

THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION OF LIVE BORDERS LIMITED

COMPANY NUMBER SC243577

SCOTTISH CHARITY NUMBER SC034227

**(as adopted by special resolution passed on 21 October
2024)**

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LIMITED**

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Constitution of company

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

Defined terms

2. In these articles of association, unless the context requires otherwise:
 - 2.1. **“Act”** means the Companies Act 2006;
 - 2.2. **“charity”** means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
 - 2.3. **“charitable purpose”** means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
 - 2.4. **“conflict of interest”** includes a conflict of interest and duty, and a conflict of duty;
 - 2.5. **“Conflict Situation”** means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);
 - 2.6. **“the Council”** means Scottish Borders Council constituted in terms of the Local Government etc. (Scotland) Act 1994 and having their principal offices at Council Headquarters, Newtown St. Boswells, Melrose TD6 0SA;
 - 2.7. **“electronic form”** has the meaning given in section 1168 of the Act;
 - 2.8. **“OSCR”** means the Office of the Scottish Charity Regulator;
 - 2.9. **“property”** means any property, heritable or moveable, real or personal, wherever situated; and
 - 2.10. **“subsidiary”** has the meaning given in section 1159 of the Act.

3. Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

4. The company's objects are to provide or assist, primarily for the benefit of the community and visitors of all ages to the administrative area of the Scottish Borders and any surrounding areas, each of the following:
 - 4.1. the advancement of:
 - 4.1.1. the arts, heritage, culture and science;
 - 4.1.2. health through helping people improve or maintain their health;
 - 4.1.3. education through the wide variety of facilities, services, programmes, training courses and cultural arts, heritage and science events, activities, collections and exhibitions which are provided by or organised through Live Borders;
 - 4.1.4. community development and rural regeneration; and
 - 4.2. the provision of facilities and services areas for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who, by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services.
5. The company's objects are restricted to those set out in article 4 (but subject to article 6).
6. The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

7. The company has power to do anything which is calculated to further its objects (as listed in article 4) or is conducive or incidental to doing so.

Restriction on use of the company's assets

8. Subject to article 9:
 - 8.1. the income and property of the company shall be applied solely towards promoting the company's objects;
 - 8.2. no part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise;
 - 8.3. no director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable;

- 8.4. no benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.
9. The company shall, notwithstanding the provisions of article 8, be entitled:
- 9.1. to pay a rent not exceeding the market rent for premises let to the company by any member of the company;
- 9.2. to make any transfer or payment to a member where such transfer or payment is made in direct furtherance of the charitable purposes of the company.

Liability of members

10. The liability of the members is limited.
11. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up whilst being a member, or within one year after ceasing to be a member, for payment of the debts and liabilities of the company contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

Membership

12. The membership of the company shall (subject to article 15) consist of such bodies as are admitted to membership under the articles of association of the company in force from time to time.
13. Membership shall cease on the dissolution, winding-up, striking-off or receivership of the body which constituted the member or on receipt of a notice of retiral of the relevant body from membership under article 20.
14. A member may not transfer its membership to any other individual or body.

Qualifications for membership

15. Subject to article 12, membership shall be open only to the Council.
16. Any individual or body who/which is a member of the company at the time when the resolution adopting these articles is passed (and which is not eligible for membership under article 15) shall automatically cease to be a member with effect from the time at which the resolution adopting these new articles of association is passed.

Application for membership

17. Any incorporated body eligible for membership under article 15 which wishes to become a member shall (subject to article 19) lodge with the company a written application for membership (in such form as the directors require); the application for membership shall be signed on the relevant body's behalf by an authorised officer of that body.
18. A body eligible for membership under article 15 shall automatically constitute a member of the company immediately upon receipt by the company of the application for membership, duly signed in accordance with article 17.

19. For the avoidance of doubt, a member which is a body eligible for membership under article 15 as at the time when these articles of association are adopted shall remain as a member without any requirement to lodge an application for membership under article 17.

Withdrawal from membership

20. Any body which wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors require), signed on its behalf by an authorised officer of that body; on receipt of the notice by the company, it shall cease to be a member.

Register of members

21. The directors shall procure that a register of members is maintained in accordance with the provisions of the Act and shall ensure that the appropriate entries in the register of members are made immediately after any change in the membership of the company occurs.

General meetings

22. The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).
23. Subject to the provision of article 22, the directors may convene general meetings whenever they think fit.

