

THE COMPANIES ACT 1985 (as amended)

Company limited by guarantee and not having a share capital

MEMORANDUM OF ASSOCIATION OF BOAT OF GARTEN COMMUNITY COMPANY

1. The Company's name is "Boat of Garten Community Company".
2. The Company's registered office is to be situated in Scotland.
3. This clause shall be interpreted as if it incorporated an over-riding qualification to the effect that in any case which an activity permitted under this clause is in its nature capable of being carried on for purposes which are not charitable or only partially so as well as for purposes which are wholly charitable, (the word "charitable" having the meaning ascribed to it for the purposes of section 505 of the Income and Corporation Taxes Act 1988, including any statutory amendment or re-enactment for the time being in force (which meaning shall be assigned to the word "charitable" wherever it appears in this memorandum of association)) the power of the company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the carrying on of such activity in such manner as will not prejudice the charitable status of the company under the statutory provisions referred to above.

Subject to that over-riding qualification, the company's objects are:-

1. To advance education and to relieve poverty among the residents of and visitors to the Area of Benefit and to promote industry and commerce for the benefit of the general public in the Area of Benefit by
 - i the provision of facilities for residents of and visitors to the Area of Benefit including facilities for meetings, lectures, classes and entertainments and for other forms of education, recreation and leisure time occupation.
 - ii the provision of facilities for the young and elderly, including without prejudice to that generality, facilities for mothers and toddler groups, playgroups, out of school care groups, youth groups, young adults, senior citizens and the elderly.
 - iii the provision of facilities for those of any age who have special needs including without prejudice to the foregoing generality, facilities for the mentally and physically handicapped, athletes and sportspersons.
 - iv the provision of training, education, meetings, lectures, seminars and talks and the promotion and publication of leaflets, pamphlets, books and articles whether concerned with the Area of Benefit or elsewhere.
 - v the bringing together in furtherance of the objects of the Company of any organisations whether incorporated or unincorporated, statutory or non-statutory bodies and individuals
 - vi the promotion for the benefit of the public of the environment and its enhancement and
 - vii the research, collation, recording, publication by any means, dissemination and promotion of the history of the Area of Benefit.

In furtherance of the above objects but not otherwise the Company shall have power:-

2. (a) to purchase or by any other means acquire and take options over any property whatever and any rights or privileges of any kind over or in respect of any property.
- (b) to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licenses, options, rights and privileges in respect of, or otherwise deal with all or any part of the property rights of the Company.
- (c) to invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (d) to lend and advance money or give credit on any terms and with or without security to any person, firm or company, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money of deposit on loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company.
- (e) to borrow and raise money in any manner and to secure the payment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future) and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (f) to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange or promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (g) to apply for, promote and obtain any private Act of Parliament, order or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (h) to enter into any arrangements with any Government or authority that may seem conducive to the attainment of the Company's objects or any of them and to obtain from any such Government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.
- (i) to subscribe for, take, purchase or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures,

- debenture stocks, bond, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any Government or authority, municipal, local or otherwise in any part of the world.
- (j) to control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
 - (k) to promote any other company for the purpose of acquiring the whole or any part of the property, undertaking or any of the liabilities of the Company or of undertaking any operations which may appear likely to assist or benefit the Company or to enhance the value of any property of the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
 - (l) to sell or otherwise dispose of the whole or any part of the property of the Company either together or in portions for such considerations as the Company may think fit and in particular for shares, debentures or securities of any company purchasing the same.
 - (m) to act as agents or brokers and as trustees for any person, firm or company.
 - (n) to employ and remunerate any person, firm or company rendering services to the Company.
 - (o) to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company or to contract with any person, firm or company to pay the same.
 - (p) to conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Company and to solicit and accept subscriptions and donations of any kind and bequests for any of the purposes of the Company.
 - (q) to grant or make provision for pensions, life assurance, health and retirement benefit to or for employees or former employees and to the widows, widowers, children and other dependents of deceased employees and to pay or subscribe to funds or schemes for the provision of such pensions and other benefits for such persons.
 - (r) to subscribe to become a member of, or amalgamate or co-operate with, any other organisation, institution, society or body not formed or established for the purposes of profit whose objects are wholly or in part similar to those of the Company and which by its constitution prohibits or restricts the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company.

- (s) to establish and support or aid in the establishment and support of any charitable trust, association or institution and to donate, subscribe or guarantee money for charitable purposes in any way connected with or calculated to further any of the objects of the Company.
- (t) to arrange lectures and conduct training courses and to publish pamphlets, books, journals and other publications relating to the work of the Company.
- (u) to receive, allocate and administer grants, gifts or bequests made available to the Company for any or all of its objects whether from public funds or from private sources under the terms and conditions referable to such grants, gifts or bequests.
- (v) to do all such things as may be incidental or conducive to the attainment of the Company's objects or any of them.

