning given in section 282 of the Act;
"special resolution"	has the meaning given in section 283 of the Act; and

"subsidiary" has the meaning given in section 1,159 of the Act.

- 1.1 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.
- 1.2 The model articles for private companies limited by guarantee in Schedule 2 of The Companies (Model Articles) Regulations 2008 shall not apply to the Company except in so far as they are repeated in these Articles.

2. **Objects**

This clause shall be interpreted as if it incorporated (i) an overriding qualification limiting the powers of the Company such that any activity which would otherwise be permitted by the terms of this clause may be carried on only if that activity furthers a purpose which is regarded as charitable; the expression "charitable" shall mean a charitable purpose under Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 (including any statutory amendment or re-enactment for the time being in force) which is also regarded as a charitable purpose in relation to the application of the Taxes Acts and (ii) discretion to the Company to prioritise any of the following objects even to the extent that greater emphasis is given some objects over others. Subject to the foregoing, the Company's objects are:

- 2.1 to promote the education of members of the public in art and fine art whether in Scotland or the United Kingdom or elsewhere in the world;
- 2.2 to promote public interest in and knowledge and appreciation of such art so that members of the public might gain or increase their understanding of the nature, creation, history, aesthetic qualities, preservation and conservation, and the technical and all other details and aspects of such art;
- 2.3 to promote public interest in, knowledge of, appreciation and understanding of the nature, history, and use of land by man, animals and other living creatures, and the effect thereon of weather and climate;

- 2.4 to promote the advancement of environmental protection and improvement by supporting sustainable uses of land and agricultural practices in Scotland generally and, in particular in the West of Scotland;
- 2.5 to promote public interest in, knowledge of and appreciation and understanding of the nature, structure, history, purposes and uses of buildings and other structures above and below ground made by man, the animals or other living creatures with emphasis in the first instance on buildings and land situated in Scotland and in particular, in the West of Scotland;
- 2.6 to preserve, conserve, maintain and where appropriate, improve for the benefit of the public, buildings of historical, architectural or scientific interest or importance and land, including woodland of natural or scenic beauty, or geological, geophysical or other scientific interest;
- 2.7 to advance education in all or any of its aspects and to advance, promote and aid any such other object or objects as are recognised by Scots law to be charitable and in particular, but without prejudice to any of the foregoing generalities, and as a first or preliminary step:
 - 2.7.1 to acquire for preservation and maintenance for the public benefit the whole of Mount Stuart House and its policies and gardens (hereinafter called "Mount Stuart House")
 - 2.7.2 to manage and maintain such part or parts of the land and property in the Island of Bute in the County of Argyll and Bute (hereinafter called "Bute Estate") as shall or may hereafter be vested in the Company or in respect of which the Company shall have any interest for the public benefit;
 - 2.7.3 to advance citizenship and support sustainable community opportunities on Bute Estate for the public benefit;
 - 2.7.4 where appropriate to protect and improve the amenities of Mount Stuart House, Bute Estate and any other property from time to time in possession of the Company in pursuance of the objects of the Company;
 - 2.7.5 to preserve for the public benefit as adjuncts to Mount Stuart House such furniture, paintings and other moveable items which are or form

part of collections customarily kept within Mount Stuart House together with such other items as may be given or loaned to the Company and which the Company shall decide are appropriate to be kept at Mount Stuart House PROVIDED that in the case of items which are loaned to the Company, the Company shall be bound to provide the appropriate loan agreement, that any expenditure by the Company on the preservation or enhancement of such furniture, painting and other moveable items, is recoverable from the persons or body lending such items in the event of the termination of the loan;

