

THE COMPANIES ACTS 1985 to 2006
MEMORANDUM and ARTICLES of ASSOCIATION
of
VALLEY RENEWABLES GROUP

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THE COMPANIES ACTS 1985 to 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL

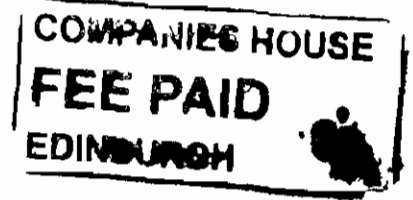
MEMORANDUM of ASSOCIATION

of

VALLEY RENEWABLES GROUP

- 1 The company's name is "Valley Renewables Group"
- 2 The company's registered office is to be situated in Scotland
- 3 The company's objects are. -
 - (a) To advance environmental protection within the Carron Valley, as defined by the Carron Valley and District Community Council boundaries, and the surrounding area (the "Operating Area") by promoting the adoption of measures to encourage the more efficient use of the world's resources, and in particular more efficient use of non renewable energy sources so as (i) to minimise the proliferation of mines, wells and other extraction facilities which degrade the natural environment and (ii) to reduce greenhouse gas emissions and thus avoid the damage to the natural environment caused by global warming
 - (b) To advance citizenship and/or community development (including the promotion of civic responsibility and the promotion of the voluntary sector and/or the effectiveness or efficiency of charities).
 - (c) To advance education in the fields of renewable energy, energy conservation and similar areas.
 - (d) To encourage, stimulate and support volunteering principally in the Operating Area
 - (e) To provide recreational facilities particularly within the Operating Area, and organise recreational activities particularly within the Operating Area, with such facilities/activities being available to members of the public at large with the object of improving their conditions of life
 - (f) To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes within the Operating Area

In pursuance of those aims (but not otherwise), the company shall have the following powers



- (a) To enter into discussions and negotiations with developers of renewable energy projects and in so doing represent the interests of residents within the Operating Area
- (b) To carry on any other activities which further any of the above objects
- (c) To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company
- (d) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities
- (e) To purchase, take on lease, hire, construct or otherwise acquire, any property or rights which are suitable for the company's activities
- (f) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- (g) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company
- (h) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities
- (i) To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company
- (j) To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex members of staff and their dependents
- (k) To engage such consultants and advisers as are considered appropriate from time to time.
- (l) To effect insurance of all kinds (which may include officers' liability insurance)
- (m) To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments)
- (n) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects

- (o) To establish and/or support any other charity, to make donations for any charitable purpose connected with the activities of the company or with the furtherance of its objects and, if considered appropriate, to transfer to any such charity the whole or any part of the company's assets and undertaking
- (p) To make any donations for any charitable purpose connected with the activities of the company or with the furtherance of its objects to any resident or household in the Operating Area
- (q) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (r) To accept subscriptions, grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them)
- (s) To oppose, or object to, any application or proceedings which may prejudice the company's interests
- (t) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co operation or mutual assistance with any charity
- (u) To do anything which may be incidental or conducive to the furtherance of any of the company's objects

And it is declared that

- (i) in this clause, "property" means any property, heritable or moveable, wherever situated,
- (ii) in this clause, and throughout this memorandum of association,
 - (A) the expression "charity" shall mean 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 96 of the Charities Act 1993, providing (in either case) that its objects are limited to charitable purposes,
 - (B) the expression "charitable purpose" shall mean 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 sections 505 and 506 of the Income and Corporation Taxes Act 1988;

- (iii) any reference in this memorandum of association to a provision of any legislation shall include any statutory modification or re enactment of that provision in force from time to time,
- 4
- (a) The income and property of the company shall be applied solely towards promoting the company's objects (as set out in clause 3)
 - (b) 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, except as permitted under clause 4(d)
 - (c) No director of the company shall be remunerated by the company for carrying out the ordinary duties of a director
 - (d) Notwithstanding the provisions of clauses 4(a), 4(b) and 4(c), the company shall be entitled to pay reasonable remuneration to any director in return for particular services (outwith the ordinary duties of a director) rendered by him/her to the company and/or to pay reasonable remuneration (and provide reasonable pension and/or other benefits) to a director in his/her capacity as an employee of the company.
- 5 The liability of the members is limited
- 6 Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/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 ceases 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
- 7
- (a) If on the winding up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company, that property shall instead be transferred to some other charity or charities (whether incorporated or unincorporated) whose objects are similar (wholly or in part to the objects of the company)
 - (b) The charity or charities to which property is transferred under paragraph (a) shall be determined by the members of the company at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at the time.
 - (c) To the extent that effect cannot be given to the provisions of paragraphs (a) and (b) of this clause 7, the relevant property shall be applied to some other charitable purpose or purposes