Provided that the objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

4. The liability of the members is limited.
5. Every member of the Company undertakes to contribute such amount as may be required (not exceeding One pound) to the Company's assets if it should be wound up while he/she is a member or within one year after he/she ceases to be a member for payment of the Company's debts and liabilities contracted before he/she ceased 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.
6. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association 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 members of the Company. Provided that nothing herein shall prevent any payment in good faith by the Company:-
 - (a) of reasonable and proper remuneration to any member, officer, servant or director of the company for any service rendered to the Company.
 - (b) of reasonable and proper rent for premises let by any member or director of the Company.
 - (c) to any member or director of the Company in respect of out-of-pocket expenses.
7. 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 amongst the members of the Company but shall be given or transferred to some other organisation or institution having objects, which by law, are entirely charitable and similar to any of the objects of the Company and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed by the Company under or by virtue of Clause 6 hereof, such organisation or organisations, institution or institutions to be determined by the members of the Company at or before the time of dissolution.

8. True accounts shall be kept of the sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Company; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Company for the time being, such accounts shall be open to the inspection of members. Once at least in every year the accounts of the Company shall be examined and the correctness of the income and expenditure account and the balance sheet ascertained by one or more properly qualified auditor or auditors.

THE COMPANIES ACT 1985

Company limited by guarantee and not having a share capital

ARTICLES OF ASSOCIATION OF BOAT OF GARTEN COMMUNITY COMPANY

1. INTERPRETATION

1.2 In these regulations -

"**the Act**" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

"**the articles**" means the articles of the company.

"**clear days**" in relation to the period of a notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"**executed**" includes any mode of execution.

"**office**" means the registered office of the company.

"**the seal**" means the common seal of the company.

"**secretary**" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint assistant or deputy secretary.

"**the United Kingdom**" means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

"**the Area of Benefit**" means Boat of Garten and environs

2. MEMBERSHIP

2.1 The subscribers to the Memorandum of Association and such other persons and organisations as are admitted to membership in accordance herewith shall be members of the Company.

2.2 Membership shall not be transferable and in the case of an individual shall cease on death, and in the case of an organisation shall cease in the event of that organisation ceasing to exist.

2.3 Voting Membership shall be open to:-

(a) Individual Members Individuals over the age of eighteen years normally resident or having a place of work within the Area of Benefit who have complied with the procedure for application for membership.

(b) Group Members Local community groups within the Area of Benefit who have complied with the procedure for application for membership.

2.4 No employee of the Company may become a member of the Company.

2.5 A person admitted to Individual Membership shall automatically cease to be such a member if he/she or she becomes an employee of the Company.

- 2.6 A person once admitted to Individual Membership may not remain such a member if he/she ceases to reside within the Area of Benefit.
- 2.7 Any person or organisation who wishes to become a member shall lodge with the Company a written application for membership (in such form as the directors require) signed by the applicant or on behalf of the organisation.
- 2.8 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the Company of the written application in terms hereof.
- 2.9 Any resolution by the directors to the effect that an applicant is to be admitted to membership shall be deemed to be conditional upon payment by the applicant of the full amount of the annual membership subscription (whatever the period between the date of such resolution and the date on which the membership subscription next falls due) or such sum in lieu thereof as the Directors may determine.
- 2.10 No applicant shall be entered in the Register of Members unless and until such subscription as referred to in the preceding Article has been received by the Company.
- 2.11 The Directors shall maintain a Register of Members which shall be kept at the Registered Office and shall be open to the inspection of any person (whether or not a member of the Company) during business hours.
- 2.12 The Directors shall be entitled at their sole discretion to refuse to admit any person or organisation to membership, and shall not be obliged to give any reason or reasons for such refusal.
- 2.13 If the Directors resolve at any meeting to refuse admission of an applicant to membership they shall notify the applicant in writing accordingly within a period of 7 days after the meeting and return to him/her any remittance lodged under Article 2.9.
- 2.14 The Directors may fix an annual membership subscription in respect of each class of membership in Article 2.3.
- 2.15 Membership of the Company shall terminate:-
- (a) on the intimation to the Secretary of a member's wish to resign membership or
 - (b) on the death of an Individual Member or in the case of a Group Member, on the termination of the organisation concerned or on the death of the last surviving member thereof.
 - (c) on the failure to pay the annual membership subscription within such time limit as the Directors may decide.
 - (d) on the decision of the Directors and in that event, the Directors shall not require to give any reason or reasons for such decision.