- 2.7.6 to facilitate and encourage access to and study and appreciation of Mount Stuart House and Bute Estate together with its historically associated and essential contents and other items associated therewith as an outstanding example of a historic island estate representing a family property and collection of chattels and objets d'art assembled over many generations;
- 2.7.7 to preserve (as appropriate) for the benefit of the public such other land, buildings and items whether heritable or moveable, real or personal, corporeal or incorporeal as may be given, loaned or otherwise transferred to and accepted by the Company whether at Mount Stuart House, Bute Estate or elsewhere in Scotland or the United Kingdom or the world;
- 2.7.8 to facilitate and encourage research into natural history, horticulture, agriculture, forestry and allied sciences at Mount Stuart House, Bute Estate and elsewhere in Scotland, the United Kingdom and the world and to make the results of such research in so far as practicable available for public study and enjoyment;
- 2.7.9 to facilitate, encourage and promote the study of art, music, architecture and literature in Scotland and elsewhere in the world;
- 2.7.10 to facilitate and encourage the use and occupation of the whole or part of Mount Stuart House stately home, castle, or large house or building which the Company may have under its control, with or without its essential contents and others for the advancement of education and learning; and

- 2.7.11 to facilitate and encourage the use and occupation of the whole or any part of any other land and/or buildings in the possession of the Company from time to time and for the study of such other items and objects whether upon the said land or within the said buildings, from time to time in the possession of the Company.
- 2.8 In furtherance of the said objects the Company shall have and may exercise (but only to the extent to which the same may lawfully be exercised by a company having exclusively charitable objects) the following powers namely:
- 2.8.1 to promote, arrange, organise and conduct conferences, meetings, discussion, seminars, and the reading of learned papers at Mount Stuart House or elsewhere in Scotland, the United Kingdom or the world;
- 2.8.2 to establish, form, promote, conduct and maintain exhibitions, tours and displays of furniture, pictures and other chattels and of literature, manuscripts, statistics, exhibits and other material and information of an educational nature at Mount Stuart House or elsewhere in the world;
- 2.8.3 to establish and maintain libraries and collections of books furniture, pictures and other chattels, exhibits, replicas and other material and to afford facilities for the use and study of the same;
- 2.8.4 to institute, establish and promote scholarships, grants, prizes and awards and to encourage research and education in any branch or branches of the arts or sciences;
- 2.8.5 to allow any buildings or other real or personal property for the time being owned, occupied or held by the Company to be used for such purpose as the Company shall determine, either gratuitously or upon payment by any person or persons, corporation, society or other body to whom the use thereof shall be so granted or permitted of such sums or sum of money in the nature of an entrance fee or rent or other periodical payment or otherwise howsoever as the Company shall think fit;

- 2.8.6 to solicit, receive and accept financial assistance, donations, endowments, gifts (both inter vivos and testamentary) and loans of or of any interest in money, rents, heritable and other property whatsoever real or personal subject or not to any specific trusts or conditions or burdens including in particular learned papers in Mount Stuart House or elsewhere or any interest therein and the contents thereof or any part or parts thereof respectively;
- 2.8.7 to provide refreshment, transport and other facilities and services for the convenience of persons or bodies obtaining admission to or using or occupying any buildings or other real or personal property for the time being owned, occupied or held by the Company and to make charges in respect of any such facilities or services;
- 2.8.8 to commission, produce, publish, distribute, deal in and sell all kinds of books, pamphlets, brochures, magazines, postcards, maps, prints, pictures, photographs, drawings and other literature of whatever description, all types of sound and visual recordings, reproduction models, replicas, facsimiles and copies of works of art or objects of historical or cultural interest;
- 2.8.9 to advertise in such manner as may be thought expedient with a view to promoting the objects of the Company;
- 2.8.10 to grant and pay such salaries, pensions, gratuities or other sums in respect of services as may from time to time be thought reasonable and proper and to establish pension funds or other pension arrangements for the benefit of and to make reasonable and proper payments towards insurance of employees (including Directors) of the Company or any charitable institution which may at any time be incorporated within or associated with the Company or the dependants or families of such persons;
- 2.8.11 to draw, make, accept, endorse, execute and issue cheques, promissory notes, warrants and other negotiable or transferrable documents;
- 2.8.12 to establish, support or aid in the establishment and support of any companies, associations or institutions and to donate, subscribe or

guarantee obligations or the payment of money for any purposes in any way connected with the objects of the Company or calculated to further its charitable objects;