Notice of general meetings

24. At least 14 clear days' notice of each general meeting must be given to all the members and directors and (if auditors are in office at the time) to the auditors.
25. The reference to "clear days" in article 24 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted (or, in the case of notice sent by electronic means, the day after it was sent), and also the day of the meeting, should be excluded.
26. A notice calling a meeting shall specify the time, date and (subject to article 29) place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting; (b) if a special resolution (see article 55) or a resolution requiring special notice under the Act is to be proposed, state that fact, giving the exact terms of the resolution; and (c) contain a statement informing members of their right to appoint a proxy.
27. Notice of every general meeting shall be given:
 - 27.1. in hard copy form;
 - 27.2. (where the individual or body to whom/which notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
 - 27.3. subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act, by means of a website.
28. If members and directors are to be permitted to participate in a general meeting by way of audio and/or audio-visual link(s) (see article 32), the notice (or notes accompanying the notice) must:
 - 28.1. set out details of how to connect and participate via that link or links; and

- 28.2. (particularly for the benefit of those who may have difficulties in using a computer or laptop for this purpose) draw attention to the following options;
 - 28.2.1. participating in the meeting via an audio link accessed by phone, using dial-in details (if that forms part of the arrangements);
 - 28.2.2. appointing the chairperson of the meeting as proxy, and directing the chairperson on how they should use that proxy vote in relation to each resolution to be proposed at the meeting;
 - 28.2.3. (where attendance in person is to be permitted, either on an open basis or with a restriction on the total number who will be permitted to attend) attending and voting in person at the meeting;
 - 28.2.4. (where article 30 applies) submitting questions and/or comments in advance of the meeting.
29. If participation in the meeting is to be by way of audio and/or audio-visual links - with no intention for the meeting to involve attendance in person by two or more individuals in any particular location - the place of the meeting shall, for the purposes of the notice calling the meeting, be taken to be the place where the anticipated chairperson of the meeting is expected to be, as at the time fixed for the commencement of the meeting; and, if it transpires that the chairperson of the meeting is at some other place as at the commencement of the meeting, the meeting shall be taken to have been validly adjourned to that other place.
30. Where a general meeting is to involve participation solely via audio and/or audio-visual links, the notice (or notes accompanying the notice) must include a statement inviting members to submit questions and/or comments in advance of the meeting, which (subject to article 31) the chairperson of the meeting will be expected to read out, and address, in the course of the meeting.
31. Where article 30 applies, the chairperson of a general meeting will not require to read out or address any questions or comments submitted by a member in advance of the meeting if and to the extent that the questions or comments are of an unreasonable length (individually or taken together), or contain material which is defamatory, racist or otherwise offensive.

Proceedings at general meetings

32. The directors may if they consider appropriate (and must, if that is required under article 33) make arrangements for members and directors to participate in general meetings by way of audio and/or audio-visual link(s) which allow them to hear and contribute to discussions at the meeting, providing:
 - 32.1. the means by which members and directors can participate via those link(s) are not subject to technical complexities, significant costs or other factors which are likely to represent - for all or a significant proportion of the membership - a barrier to participation;
 - 32.2. the notice calling the meeting (or notes accompanying the notice) contains the information required under article 28; and
 - 32.3. the manner in which the meeting is conducted ensures, so far as reasonably possible, that those members and directors who participate via an audio or audio-visual link are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those members and directors (if any) who are attending in person (and vice versa).

33. If restrictions arising from public health legislation or guidance are likely to mean that attendance in person at a proposed general meeting would not be possible or advisable for all or a significant proportion of the membership, the directors must make arrangements for members and directors to participate in that general meeting by way of audio and/or audio-visual link(s) which allow them to hear and contribute to discussions at the meeting; and on the basis that the requirements set out in paragraphs 32.1 to 32.3 of article 32 will apply.
34. A general meeting may involve two or more attendees (providing at least one is a member, as opposed to a director) participating via attendance in person while others participate via audio and/or audio-visual links; or it may involve participation solely via audio and/or audio-visual links.
35. Reference in articles 28 to 34 to members should be taken to include proxies for members and authorised representatives of members which are corporate bodies.
36. No business shall be transacted at any meeting unless a quorum is present; one person present and entitled to vote (being a proxy for a member or a duly authorised representative of a member which is a corporate body) shall be a quorum.
37. An individual participating in a general meeting via an audio or audio-visual link which allows them to hear and contribute to discussions at the meeting will be deemed to be present in person (or, if they are not a member or the authorised representative of a member which is a corporate body, will be deemed to be in attendance) at the meeting.
38. If the quorum required under article 36 is not present within half an hour 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 (subject to article 39) place as may be fixed by the chairperson of the meeting.
39. Where participation in the adjourned meeting is to be by way of audio and/or audio-visual links - with no intention for the adjourned meeting to involve attendance in person by two or more attendees in one place - the requirement under article 38 for the chairperson to fix the place of the adjourned meeting shall not apply
40. The Chair of the company shall (if present and willing to act) preside as chairperson of the meeting; if the Chair is not present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the Vice Chair shall act as chairperson of the meeting.
41. If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
42. Each of the directors shall, notwithstanding that they are not a member, be entitled to attend and speak at any general meeting.
43. The chairperson of the meeting may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.