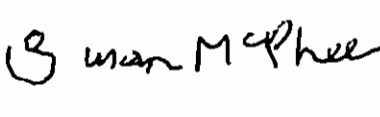
8 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take 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

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum

Names and addresses of subscribers

1 

DAVID FORREST SHARKEY
16 Carron Valley
Denny
FK6 5JL

2 

SUSAN SNADDON McPHEE
5 Buckieburn
Nr Carron Bridge
Denny
FK6 5JJ

3 


MICHAEL MOONEY
"Waterside"
15 Carron Valley
Denny
FK6 5JL

4 

WILLIAM GEORGE
McDONALD MBE BEM
4 Hendry Street
Falkirk
FK2 7ND

Dated 13/2/08

Witness to the above signatures


JAMES ALEXANDER McDONALD
14 SMITH ST.
FALKIRK
FK2 7NA

THE COMPANIES ACTS 1985 to 2006

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

ARTICLES of ASSOCIATION

of

VALLEY RENEWABLES GROUP

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Membership

- 1 The subscribers to the memorandum of association and such other persons as are admitted to membership under articles 4 to 9 shall be the members of the company
- 2 Membership shall cease on death
- 3 A member may not transfer his/her membership to any other person

QUALIFICATIONS FOR MEMBERSHIP

- 4 Subject to articles 1 and 6, membership shall be open to any individual aged 16 or over who is resident within the Operating Area (as defined in the memorandum of association) and who supports the objects as stated in the memorandum of association
- 5 The directors shall be entitled at their discretion to refuse to admit any person to membership even if he/she is qualified for membership under article 4.

Application for membership

- 6 Any person 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 him/her, an application for membership must be accompanied by a remittance for the full amount of the annual membership subscription
- 7 A person applying for membership shall lodge with the company such information and evidence in support of his/her application as the directors require
- 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 and remittance (and, if required by the directors, supporting information and evidence) required under articles 7 and 8
- 9 The directors shall, within a period of seven days after the meeting at which an application for membership is considered, notify the applicant in writing of the directors' decision as to whether or not to admit him/her to membership, if the decision was to refuse admission, the directors shall return to the applicant the remittance lodged by him/her under article 6

Membership subscription

- 10 Unless otherwise determined by ordinary resolution, the amount of the annual membership subscription payable by members shall be £1
- 11 The membership subscription shall be due on the accounting reference date of the company and shall (subject to articles 6 and 16) be taken (irrespective of the date on which an individual is admitted to membership) to cover the period from one accounting reference date to the date falling immediately prior to the next accounting reference date
- 12 The directors shall give to the members at least ten days' notice of every accounting reference date, each notice shall specify the amount of the membership subscription which will be due and shall state the possible consequence (under the following article) of failure to make payment

- 13 If the company has not received a member's annual membership subscription within fourteen days after the accounting reference date on which it fell due, the directors may by resolution expel that person from membership, if, however, proper notice under this article was not given, a member shall not be liable to be expelled under this article unless he/she fails to pay the subscription within 24 days after notice requiring payment has been given to him/her.

Register of members

- 14 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member.

Withdrawal from membership

- 15 Any person who wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors require), signed by him/her; on receipt of the notice by the company he/she shall cease to be a member.
- 16 A person who ceases to be a member shall not be entitled to any refund (total or partial) of the annual membership subscription

Expulsion from membership

- 17 Any individual admitted to membership may be expelled from membership by special resolution (see article 28) providing the following procedures have been observed
- (a) at least 21 day's notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion, and
 - (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed

General meetings (meetings of members)

- 18 The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed), the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
- 19 Not more than 15 months shall elapse between one annual general meeting and the next
- 20 The business of each annual general meeting shall include
- (a) a report by the chair on the activities of the company,

- (b) consideration of the annual accounts of the company; and
- (c) the election/re election of directors, as referred to in articles 51 to 56

21 The directors may convene an extraordinary general meeting at any time.

22 The directors must convene an extraordinary general meeting if there is a valid requisition by members (under section 303 of the 2006 Act) or a requisition by a resigning auditor (under section 392A of the 1985 Act (for so long as it is in force) or section 518 of the 2006 Act).