- 2.8.13 to promote and incorporate or to join in the promotion or incorporation of any company with limited or unlimited liability for the purpose of carrying out any object which the Company itself could carry out and to subscribe for or otherwise acquire the shares, stock or other securities of such company or to lend money to such company on such terms as may be thought fit;
- 2.8.14 to associate, affiliate or co-operate with any other authority, company, association, institution or body whether resident in the United Kingdom or not in the furtherance of the objects of the Company and to enter into any arrangement or agreement and join in any venture in conjunction with any such body for such purposes;
- 2.8.15 to enter at any time or times at the absolute and unfettered discretion of the Company into an arrangement or arrangements with the National Trust for Scotland or any successor thereof or any body similar in purpose and intent thereto in any part of the United Kingdom whereby Mount Stuart House or any other stately home, castle or building over which the Company has control or part of it, with any other heritable or moveable property held by the Company and associated with such building, is transferred to the National Trust for Scotland or such other body as is mentioned above for its objects;
- 2.8.16 to effect insurance against risk of all kinds, to include directors' and officers' liability insurance cover;
- 2.8.17 to patent any of the Company's products and to acquire by purchase, licence or otherwise and to exercise these patent rights or protection in any part of the world for any invention and to disclaim, alter or modify such patent rights or protection; and also to acquire, use and register copyrights, trademarks and trade names in relation to any business for the time being carried on by the Company, and to grant licences to exercise and use any patent rights, copyrights, trademarks and trade names belonging to the Company;

- 2.8.18 subject to such consents as may be required by law, to purchase, take on lease or exchange, hire or otherwise acquire and hold for any estate or interest, sale, mortgage, lease or otherwise dispose of or turn to account any heritable or moveable, real or personal property and any rights or privileges which the Company may think necessary or convenient for the promotion of its objects and to construct, erect, improve, demolish, furnish, equip, maintain and alter any buildings or erections necessary or convenient for the work of the Company;
- 2.8.19 subject to such consents as may be required by law, to borrow or raise money for the objects of the Company on such terms and on such security as the Directors shall think fit, and whether by the creation and issue of debentures or debenture stock or otherwise;
- 2.8.20 subject to such consents as may be required by law to receive money on deposit or loan upon such terms as the Company may approve and to undertake and execute any charitable trusts which may lawfully be undertaken by the Company and may be conducive to its objects;
- 2.8.21 subject to such consents as may be required by law, to invest and deal with the monies of the Company not immediately required for its objects in or upon such investments or securities and in such manner as may from time to time be determined subject nevertheless to such conditions (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- 2.8.22 subject to such consents as may be required by law, to sell, develop, improve, manage, turn to account, exchange, let, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of all or any of the property and assets for the time being of the Company as may be expedient for the promotion of its objects; and
- 2.8.23 to do all such things that are necessary for the attainment of the above objects or any of them, subject to any applicable requirement of the Act and the Charities Act.

Provided that:

- 2.8.24 in case the Company shall take or hold any property which may be subject to any trust, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts;
- 2.8.25 the objects of the Company shall not extend to the regulation of relations between employers and workers or organisations of employers and organisations of workers; and
- 2.8.26 in case the Company shall take or hold any property subject to any body having jurisdiction over charities, the Company shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law.

3. **Application of income and property**

- 3.1 The income and property of the Company whencesoever derived shall be applied towards the promotion of the objects of the Company as set forth in these Articles and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to any Member of the Company who or which is not a charity.
- 3.2 Provided that nothing herein shall prevent the payment, in good faith, by the Company:
 - 3.2.1 of reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company. This shall include payment to a Member of the Board for any services rendered to the Company (subject to the provisions of Article 24 hereof), but he shall not be permitted to take part in any discussion or vote relating to the terms on which he is to be employed or remunerated by the Company;
 - 3.2.2 of interest or money lent by any Member of the Company or the Board at a rate per annum not exceeding 2% less than the base lending rate for the time being prescribed by the Royal Bank of Scotland Plc, or 3%, whichever is the greater;

3.2.3 of reasonable and proper rent for premises demised or let by any Member of the Company or of the Board; and

3.2.4 of fees, remuneration or other benefit in money or money's worth to a company of which a Member of the Board may be a Member holding not more than 1/100th part of the capital of that company.