Votes of members

44. Every member shall have one vote, which may be given either via its duly authorised representative present at the meeting or by proxy (subject to article 52).

45. A member which wishes to appoint a proxy to vote on its behalf at any meeting:
- 45.1. shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by an appropriate officer of the member; or
 - 45.2. shall send by electronic means to the company at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require)
- providing (in either case) the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting); for the avoidance of doubt, in calculating the 48-hour period referred to in the preceding provisions of this article 45, no account shall be taken of any part of a day that is not a working day.
46. An instrument of proxy which does not conform with the provisions of article 45, or which is not lodged or sent in accordance with such provisions, shall be invalid.
47. A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
48. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member which appointed them to speak at the meeting and need not be a member of the company.
49. A member which is an incorporated body may authorise an individual to act as its representative at any general meeting of the company, providing particulars of the individual so authorised and of the body which they are to represent are received by the company prior to the commencement of the general meeting; the individual so authorised shall be entitled to exercise the same powers on behalf of the member which they represent as that incorporated body could exercise if it were an individual member.
50. The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.
51. A vote given by proxy or by the duly authorised representative of a member which is an incorporated body shall be valid notwithstanding that the authority of the person voting had terminated prior to the giving of such vote unless notice of such termination was received by the company at the company's registered office (or, where contained in an electronic communication, was received by the company at the address notified by the company to the members for the purpose of electronic communication) before the commencement of the meeting or adjourned meeting at which the vote was given.
52. Where members are participating in a meeting via an audio or audio-visual link, they may cast their vote on any resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically - and providing the directors have no reasonable grounds for suspicion as regards authenticity, any such action shall be deemed to be a vote cast personally via a show of hands.
53. The principle set out in article 52 shall also apply in relation to the casting of votes by an individual in their capacity as proxy for a member or as the authorised representative of a member which is a corporate body.

Technical objections to remote participation in general meetings

54. These articles impose certain requirements regarding the use of audio and/or audio-visual links as a means of participation and voting at general meetings; providing the arrangements made by the directors in relation to a given general meeting (and the manner in which the general meeting is conducted) are consistent with those requirements:
- 54.1. a member cannot insist on participating in the general meeting, or voting at the general meeting, by any particular means;
 - 54.2. the general meeting need not be held in any particular place;
 - 54.3. the general meeting may be held without any particular number of those participating in the meeting being present in person at the same place (but notwithstanding that, the quorum requirements - taking account of those participating via audio and/or audio-visual links - must still be met);
 - 54.4. the general meeting may be held by any means which permits those participating in the meeting to hear and contribute to discussions at the meeting;
 - 54.5. a member will be able to exercise the right to vote at the general meeting (including where a secret ballot is to be held) by such means as is determined by the chairperson of the meeting (consistent with the arrangements made by the directors) and which permits that member's vote to be taken into account in determining whether or not a resolution is passed.

Special resolutions and ordinary resolutions

55. For the purposes of these articles, a "special resolution" means a resolution of the members, which is either (a) passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 24 to 29 (for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution and accordingly no account shall be taken of abstentions or members absent from the meeting); or (b) passed by members representing not less than 75% of the total voting rights of eligible members when passed by way of a written resolution, in accordance with articles 58 to 61.
56. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution:
- 56.1. to alter its name; and
 - 56.2. to alter any provision of these articles or adopt new articles of association.
57. For the purposes of these articles, an "ordinary resolution" means a resolution of the members, which is either (a) passed by majority vote (taking account only of those votes cast in favour as compared with those votes cast against), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 24 to 29; or (b) passed by members representing a simple majority of the total voting rights of eligible members, when passed by way of a written resolution in accordance with articles 58 to 61.

Written resolutions

58. A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the company in general meeting. A written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it.
59. For the purposes of the preceding article:
- 59.1. the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);
- 59.2. the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Act, as follows:
- 59.2.1. in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 58) by members representing a simple majority of the total voting rights of eligible members;
- 59.2.2. in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 58) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.
60. For the avoidance of doubt, a resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 58.
61. For the purposes of article 58, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 59) and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Categories of director

62. For the purposes of these articles:

"Partner Director" means a director appointed or re-appointed under articles 65 to 68;

"Independent Director" means a director appointed or re-appointed under articles 69 to 77.