3. **GENERAL MEETINGS**

- 3.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 3.2 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If

there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

4. NOTICE OF GENERAL MEETINGS

4.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed -

- (a) in the case of an annual general meeting by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety five *per cent* of the total voting rights at the meeting of the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting shall specify the meeting as such.

The notice shall be given to all the members and the directors and auditors.

5. The accidental omission to give notice of a meeting to, or the non receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

6. PROCEEDINGS AT GENERAL MEETINGS

6.1 No business shall be transacted at any meetings unless a *quorum* is present. Ten members present in person and entitled to vote upon the business to be transacted, each being a member under Article 2.3 or a proxy for such a member or a duly authorised representative of such a member, shall be a *quorum*.

7. If a *quorum* is not present within half an hour of the time appointed for a meeting or if during a meeting such a *quorum* ceases to be present, the meeting if convened on the requisition of members shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.

8. The chairperson, if any, of the board of directors or in his/her absence some other director nominated by the directors shall preside as chairperson of the meeting, but if neither the chairperson nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairperson and, if there is only one director present and willing to act, he/she shall be chairperson.

9. If no director is willing to act as chairperson, or if no director present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairperson.

10. A director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting.

11. The chairperson may, with the consent of a meeting at which a *quorum* is present (and shall if so directed by the meeting), adjourn the meeting from time to time and

from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

12. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
- (a) by the chairperson; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one tenth of the total voting rights of all members having the right to vote at the meeting;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

13. Unless a poll is duly demanded a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
14. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairperson and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
15. A poll shall be taken as the chairperson directs and he/she may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
16. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson shall be entitled to a casting vote in addition to any other vote he/she may have.
17. A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairperson directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
18. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days notice shall be given specifying the time and place at which the poll is to be taken.
19. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon if it had been proposed at a general meeting at which he/she was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

20. **VOTES OF MEMBERS**

- 20.1 Every member admitted to membership under Clause 2.3 shall have one vote.
21. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his/her receiver, *curator bonis* or other person authorised in that behalf appointed by that court, and any such receiver, *curator bonis* or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
22. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairperson whose decision shall be final and conclusive.
23. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)

I/We _____ of
 being a member/members of the above named company, hereby appoint
 _____ of
 or failing him/her _____ of
 as my/our proxy to vote in my/our name(s) and on my/our behalf at the
 annual/extraordinary general meeting of the company to be held on
 20 ____, and at any adjournment thereof.
 Signed on _____ 20

24. Where it is desired to afford members an opportunity of instructing the proxy how he/she shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)

I/We _____ of
 being a member/members of the above named company, hereby appoint
 _____ of
 or failing him/her _____ of
 as my/our proxy to vote in my/our name(s) and on my/our behalf at the
 annual/extraordinary general meeting of the company to be held on
 20 ____, and at any adjournment thereof. This form is to be used in respect of the
 resolutions mentioned below as follows:
 Resolution No. 1 *for *against
 Resolution No. 2 for *against
 *Strike out whichever is not desired.
 Unless otherwise instructed, the proxy may vote as he/she thinks fit or abstain from
 voting.
 Signed this _____ day of _____ 20

25. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may -
- a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded an not less than 24 hours before the time appointed for the taking of the poll; or
 - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairperson or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

26. A vote given or poll demanded by proxy or by the duly authorised representative of a Group Member shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice of the termination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

27. **NUMBER OF DIRECTORS**

- 27.1 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolutions. Subject to and in default of any such determination, there shall be no maximum number of directors and the minimum number of directors shall be three.

28. **POWERS OF DIRECTORS**

- 28.1 Subject to the provisions of the Act, the memorandum and the 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. No alteration of the memorandum or articles and no such direction 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. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a *quorum* is present may exercise all powers exercisable by the directors.

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

30. **DELEGATION OF DIRECTORS' POWERS**

- 30.1 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him/her/her. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of

their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

31. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 31.1 At the first annual general meeting all the directors shall retire from office and at every subsequent annual general meeting one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he/she shall retire.
32. Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
33. If the company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.
34. No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless:-
- a) he/she is recommended by the directors; or
 - b) not less than fourteen nor more than thirty five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he/she were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his/her willingness to be appointed or reappointed.
35. Not less than seven nor more than twenty eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him/her at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he/she were so appointed or re-appointed, be required to be included in the company's register of directors.
36. Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
37. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting he/she shall vacate office at the conclusion thereof.