4. **Limited liability**

4.1 The liability of the Members is limited.

4.2 Every 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 or she is a Member or within one year after he or she ceases to be a Member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

5 **Directors' general authority**

5.1 Subject to these Articles, the Directors are responsible for the management of the Company's business for which purpose they may exercise all the powers of the Company.

6 **Members' reserve power**

6.1 The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

6.2 No special resolution referred to in Article 6.1 shall invalidate anything which the Directors have done before the passing of the resolution.

7 Directors' power of delegation

7.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles:

7.1.1 to any Director or committee consisting of one or more Directors;

7.1.2 by such means (including by power of attorney);

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions; as they think fit.

7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

8 Committees

8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on the provisions of these Articles which govern the taking of decisions by Directors.

8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

9 Secretary

9.1 Subject to the provisions of the Act, the Directors may appoint a secretary for such period, for such remuneration and upon such conditions as they think fit, and any secretary so appointed by the Directors may be removed by them.

DECISION-MAKING BY DIRECTORS

10 **Directors to take decisions collectively**

- 10.1 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 11.
- 10.2 If the number of Directors falls below the number required by these Articles, the continuing Director(s) may act only for the purpose of filling vacancies or for calling a general meeting.

11 **Unanimous decisions**

- 11.1 A decision of the Directors is taken in accordance with this Article 11 when all eligible Directors indicate to each other by any means that they share a common view on a matter.
- 11.2 Such a decision may take the form of a resolution in writing, where each eligible Director has signed one or more copies of it, or to which each eligible Director has otherwise indicated agreement in writing.
- 11.3 References in this Article 11 to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 11.4 A decision may not be taken in accordance with this Article 11 if the eligible Directors would not have formed a quorum at such a meeting.

12 **Calling a Directors' meeting**

- 12.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.
- 12.2 Notice of any Directors' meeting shall be given in such form and with such content as the Directors may declare.
- 12.3 Notice of a Directors' meeting must be given to each Director, but need not be in writing.

- 12.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or any business conducted at it.

13 Participation in Directors' meetings

- 13.1 Subject to these Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when the meeting has been called and takes place in accordance with these Articles and the Directors can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 13.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 13.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

14 Quorum for Directors' meetings

- 14.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 14.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors and, except as provided in Article 14.3 below, unless so fixed as any other number shall be seven.
- 14.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 18 to authorise a Director's conflict, if there is only one eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one eligible Director.
- 14.4 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- 14.4.1 to appoint further Directors; or

14.4.2 to call a general meeting so as to enable the Members to appoint further Directors.

15 Chairing of Directors' meetings

15.1 The Directors shall appoint one of their number (as long as that person is willing to act) as the chairman of the Board.

15.2 The Directors may terminate the chairman's appointment at any time.

15.3 If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

16 Casting vote

16.1 If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting has a casting vote.

16.2 Article 16.1 does not apply if, in accordance with these Articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

17 Transactions or other arrangements with the Company

17.1 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 and will be debarred from voting on the question of whether or not the company should enter into that arrangement.

17.2 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 theirs, or any firm of which they are a partner or any limited company of which they are a substantial shareholder or director, or any limited liability partnership of which they are a member or any Scottish charitable incorporated organisation of which they are a charity trustee, or any registered society or unincorporated association of which they are a management committee member (or any other party who/which is deemed to be connected with them for the purposes of the Act), has a personal interest in that arrangement.

17.3 Provided:

17.3.1 they have declared their interest; and

17.3.2 they have 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 they have a personal interest (or are deemed to have a personal interest under Article 17.2) and may retain any personal benefit which they gain from their participation in that arrangement.