"NHS Director" means a director appointed or re-appointed under articles 78 to 81.

Number of directors

63. The maximum number of directors shall be 9; out of that number
- 63.1. a maximum of 4 directors shall be Partner Directors appointed by the Council; and

- 63.2. a maximum of 4 directors shall be Independent Directors, who shall be appointed (after due consideration of the views of the Nominations Committee) on the basis that:
 - 63.2.1. they have been nominated by partner bodies (incorporated or unincorporated; but excluding for this purpose the Council) with which the company has close contact in the course of its activities; and/or
 - 63.2.2. they have special skills/experience which would be of assistance to the board of directors.
- 63.3. a maximum of 1 director shall be an NHS Director who shall be appointed by the Council following nomination from NHS Borders.

Composition of the Board of Directors (“the Board”): general

- 64. The composition of the Board shall reflect the following principles:
 - 64.1. an individual shall not be eligible for appointment as a director if they are an employee of the company;
 - 64.2. the Nominations Committee shall, without displacing its primary focus on the skills that candidates would bring to the board of directors, take account, in the course of carrying out its functions, of principles of good practice as regards equalities.

Appointment, removal, retirement: Partner Directors

- 65. Subject to articles 63, 64 and 67, the Council, so long as it remains a member of the company, may by notice in writing, signed on its behalf by an appropriate officer and given to the company:
 - 65.1. appoint any elected member of the Council who is willing so to act to be a director (a “**Partner Director**”); or
 - 65.2. remove any Partner Director from office as a director.
- 66. Any appointment or removal of a director under article 65 shall have effect from the date on which the relevant notice is given to the company.
- 67. The powers conferred by article 65 shall be deemed to be limited such that no more than 4 individuals appointed by the Council may hold office as Partner Directors at any given time.
- 68. The directors who are in office, as at the time when the resolution adopting these articles is passed, and who are elected members of the Council, shall be deemed to be Partner Directors.

Appointment, removal: Independent Directors

- 69. Subject to articles 63, 64 and 71, the Council, so long as it remains a member of the company, may by a notice in writing, signed on its behalf by an appropriate officer and given to the company:
 - 69.1. appoint any person (other than an officer, elected member or employee of the Council) who is willing so to act to be a director (an “**Independent Director**”); or
 - 69.2. remove any Independent Director from office as a director.

70. Any appointment or removal of a director under article 69 shall have effect from the date on which the relevant notice is given to the company.
71. The Council shall be guided by the Nominations Committee (as defined in article 157) in relation to the selection of appropriate individuals for appointment as Independent Directors.
72. The directors of the company shall endeavour to establish the Nominations Committee within a reasonable period; until such time as it is established, the reference in article 71 to the Council being guided by the Nominations Committee shall be disregarded.
73. The directors who are in office, as at the time when the resolution adopting these articles is passed, and who are not elected members of the Council, shall be deemed to be Independent Directors.

Retirement: Independent Directors

74. Each Independent Director shall retire at the conclusion of the final board meeting of the third financial year which is held following the date of their appointment but shall then be eligible for re-appointment under article 69 (providing they are willing to act).
75. An Independent Director who has held office under article 69 for three consecutive 3-year terms shall not be eligible for re-appointment until a further period of one year has elapsed.
76. For the purposes of article 75:
 - 76.1. A 3-year term shall be deemed to end at the conclusion of the final board meeting of the third financial year following the date on which they were appointed or re-appointed under article 69;
 - 76.2. the period between the date of appointment of a director under article 69 and the final board meeting of the financial year which next follows shall be deemed to be a period of one year, unless it is of less than six months' duration (in which case it shall be disregarded);
 - 76.3. the period between one final board meeting of a financial year and the next shall be deemed to be a period of one year;
 - 76.4. if a director ceases to be appointed under articles 69 or 77 but is reappointed to that office within a period of six months, he/she shall be deemed to have held that office continuously.
77. The following provisions shall apply in relation to those Independent Directors who are deemed to be Independent Directors by virtue of article 74 ("**the Existing Independent Directors**"):
 - 77.1. at the conclusion of the final board meeting of the financial year following adoption of these articles, 6 of the Existing Independent Directors shall vacate office, but shall then be eligible for re-appointment under article 69;
 - 77.2. the Initial Independent Directors to vacate office under the provisions of article 77.1 shall be as agreed among the Existing Independent Directors at least three months prior to the date referred to above; or (failing agreement by that time) shall be determined by reference to the alphabetical order of their respective surnames;
 - 77.3. at the conclusion of the final board meeting of the second financial year following the date of adoption of these articles of association, those of the Existing Independent Directors who did

not vacate office in pursuance of article 77.2 shall vacate office, but shall then be eligible for re-appointment under article 69.