Notice of general meetings

23 At least 28 clear days' notice must be given to all the members and directors of an annual general meeting or extraordinary general meeting

24 The reference to "clear days" in article 23 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted (or, in the case of a notice contained in an electronic communication, the day after it was sent) and also the day of the meeting, should be excluded

25 A notice calling a meeting shall specify the time and place of the meeting, it shall (a) indicate the general nature of the business to be dealt with at the meeting, (b) if a special resolution (see article 28) (or a resolution requiring special notice under the Companies Acts) 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

26 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called an extraordinary general meeting

27 Notice of every general meeting shall be given.

- (a) in hard copy form,
- (b) (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form, or
- (c) (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 2006 Act) by means of a website

Special resolutions and ordinary resolutions

28 For the purposes of these articles, a "special resolution" means (but subject to articles 31 to 34) a resolution of the members which is 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 23 to 27 (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)

- 29 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Companies Acts allow the company, by special resolution
- (a) to alter its name,
 - (b) to alter its memorandum of association with respect to the company's objects,
 - (c) to alter any provision of these articles or adopt new articles of association.
- 30 For the purposes of these articles, an "ordinary resolution" means (but subject to articles 31 to 34) a resolution which is passed by majority vote (taking account only of those votes cast in favour as compared with those votes against) at a general meeting, providing proper notice of the meeting has been given in accordance with articles 23 to 27

Written resolutions

- 31 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 2006 Act) and will have effect as if passed by the members of the company in general meeting, a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it (which agreement cannot thereafter be revoked)
- 32 For the purposes of the preceding article
- 32 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 2006 Act; or (b) if copies are sent or submitted to members on different days, the first of those dates),
 - 32 2 the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Companies Acts, as follows
 - 32 2 1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 31) by

members representing a simple majority of the total voting rights of eligible members,

32.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 31) 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

- 33 For the avoidance of doubt, a resolution to remove a director (under section 168 of the 2006 Act) or a resolution to remove an auditor (under section 391 of the 1985 Act (for so long as it is in force) or section 510 of the 2006 Act) cannot be proposed as a written resolution under article 31
- 34 For the purposes of article 31, 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 32), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period

Procedure at general meetings

- 35 No business shall be dealt with at any general meeting unless a quorum is present, a quorum will be constituted only if the members who are not directors (whether present in person or represented by proxy) outnumber those members present (whether in person or represented by proxy) who also serve as directors, such that where 2 members who also hold office as directors are present (or represented by proxy), a quorum will only be constituted if 3 members who are not directors are in attendance (or represented by proxy)
- 36 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence – or if, during a meeting, a quorum ceases to be present – the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 37 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting, if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting
- 38 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
- 39 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 40 A member who wishes to appoint a proxy to vote on his/her behalf at any meeting

- (a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her, or
- (b) 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 a 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, for the avoidance of doubt, in calculating the 48 hour period referred to in the preceding provisions of this article 40, no account shall be taken of any day that is not a working day

- 41 An instrument of proxy which does not conform with the provisions of article 40, or which is not lodged or sent in accordance with such provisions, shall be invalid, and a member shall not be entitled to appoint more than one proxy to attend the same meeting
- 42 A proxy need not be a member of the company.
- 43 A proxy appointed to attend and vote at any meeting instead of one or more members shall not exercise more than two votes, even if the proxy is himself/herself a member
- 44 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting
- 45 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution
- 46 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least one third of persons present at the meeting and entitled to vote, whether as members or as proxies for members); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared
- 47 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct, the result of the ballot shall be declared at the meeting at which the ballot was demanded

Categories of directors

- 48 For the purposes of these articles

"Member Director" means a director (drawn from the membership of the company) elected/appointed under articles 51 to 56

"Co opted Director" means a (non member) director appointed or re appointed by the directors under articles 57 to 60

Number of directors

49 The maximum number of directors shall be nine, of whom seven shall be Member Directors and no more than two shall be Co opted Directors, the minimum number of directors shall be four

Eligibility

50 A person shall not be eligible for election/appointment as a Member Director unless he/she is a member of the company.