18 Directors' conflicts of interest

18.1 Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or at a meeting of a committee of Directors on any resolution concerning a matter in which he or she has, directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless the interest or duty arises only because the case falls within either or both of the following paragraphs:

18.1.1 the resolution relates to the giving by the Director of a guarantee, security or indemnity in respect of money lent to, or any obligation incurred by the Director for the benefit of, the Company or any of its subsidiaries; and/or

18.1.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part (and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security.

18.2 For the purposes of Article 18.1 an interest of a person who is, for any purpose of the Act, connected with a Director shall be treated as an interest of the Director.

18.3 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.

- 18.4 The Company may by special resolution suspend or relax to any extent, either generally, or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Directors or at a meeting of a committee of Directors.
- 18.5 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.
- 18.6 For the avoidance of doubt, the provisions of section 175 of the Act and Article 18.5 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 Article 17.
- 18.7 Subject to Article 18.8 if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in a meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.
- 18.8 If any question as to the right to participate in a meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 18.9 Where proposals are under consideration concerning the appointment of two or more Directors as office bearers 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.

18.10 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.

19 Records of decisions to be kept

19.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the relevant date of all proceedings at Directors' meetings (including the names of the Directors present at such meeting) and of all decisions otherwise made or considered by the Directors.

20 Directors' discretion to make further rules

20.1 Subject to these Articles, the Directors may make any rule or bye-laws which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT OF DIRECTORS

21 Number of Directors

21.1 The number of Directors shall be limited to a maximum of fourteen and a minimum of eight at any time unless otherwise determined by special resolution.

21.2 Any person appointed as a Director shall be a Member of the Company at the time that person is appointed a Director.

22 Methods of appointing Directors

22.1 Any Member of the Company who wishes to be considered for appointment as a Director at an AGM of the Company shall lodge with the Company a written notice of their willingness to be appointed (in such form as the Directors may require).

22.2 At an AGM the Company may, by ordinary resolution, appoint as a Director any Member of the Company in respect of whom a written notice of willingness to accept such an appointment has been received in accordance with Article 22.1 provided that the majority of Directors acting at any one time shall be residents in the United Kingdom.

- 22.3 The Directors may at any time appoint any Member of the Company (providing they are willing to act) to be a Director, either to fill a vacancy or as an additional Director.
- 22.4 Each Director shall hold office for a term of three years after which he or she shall retire at the immediately following AGM. Retiring Directors may be re-appointed at any AGM by ordinary resolution for a subsequent three year term (if so willing to act).
- 22.5 If any such Director is not re-appointed, he or she shall retain office until the meeting appoints someone in his or her place, or if it does not do so, until the end of the meeting.
- 22.6 The Directors may appoint any Director they think fit as a chairman of the Company, so long as the appointee(s) is willing to so act, on such terms as they see fit. The Directors shall, from time to time, determine the duties and responsibilities of this office.
- 22.7 The Directors may appoint any Director they think fit as a vice chairman, and/or treasurer of the Company, so long as the appointee(s) is willing to so act on such terms as they see fit. The Directors shall, from time to time, determine the duties and responsibilities of these offices.

23 Termination of Director's appointment

- 23.1 A person ceases to be a Director as soon as:
- 23.1.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
 - 23.1.2 a bankruptcy order is made against that person or they become apparently insolvent in accordance with the provisions of the Charities Act;
 - 23.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 23.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become

physically or mentally incapable of acting as a Director and may remain so for more than six months;

23.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

23.1.6 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;

23.1.7 that person has for more than twelve consecutive months been absent without permission of the Directors from meetings of the Directors held during that period and the Directors make a decision to vacate that person's office;

23.1.8 he or she becomes disqualified from acting as a charity trustee under the terms of the Charities Act or any re-enactment thereof; or

23.1.9 he or she ceases to be a Member.

24 **Directors' remuneration**

24.1 Only a minority of the Directors shall be entitled to the payment in good faith of any reasonable and proper remuneration subject to the provisions of Chapter 9 of the Charities Act whether in respect of his or her office as Director or as holder of any position of office.