Appointment, removal, retirement: NHS Directors

78. Subject to articles 63, 64 and 81, the Council, so long as it remains a member of the company, may by notice in writing, signed on its behalf by an appropriate officer and given to the company:
- 78.1. appoint any employee or representative of NHS Borders who is willing so to act to be a director (an “**NHS Director**”); or
 - 78.2. remove any NHS Director from office as a director.
79. Any appointment or removal of a director under article 78 shall have effect from the date on which the relevant notice is given to the company.
80. The Council shall be guided by NHS Borders in relation to the selection of appropriate individuals for appointment as an NHS Director.
81. The powers conferred by article 78 shall be deemed to be limited such that no more than 1 individual appointed by the Council may hold office as NHS Director at any given time.

Appointment: Employee Representatives

82. The Council, so long as it remains a member of the company, may by a notice in writing, signed on its behalf by an appropriate officer and given to the company:
- 82.1. appoint any employee of the company who is willing so to act to be appointed as a representative of the employees of the company (an “**Employee Representative**”); or
 - 82.2. remove any Employee Representative from office.
83. Any appointment or removal of an Employee Representative under articles 82 shall have effect from the date on which the relevant notice is given to the company.
84. No more than two individuals may serve as an Employee Representative at any given time.
85. Each Employee Representative shall retire at the conclusion of the final board meeting of the first financial year which is held following the date of their appointment but shall then be eligible for re-appointment under article 82 (providing they are willing to act).
86. An Employee Representative who has held office under article 82 for three consecutive 1-year terms shall not be eligible to serve as an Employee Representative until a further period of one year has elapsed.
87. An Employee Representative who ceases to be an employee of the company shall immediately cease to be an Employee Representative on which his/her employment is terminated.

Role of Employee Representatives

88. An Employee Representative shall have the right conferred by article 133 (right to attend and speak at board meetings) but shall not be entitled to vote at meetings of the directors.

89. The Employee Representative shall consult with the company employees on an ongoing basis in order to represent their views effectively; that consultation may take the form of advisory meetings, surveys, focus groups or any other means which the directors and/or the Employee Representatives deem appropriate.
90. For the avoidance of doubt, an Employee Representative shall not be a director of the company, and shall not be entitled to issue directions or instructions to the board of directors.

Disqualification and removal of directors

91. A director shall vacate office if:
 - 91.1. they cease to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director or a charity trustee (within the meaning of the Charities and Trustee Investment (Scotland) Act 2005);
 - 91.2. they are sequestered;
 - 91.3. they become incapable for medical reasons of fulfilling the duties of their office and such incapacity has continued, or is expected to continue, for a period of more than six months;
 - 91.4. in the case of a Partner Director, the body which appointed them ceases to be a member of the company;
 - 91.5. in the case of a Partner Director, they cease to be an elected member of the Council;
 - 91.6. they become an employee of the company;
 - 91.7. they resign office by notice to the company;
 - 91.8. they are absent (without permission of the directors) from more than three consecutive meetings of directors and the directors resolve to remove them from office;
 - 91.9. they are removed from office by resolution of the directors on the grounds that they are considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 92);
 - 91.10. they are removed from office by resolution of the directors on the grounds that they are considered to have been in serious or persistent breach of their duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
 - 91.11. they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
92. A resolution under article 91.9 or 91.10 shall be valid only if:
 - 92.1. the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for their removal is to be proposed;
 - 92.2. the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and

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

Appointments to offices

93. The directors shall elect from among themselves a Chair and Vice Chair and such other office bearers (if any) as they consider appropriate.
94. A director shall be eligible to hold office as Chair only if he/she is an Independent Director.
95. A director shall be eligible to hold office as Vice Chair only if he/she is a Partner Director.
96. The appointments under article 93 shall be made at meetings of directors.
97. Each office shall be held (subject to article 100) until the conclusion of the final board meeting which is held within the third financial year which follows the date of appointment of an individual to the relevant office; a director whose period of office expires under this article may (subject to article 98) be re-appointed to that office under article 93 (providing they are willing to act).
98. A director who has held an office under article 93 for three consecutive three- year terms shall not be eligible for re-appointment to that office until a further period of one year has elapsed.
99. For the purposes of article 98:
- 99.1. the period between the date of appointment of a director to an office under article 93 and the final board meeting of the financial year which next follows shall be deemed to be a period of one year, unless it is of less than six months' duration (in which case it shall be disregarded);
- 99.2. the period between one final board meeting of a financial year and the next shall be deemed to be a period of one year;
- 99.3. if a director ceases to hold office under article 93 but is re-appointed to that office within a period of six months, he/she shall be deemed to have held that office continuously.
100. The appointment of any director as Chair, Vice Chair or as holder of any other office under article 93 shall terminate if they cease to be a director or if they resign from that office by notice to the company.
101. If the appointment of a director to any office under article 93 terminates, the directors shall appoint another director to hold the office in his/her place.