Election, retiral, re election: Member Directors

51 Any member who wishes to be considered for election as a Member Director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that he/she is willing to be appointed, the notice must be signed by him/her and must be lodged with the company at least 21 days before the date of the annual general meeting

52 At an annual general meeting the members may (subject to articles 48, 49 and 50) elect as a Member Director any member who has confirmed his/her willingness to be appointed in accordance with article 51

53 The directors may at any time appoint any member (providing that he/she is willing to act) to be a Member Director, either to fill a vacancy or (subject to articles 49 and 50) as an additional director

54 At each annual general meeting (other than the first)

(a) any Member Director who was appointed by the directors (under article 53) in the period from the date of the last annual general meeting shall retire from office, and

(b) out of the remaining Member Directors, one shall retire from office

55 The director to retire under paragraph 54 (b) shall be the director who has been longest in office since he/she was last appointed or re appointed, if two or more directors were appointed or re appointed on the same date, the question of which of them is to retire under paragraph 54 (b) shall be decided by some random method

56 A Member Director who retires from office under article 54 shall be eligible for re election under article 52.

Appointment, vacating of office, re appointment: Co opted Directors

- 57 Subject to article 49, and in addition to their powers of appointment under article 53, the directors may at any time appoint any non member to be a Co opted Director providing he/she is willing so to act, on the basis that he/she is drawn from the Community Council or he/she has special skills or experience which would be of assistance to the directors.
- 58 The directors shall exercise their powers under article 57 in such a way as to ensure that, so far as reasonably practicable, at any given time, one of the Co opted Directors is drawn from the Community Council.
- 59 At the conclusion of each annual general meeting, all of the Co opted Directors shall retire from office
- 60 Immediately following each annual general meeting, the directors may (subject to articles 49 and 58) re appoint any person who, as a Co opted Director, vacated office under the preceding article at the conclusion of the annual general meeting; the directors may alternatively appoint someone else in his/her place or resolve not to fill the vacancy

Termination of office

- 61 A director shall automatically vacate office if
- (a) he/she ceases to be a director through the operation of any provision of the Companies Acts or becomes prohibited by law from being a director,
 - (b) he/she is sequestered,
 - (c) he/she becomes debarred under any statutory provision from being a charity trustee,
 - (d) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
 - (e) in the case of a Member Director only, he/she ceases to be a member of the company,
 - (f) he/she resigns office by notice to the company,
 - (g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office,
 - (h) he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach

of the code of conduct for directors in force from time to time (as referred to in article 88);

- (i) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the 2006 Act.

62 A resolution under paragraph 61 (h) shall be valid only if

- (a) the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
- (b) 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
- (c) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution

Register of directors

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

Office bearers

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

65 For the avoidance of doubt, no Co opted Director shall be eligible for election as chair

66 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re election

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

Powers of directors

68 Subject to the provisions of the Companies Acts, the memorandum of association and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company

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

70 All acts whether by the board of directors or by any committee of the board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of the committee, or of a director or directors, or that they or any of them were disqualified, be as valid as if such committee was properly appointed and as if every such director had been duly appointed and was qualified

Personal interests

71 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors, he/she will be debarred (in terms of article 83) from voting on the question of whether or not the company should enter into that arrangement

72 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her under section 252 of the 2006 Act) or any body, whether incorporated or unincorporated, for which he/she sits on any management committee has a personal interest in that arrangement

73 Provided

- (a) he/she has declared his/her interest,
- (b) he/she has not voted on the question of whether or not the company should enter into the relevant arrangement, and
- (c) the requirements of article 75 are complied with,

a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 72) and may retain any personal benefit which he/she gains from his/her participation in that arrangement

Directors' remuneration and expenses

74 Subject to article 75, no director shall be entitled to any remuneration, whether in respect of his/her office as director or as holder of any other office with the company

75 The company may remunerate any director in respect of work carried out by him/her for the company, subject to the following conditions

- (a) No contract of that nature shall be entered into by the company without the prior sanction of a resolution passed by majority vote at a meeting of directors (and in respect of which the director proposing to enter into the contract shall not vote),