38. Subject as aforesaid, a director who retires at the annual general meeting may, if willing to act, be reappointed. If he/she is not reappointed, he/she shall retain office until the meeting appoints someone in his/her place, or if it does not do so, until the end of the meeting.

39. A director may be reappointed for a further period of three years provided that no director shall serve continuously for a period of more than six years without there being a period of not less than twelve months when that person does not act as a director.

40. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

40.1 The office of a director shall be vacated if:-

- a) he/she ceases to be a director by virtue of any provision of the Act or he/she becomes prohibited by law from being a director; or
- b) he/she becomes bankrupt or makes any arrangement or composition with his/her creditors generally; or
- c) he/she is, or may be suffering from mental disorder and either -
 - i. he/she is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - ii. an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, *curator bonis* or other person to exercise powers in respect to his/her property or affairs; or
- d) he/she resigned his/her office by notice to the company; or
- e) he/she shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his/her office be vacated.
- f) he/she ceases to be a member of the company.

41. **DIRECTORS' EXPENSES**

41.1 The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings of the company or otherwise in connection with the discharge of their duties, provided that such payment shall be made in accordance with procedures and at such rates as the Company may determine in general meeting from time to time.

42. **DIRECTORS' APPOINTMENTS AND INTERESTS**

42.1 Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his/her employment by the company or for the provision by him/her of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his/her services as they think fit. Any appointment of a director to an executive office shall terminate if he/she ceases to be a director but without prejudice to any claim to damages for breach of the contract or service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.

- 42.2 No person may receive any payment from the Company for the holding of office as a Director other than in accordance with Article 42.1.
43. Subject to the provisions of the Act, and provided that he/she has disclosed to the directors the nature and extent of any material interest of his/her, a director notwithstanding his/her office:-
- a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
 - b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
 - c) shall not, by reason 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 arrangement or from any interest in and such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
44. For the purpose of the preceding Clause:-
- a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
 - b) 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 his/her.
45. **DIRECTORS' GRATUITIES AND PENSIONS**
- 45.1 The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director has held but no longer holds any executive office or employment with the company and for any member of his/her family (including a spouse and a former spouse) or any person who is or was dependent on him/her, and may (as well before as after he/she ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase of provisions of any such benefit.
46. **PROCEEDINGS OF DIRECTORS**
- 46.1 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairperson shall have a second or casting vote. A director who is also an alternative director shall be entitled in the absence of his/her appointor to a separate vote on behalf of his/her appointor in addition to his/her own vote.
47. The *quorum* for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three.
48. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number

fixed as the *quorum*, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

49. The directors may appoint one of their number to be the chairperson of the board of directors and may at any time remove him/her from that office. Unless he/she is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he/she is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.
50. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding this it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were 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.
51. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his/her appointer and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
52. A director may not vote at any meeting of the directors or at any committee of the directors on any resolution if in any way concerned or relates to a matter in which he/she has directly or indirectly any kind of interest whatsoever and if he/she shall vote on any such resolution as aforesaid his/her vote will not be counted; and in relation to any such resolution as aforesaid he/she shall not be taken into account in calculating the *quorum* present at the meeting.
53. **SECRETARY**
- 53.1 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.
54. **MINUTES**
- 54.1 The directors shall cause minutes to be made
- a) of all appointments of officers made by the directors; and
 - b) of all proceedings at meetings of the company and of the directors, and of committees of directors, including the names of the directors present at each such meeting.
55. **THE SEAL**
- 55.1 The seal shall only be used as and when required by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

56. ACCOUNTS

- 56.1 The company shall cause accounting records to be kept in accordance with (a) normal accounting practice and (b) the statutory requirements from time to time applying.
- 56.2 The accounting records shall be kept at the Registered Office or, subject to Section 222 of the Act, at such other place or places as the Directors shall think fit, and shall always be open to the inspection of the Directors.
- 56.3 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members or any class of members and no member has any right to inspect any account or book or document of the company except as conferred by statute or authorised by the Directors or by the Company in general meeting.
- 56.4 The Directors shall from time to time in accordance with the requirements of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, and other accounts (if any) and reports as are required by the Act.
- 56.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting, together with a copy of the Auditors' report, shall not less than twenty-one days before the date of the meeting be sent to every member of the Company. Provided that this article shall not require a copy of those documents to be sent to any person of whose address the company is not aware.
- 56.6 Once at least in every year the accounts of the company shall be prepared by a suitably qualified person who shall act in accordance with the requirements of the Act.

57. NOTICES

- 57.1 Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 57.2 The company may give a notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his/her registered address or by leaving it at that address.
- 57.3 A member present, either in person or by proxy, 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.
- 57.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

58. INDEMNITY

- 58.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which

judgment is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.