Directors' interests

102. Subject to the provisions of the Act and of article 8 (as read with article 9) and provided that they have disclosed to the directors the nature and extent of any personal interest which they have (unless immaterial) and has complied with the code of conduct (as referred to in article 110), a director (notwithstanding their office):
- 102.1. arrangement or from any interest in any such company; may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;

102.2. may be a party to, or have some other personal interest in, any transaction or arrangement in which the company or any associated company has an interest;

102.3. may be a director or secretary of, or employed by, or have some other personal interest in, any associated company;

102.4. shall not, because of his/her office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

103. For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of theirs; the references to "associated company" shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.

104. Without prejudice to article 102, for a director who is an elected representative of the Council, the duty of directors under section 175 of the Act to avoid situations under which they have, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company shall not extend to any such relationship with the Council.

105. In addition to the authorisation given by article 102, 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 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.

106. For the avoidance of doubt, articles 104 and 105 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that nature shall be governed by the provisions of articles 102, 103 and 138 to 144 and the code of conduct referred to in article 110.

107. The directors shall procure that a register of directors' interests is maintained in accordance with the provisions in this regard contained in the code of conduct for directors referred to in article 110.

Conduct of directors

108. It is the duty of each director of the company to take decisions (and exercise their other powers and responsibilities as a director) in such a way as they consider, in good faith, will be most likely to promote the success of the company in achieving its objects (as outlined in article 4) and will be in the interests of the company, and irrespective of any office, post, engagement or other connection which he/she may have with any other body which may have an interest in the matter in question.

109. Without prejudice to the principle set out in article 108, each of the directors shall have a duty, in exercising functions as a charity trustee, to act in the interests of the company; and, in particular, must:

109.1. seek, in good faith, to ensure that the company acts in a manner which is in accordance with its purposes;

- 109.2. act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - 109.3. in circumstances giving rise to the possibility of a conflict of interest between the company and any party responsible for the appointment of that director:
 - 109.3.1. put the interests of the company before that of the other party;
 - 109.3.2. where any other duty prevents them from doing so, disclose the conflicting interest to the company and refrain from participating in any deliberation or decision of the other directors with regard to the matter in question;
 - 109.4. ensure that the company complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.
110. Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Directors' remuneration and expenses

- 111. No director may serve as an employee of the company, and no director may be given any remuneration by the company for carrying out their duties as a director or as Chair or as the holder of any other office under article 93.
- 112. The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings, meetings of committees of directors or otherwise in connection with the carrying out of their duties.

Powers of directors

- 113. Subject to the provisions of the 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.
- 114. No alteration of 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.
- 115. The powers conferred by article 113 shall not be limited by any special power conferred on the directors by these articles.
- 116. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

Proceedings of directors

- 117. Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.

118. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
119. If directors are to be permitted to participate in a directors' meeting by way of audio and/or audio-visual link(s), the directors must, in advance of the meeting, be provided with details of how to connect and participate via that link or links; and (particularly for the benefit of those directors who may have difficulties in using a computer or laptop for this purpose) the directors' attention should be drawn to the following options:
 - 119.1. participating in the meeting via an audio link accessed by phone, using dial-in details (if that forms part of the arrangements);
 - 119.2. (where attendance in person is to be permitted, either on an open basis or subject to a restriction on the total number who will be permitted to attend) the ability to attend the meeting in person.
120. Questions arising at any meeting of directors shall be decided by a majority of votes; the chairperson of a meeting of directors shall be entitled to a casting vote.
121. The directors may, if they consider appropriate (and must, if this is required under article 122) allow directors to participate in directors' meetings by way of audio and/or audio-visual link(s) which allow them to hear and contribute to discussions at the meeting, providing:
 - 121.1. the means by which directors can participate in this manner are not subject to technical complexities, significant costs or other factors which are likely to represent - for all, or a significant proportion, of the directors - a barrier to participation; and
 - 121.2. the manner in which the meeting is conducted ensures, so far as reasonably possible, that those directors who participate via an audio or audio-visual link are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those directors (if any) who are attending in person (and vice versa).
122. If restrictions arising from public health legislation or guidance are likely to mean that attendance in person at a proposed directors' meeting would not be possible or advisable for one or more of the directors, the directors must make arrangements for directors to participate in that directors' meeting by way of audio and/or audio-visual link(s), and on the basis that:
 - 122.1. the requirements set out in paragraphs 121.1 and 121.2 of article 121 will apply; and
 - 122.2. the directors must use all reasonable endeavours to ensure that all directors have access to one or more means by which they may hear and contribute to discussions at the meeting.
123. A directors' meeting may involve two or more directors participating via attendance in person while other directors participate via audio and/or audiovisual links; or it may involve participation solely via audio and/or audiovisual links.
124. For the avoidance of doubt, an individual participating in a directors' meeting via an audio or audio-visual link will be deemed to be present in person (or, if they are not a director, will be deemed to be in attendance) at the meeting.
125. Where a director or directors are participating in a directors' meeting via an audio or audio-visual link, they may cast their vote on any resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically.