- (b) The work must relate to the development, management and/or delivery of an identifiable project or programme and, in particular, must fall outwith the discharge of the ordinary duties of a director,
- (c) The contract relating to the carrying out of work of that nature shall clearly define the scope and duties of the director in relation to the relevant project or programme and the maximum amount of the remuneration to be paid to him/her; and all such particulars shall be set out in a draft contract for approval of the directors as contemplated in paragraph (a),
- (d) The remuneration to be paid under the contract must be reasonable in the circumstances; and before entering into the contract, the directors must be satisfied that it would be in the interests of the company for those services to be provided by that director for that remuneration,
- (e) A contract of that nature shall not be entered into if the effect would be that half, or more than half, of the directors then in office would be receiving remuneration from the company (and such that, for the purposes of this paragraph (e), a director shall be deemed to be receiving remuneration from the company if he/she is connected, within the meaning of the relevant statutory provisions, with any director who is receiving remuneration from the company).

76 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying out of their duties

Procedure at directors' meetings

77 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors

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

79 No business shall be dealt with at a meeting of the directors unless a quorum is present, the quorum for meetings of the directors shall be one half (rounded downwards if necessary) of the total number of directors then in office, plus one

80 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.

81 Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present, if the chair

is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among the Member Directors present the person who will act as chairperson of the meeting.

- 82 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors, for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote
- 83 A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company, he/she must withdraw from the meeting while an item of that nature is being dealt with
- 84 For the purposes of the preceding article, a director shall be deemed to have a personal interest in a particular matter if any partner or any close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director or any body, whether incorporated or unincorporated for which he/she sits on any management committee, has a personal interest in that matter
- 85 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote in terms of articles 83 and 84

Conduct of directors

- 86 It is the duty of each director of the company to take decisions (and exercise his/her other powers and responsibilities as a director) in such a way as he/she considers, in good faith, will be most likely to promote the success of the company in achieving its objects (as outlined in clause 3 of the memorandum of association) and 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
- 87 Without prejudice to the principle set out in article 86, each of the directors shall have a duty, in exercising his/her functions as a charity trustee, to act in the interests of the company, and, in particular, must
- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out in the memorandum of association),
 - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person,

- (c) 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
 - (i) put the interests of the company before that of the other party,
 - (ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question;
- (d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005

88 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

Delegation to sub-committees

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

90 Any delegation of powers under article 89 may be made subject to such conditions as the directors may impose and may be revoked or altered.

91 The rules of procedure for any sub committee shall be as prescribed by the directors

Operation of bank accounts

92 The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company, at least one out of the two signatures must be the signature of a director

Secretary

93 The directors shall (notwithstanding the provisions of the 2006 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

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

Accounting records and annual accounts

- 95 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements
- 96 The directors shall prepare annual accounts, complying with all relevant statutory requirements, if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor
- 97 No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company

Notices

- 98 Any notice to be given in pursuance of these articles shall be in writing; the company may give any such notice to a member either personally or by sending it by post in a pre paid envelope addressed to the member at his/her registered address or by leaving it at that address, alternatively, in the case of a member who 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
- 99 Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting, for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted
- 100 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent, for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators

Winding up

- 101 If the company is wound up, the liquidator shall give effect to the provisions of clause 7 of the memorandum of association.

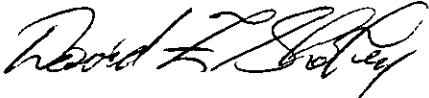
Indemnity

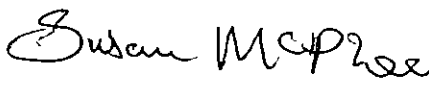
- 102 Every director or other officer or auditor of the company shall be indemnified out of the assets of the company (to the extent permitted by section 310 of the 1985 Act (for so long as it is in force) and sections 232, 234, 235, 532 and 533 of the 2006 Act) against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office, that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the 2006 Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted or any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company
- 103 For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the 2006 Act (negligence etc of a director)


Interpretation


- 104 In these articles
- “the 1985 Act” means (subject to article 105) the Companies Act 1985,
- “the 2006 Act” means (subject to article 105) the Companies Act 2006,
- “the Companies Acts” means (subject to article 105) the Companies Acts 1985 to 2006
- 105 Any reference in these articles to a statutory provision shall be taken to include any statutory modification or re enactment of that provision which is in force at the time
- 106 Reference in these articles to the singular shall be deemed to include the plural

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Dated 13/2/08

Witness to the above signatures


JAMES ALEXANDER McDONALD
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