25 **Directors' expenses**

25.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

25.1.1 meetings of Directors or committees of Directors;

25.1.2 general meetings; or

25.1.3 meetings of general committees,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

PART 3**BECOMING AND CEASING TO BE A MEMBER****26 Becoming a Member**

- 26.1 There shall be a maximum of fourteen Members of the Company, the majority of whom must be resident in the United Kingdom at any one time.
- 26.2 The Members of the Company will be such persons as shall be invited by the Directors to become additional or new Members of the Company, subject to the provisions of Article 26.1. If such persons accept, he or she will be appointed as a Member by the Board upon his or her payment of the annual subscription, if applicable in accordance with the provisions of Article 26.4. Such persons shall then be entered into the register of Members of the Company and shall become a Member of the Company.
- 26.3 The Directors must keep a register of names and addresses of the Members.
- 26.4 The Directors may at their discretion levy subscriptions on Members of the Company at such rate(s) as they shall decide and may levy subscriptions at different rates on different categories of Members.
- 26.5 Each Member shall be bound to further to the best of his or her ability the objects, interests and influence of the Company and shall observe all bye-laws of the Company.

27 Termination of Membership

- 27.1 A Member may withdraw from membership of the Company by giving 7 days' notice to the Company in writing.
- 27.2 Membership is not transferable.
- 27.3 A person's membership terminates when that person dies or ceases to exist.
- 27.4 A Member who is also a Director shall have their membership terminated when that person ceases to be a Director.

- 27.5 A person's membership is terminated if any subscription or other sum payable by the Member to the Company is not paid on the due date and remains unpaid seven days after notice served on the Member by the Company informing such Member that he or she will be removed from membership if it is not paid; the Directors may re-admit to membership any person removed from membership on this ground on such person paying such reasonable sum as the Directors may determine.
- 27.6 A person's membership is terminated if, at a meeting of the Directors at which not less than half of the Directors are present, a resolution is passed resolving that the Member be expelled. Such a resolution shall not be passed unless the Member has been given not less than fourteen clear days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify expulsion, and has been afforded a reasonable opportunity of being heard by or of making written representations to the Directors. A Member expelled by such a resolution shall nevertheless remain liable to pay to the Company any subscription due up to the date of expulsion.

ORGANISATION OF GENERAL MEETINGS

28 Notice of General Meetings

- 28.1 Any meetings other than an annual general meeting ("AGM") shall be called a general meeting.
- 28.2 A general meeting shall be convened by the directors themselves (under section 302 of the Act) or by the directors on requisition by the Members (under section 303 of the Act) or on requisition by a resigning auditor (under section 518 of the Act).
- 28.3 Subject to Article 28.2, the directors may convene general meetings whenever they think fit.
- 28.4 All AGMs and general meetings shall be called by at least fourteen clear days' notice.
- 28.5 A notice convening a meeting shall specify the time and place of the meeting and the terms of any resolution which is to be proposed and shall indicate the general nature of any other business to be transacted at the meeting.

- 28.6 A notice convening an AGM shall specify the meeting as an AGM.
- 28.7 Notice of every general meeting shall be given to all the Members and Directors and to the Company's auditors.
- 28.8 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.

29 **Attendance and speaking at General Meetings**

- 29.1 The Directors shall convene a general meeting of the Members every year as its annual general meeting. The provisions of these Articles in relation to general meetings shall apply to AGMs.
- 29.2 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 29.3 A person is able to exercise the right to vote at a general meeting when:
- 29.3.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 29.3.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 29.4 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 29.5 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 29.6 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

30 **Quorum for General Meetings**

- 30.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 30.2 Seven Members or one half of the total number of Members (whichever is the less) in attendance and entitled to vote upon the business to be transacted, each being a Member or a proxy of a Member shall be a quorum.

31 **Chairing General Meetings**

- 31.1 If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 31.2 If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start, the vice-chairman (if appointed) shall act as chairman; if the vice-chairman is not willing to act as chairman or is not present within ten minutes of the time at which a meeting was due to start:
- 31.2.1 the Directors present; or
- 31.2.2 (if no Directors are present), the meeting,
- must appoint a Director or Member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 31.3 The person chairing a meeting in accordance with this Article 31 is referred to as "the chairman of the meeting".