126. A director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.
127. The quorum for the transaction of the business of the directors shall be 4; a person (other than a director) acting as alternate director shall, if his appointer is not present, be counted in the quorum.
128. If the quorum required under article 127 is not present within half an hour 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 chairperson of the meeting.
129. The continuing directors or a sole continuing director may act notwithstanding vacancies, but if the number of remaining directors is less than the number fixed as the quorum they may act only for purposes connected with the filling vacancies or for the purpose of calling a general meeting.
130. Unless they are unwilling to do so, the Chair of the Board shall preside as chairperson at every meeting of directors at which they are present; if the Chair is unwilling to act as chairperson of a meeting of directors or is not present within 15 minutes after the time appointed for the meeting, the Vice Chair shall act as chairperson of the meeting.
131. If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting or, if there is only one director present and willing to act, they shall be chairperson of the meeting.
132. The directors shall be entitled to allow any person to attend and speak (but not vote) at any meeting of the directors (whether in person or by way of an audio or audio-visual link); a person invited to attend a meeting of the directors under the preceding provisions of this article shall not be entitled to exercise any of the powers of a director, and shall not be deemed to constitute a director for the purposes of the Act or any provision of these articles.
133. Subject to agreement with the Member as to the matters for which Employee Representative are able to participate in, the directors shall be under an obligation to allow the Employee Representatives (as elected/appointed through the procedures referred to in articles 82) to attend board meetings and speak at a meeting of the directors.
134. The directors shall be under an obligation to allow an appropriate officer of the Council ("**Appropriate Council Officer**") to attend and speak (but not vote) at every meeting of the directors where the Council has determined that it is appropriate for an Appropriate Council Officer to be present. The appropriate Council Officer who shall attend each meeting may change depending on the agenda set forth for the meeting and shall be the Appropriate Council Officer nominated by the Council.
135. All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
136. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.

137. A resolution signed by an alternate director need not also be signed by his appointer; a resolution signed by a director who has appointed an alternate director need not be signed by the alternate director in that capacity.
138. Subject to article 139, 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 they have, directly or indirectly, a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the company.
139. For the purposes of the preceding article:
 - 139.1. an interest of a person who is taken to be connected with a director for any purpose of the Act, shall be treated as a personal interest of the director;
 - 139.2. an interest of the appointer of an alternate director shall be treated as an interest of the alternate director; and
 - 139.3. a director shall (subject to article 140) be deemed to have a personal interest in relation to a particular matter if a body in relation to which they are an employee, director, member of the management committee, officer or elected representative has an interest in that matter.
140. A Partner Director shall, notwithstanding the provisions of article 138 and paragraph 139.3 of article 139, be entitled to vote in relation to a particular matter notwithstanding that the Council has an interest in that matter; but on the basis that in exercising their voting rights in respect of any such matter, the Partner Directors shall comply with the provisions of articles 108, 109 and 110.
141. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
142. The company may (subject to the Charities and Trustee Investment (Scotland) Act 2005) by ordinary resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of articles 138 to 141.
143. If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; their ruling in relation to any director other than themselves shall be final and conclusive.
144. The principles set out in article 54 (technical objections to remote participation) shall apply in relation to remote participation and voting at directors' meetings, as if each reference in that article to a member were a reference to a director and each reference in that article to a general meeting were a reference to a directors' meeting.