32 **Attendance and speaking by Directors and non-Members**

- 32.1 The chairman of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

33 **Adjournment**

- 33.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum or during a

meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

33.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

33.2.1 the meeting consents to an adjournment; or

33.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

33.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

33.4 When adjourning a general meeting, the chairman of the meeting must:

33.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

33.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

33.5 If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

33.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

33.5.2 containing the same information which such notice is required to contain.

33.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

34 **Voting: general**

34.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

35 **Errors and disputes**

35.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

35.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

36 **Poll votes**

36.1 A poll on a resolution may be demanded:

36.1.1 in advance of the general meeting where it is to be put to the vote; or

36.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

36.2 A poll may be demanded by:

36.2.1 the chairman of the meeting;

36.2.2 the Directors; or

36.2.3 any person having the right to vote on the resolution.

36.3 A demand for a poll may be withdrawn if:

36.3.1 the poll has not yet been taken; and

36.3.2 the chairman of the meeting consents to the withdrawal.

36.4 Polls must be taken when, where and in such manner as the chairman of the meeting directs.

37 **Content of proxy notices**

37.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

37.1.1 states the name and address of the Member appointing the proxy;

37.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

37.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

37.1.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

37.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

37.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

37.4 Unless a proxy notice indicates otherwise, it must be treated as:

37.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

37.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

38 **Delivery of proxy notices**

38.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

- 38.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 38.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 38.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

39 **Amendments to resolutions**

- 39.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 39.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty-eight hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - 39.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 39.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 39.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 39.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 39.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

40 Records of Members

- 40.1 The Directors must ensure that the Company keeps a record, in writing, for at least ten years from the relevant date of all proceedings at general meetings of the Company.

PART 4**ADMINISTRATIVE ARRANGEMENTS****41 Means of communication to be used**

- 41.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 41.2 Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 41.3 The times of deemed delivery of documents and information specified in sections 1147(2) and 1147(3) of the Act shall be amended as follows:
- 41.3.1 subject to the other requirements of section 1147(2) of the Act, documents or information sent by first class post to an address in the United Kingdom shall be deemed to have been received twenty-four hours after it was posted;
- 41.3.2 subject to the other requirements of section 1147(2) of the Act, documents or information sent by second class post to an address in the United Kingdom shall be deemed to have been received forty-eight hours after it was posted; and
- 41.3.3 subject to the other requirements of section 1,147(3) of the Act, documents or information sent or supplied by electronic means shall be deemed to have been received twenty-four hours after it was sent.

42 Company seals

- 42.1 The common seal may only be used by the authority of the Directors or of a committee of Directors authorised by the Directors.
- 42.2 The Directors may determine who shall sign any instrument to which the seal is affixed.
- 42.3 Unless otherwise decided by the Directors, if the common seal is affixed to a document, the document must also be signed by at least one Director and by the secretary or by a second Director.

43 Patrons and Honorary Appointments

- 43.1 The Directors may appoint any person or persons to be patron of the Company or such other honorary appointment for such term or terms specified at the time of appointment and with such rights, duties and responsibilities as they shall think fit, provided that the Company shall have no more than six patrons at any one time. Such persons shall not by virtue only of such appointments be Directors or Members of the Company.

44 No right to inspect accounts and other records

- 44.1 Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

45 Provision for employees on cessation of business

- 45.1 The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE**46 Indemnity**

46.1 Subject to the provisions of the Act:

46.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

46.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

46.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his 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

46.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 46.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

46.2 This Article 46 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

46.3 In this Article:

46.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

46.3.2 a "relevant officer" means any Director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

47 Insurance

47.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

47.2 In this article:

47.2.1 a "relevant officer" means any Director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor);

47.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

47.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

48 Winding up

48.1 If on the winding-up or dissolution 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 a charitable 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 the Company does

under or by virtue of Article 3 hereof and if and so far as effect cannot be given to such provisions then to some other charitable object or objects.