Alternate directors

145. A Partner Director may appoint any other director or any other person willing to act, to be an alternate director and may remove from office an alternate director so appointed by them.
146. An alternate director shall, subject to the following article, be entitled to be given notice of all meetings of directors and of all meetings of committees of directors of which their appointer is a member, to attend and vote at any such meeting at which the director who appointed them is not personally present and generally to perform all the functions of his appointer as a director in his absence.

147. No notice of a meeting of directors or a meeting of a committee of directors need be given to an alternate director who is absent from the United Kingdom.
148. An alternate director shall not be entitled to receive any remuneration from the company for his services as an alternate director.
149. An alternate director shall cease to be an alternate director if their appointer ceases to be a director.
150. An appointment or removal of an alternate director may be effected by notice to the company signed by the director making or revoking the appointment or may be effected in any other manner approved by the directors.
151. An alternate director shall alone be responsible for their own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing them.
152. References in these articles to directors shall, unless the context otherwise requires, be construed as including alternate directors.

Delegation to committees of directors and holders of offices

153. The directors may delegate any of their powers to any committee consisting of two or more directors; they may also delegate to the Chair or a director holding any other office such of their powers as they consider appropriate.
154. 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.
155. Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.
156. In addition to their powers under article 153, the directors may delegate their powers to any committee consisting of one or more directors and such other individuals (who need not be directors or employees of the company) as the directors may consider appropriate; the provisions of articles 154 and 155 shall apply in relation to any such committee, subject to the qualification that the role of any committee formed under the preceding provisions of this article shall be limited (except to the extent that the directors otherwise determine) to the issue of reports and recommendations for consideration by the board of directors.

Nominations Committee

157. The directors shall establish a committee (referred to in these articles as **“the Nominations Committee”**) to make recommendations to the Council in relation to the selection of appropriate individuals for appointment as Independent Directors.
158. Subject to article 159, the members of the Nominations Committee shall comprise such individuals as the Council (in consultation with the board of directors of the company) shall determine from time to time.
159. The maximum number of members of the Nominations Committee shall be 4. The 4 members shall comprise:

- 159.1. a Partner Director;
 - 159.2. an Independent Director;
 - 159.3. a HR specialist; and
 - 159.4. a senior Council Officer.
160. Subject to article 161, the composition and proceedings of the Nominations Committee shall be governed by such standing orders as may be issued by the directors from time to time.
161. In carrying out its functions, the Nominations Committee shall give effect to the following principles:
- 161.1. the Nominations Committee should set an appropriate skills matrix to guide it in selecting and evaluating appropriate candidates, and should review and adjust that skills matrix from time to time;
 - 161.2. nominations for directors falling within the remit of the Nominations Committee should be sought from a range of appropriate sources;
 - 161.3. all expressions of interest should be considered by the Nominations Committee; and
 - 161.4. the Nominations Committee should maintain a register of suitable candidates for future reference.

Secretary

162. The directors may (notwithstanding the provisions of the Act) appoint a company secretary, and on the basis that the term of office, remuneration (if any), and other terms and conditions attaching to the appointment of the company secretary shall be as determined by the directors; the company secretary may be removed by the directors at any time.

Minutes

163. The directors shall ensure that minutes are made of all proceedings at general meetings, meetings of the directors and meetings, of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present, and the minutes of each meeting shall be signed by the chairperson of that meeting.

Accounts

164. Accounting records shall be kept in accordance with all applicable statutory requirements 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 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.
165. The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
166. The directors shall prepare annual accounts, complying with all relevant statutory requirements.

167. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorised by the directors or by ordinary resolution of the company.

Notices

168. Any notice to be given in pursuance of these articles shall be in writing.
169. The company may give any notice to a member in pursuance of these articles either personally or by sending it by post in a pre-paid envelope addressed to the member at its registered address or by leaving it at that address; alternatively, in the case of a member which has notified the company of an electronic address to be used for this purpose, the company may give any notice to that member by electronic means.
170. Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
171. Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.
172. A member may give any notice to the company either by sending it by post in a pre-paid envelope addressed to the company at its registered office or by
- 172.1. leaving it, addressed to the company secretary, at the company's registered office.
- 172.2. A member present or represented at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

Winding-up

173. If upon the winding-up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the company, but shall be given, subject to the consent of OSCR or transferred to some other charity or charities having objects similar to the objects of the company, and which prohibit(s) the distribution of its or their income and property to an extent at least as great as is imposed on the company under or by virtue of article 8 such charity or charities to be determined by the members of the company at or before the time of dissolution, and in so far as effect cannot be given to such provision, then to some other charitable purpose.

Indemnity

174. Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office including, without prejudice to that generality (but only to the extent permitted by those sections of the Act) any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

175. For the avoidance of doubt, the company shall be entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of their office, and such insurance may (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).