

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

North EAST ABERDEENSHIRE CITIZENS ADVICE BUREAU LIMITED

SC109146

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| CONTENTS | | |
|---|---|------------------|
| GENERAL | constitution of the company, defined terms, objects, powers, restrictions on use of assets, limit on liability, general structure | articles 1-13 |
| MEMBERS | qualifications, application, subscription, re-registration, register, withdrawal, expulsion, termination/transfer | articles 14-29 |
| GENERAL MEETINGS (meetings of members) | general, notice, special/ordinary resolutions, procedure | articles 30-67 |
| DIRECTORS | categories, maximum/minimum number, eligibility, election/retiral/re-election: Member Directors, appointment/re-appointment: Co-opted Directors, termination of office, register, office bearers, powers, personal interests, remuneration and expenses | articles 69-101 |
| DIRECTORS' MEETINGS | procedure, conduct of directors | articles 102-119 |
| ADMINISTRATION | committees, operation of bank accounts, secretary, minutes, membership of The Scottish Association of Citizens Advice Bureaux, accounting records and annual accounts, notices | articles 120-134 |
| MISCELLANEOUS | winding-up, indemnity | articles 135-138 |

Constitution of company

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

Defined terms

- 2 In these articles of association, unless the context requires otherwise:
 - 2.1 “**Act**” means the Companies Act 2006;
 - 2.2 “**Bureau**” means the Citizens Advice Bureau operated by the company;
 - 2.3 “**charity**” means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
 - 2.4 “**charitable purpose**” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
 - 2.5 “**electronic form**” has the meaning given in section 1168 of the Act;
 - 2.6 “**OSCR**” means the Office of the Scottish Charity Regulator;
 - 2.7 “**property**” means any property, heritable or moveable, real or personal, wherever situated; and
 - 2.8 “**subsidiary**” has the meaning given in section 1159 of the Act.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

- 4 The company has been formed to benefit principally the area of Aberdeenshire (the “**Area of Benefit**”) with the following objects:
 - 4.1 the advancement of education through (but not limited to) providing individuals with information, clarification and understanding of legislation and their legal rights and responsibilities;

- 4.2 the relief of those in need through (but not limited to) (i) assessing individuals' entitlement to welfare benefits; (ii) providing assistance in claiming benefits; and (iii) assisting individuals to appeal against refusal of benefits;
 - 4.3 the advancement of health through (but not limited to) providing a comprehensive advice service which seeks to address individuals' problems and thereby alleviates the injury to health, stress and anxiety caused by unsolved problems; and
 - 4.4 the advancement of community development through (but not limited to) recruiting, training and developing local citizens to be volunteers in and for the Bureau, who in turn assist members of the public within the Area of Benefit, and in doing so contribute to the development of the Area of Benefit.
- 5 The company's objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:
- 7.1 To operate a bureau for the supply of information, advice and such practical assistance as is requested by individuals who consult the bureau, where available and appropriate, and to enter into all such contracts and arrangements as may be considered appropriate in relation to the conduct of the company's operations from time to time.
 - 7.2 To carry on any other activities which further any of the above objects.
 - 7.3 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.
 - 7.4 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.
 - 7.5 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.

- 7.6 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- 7.7 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- 7.8 To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- 7.9 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.
- 7.10 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 dependants.
- 7.11 To engage such consultants and advisers as are considered appropriate from time to time.
- 7.12 To effect insurance of all kinds (which may include officers' liability insurance).
- 7.13 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).
- 7.14 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.
- 7.15 To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- 7.16 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 7.17 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- 7.18 To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 7.19 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.

- 7.20 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

Restrictions on use of the company's assets

- 8 The income and property of the company shall be applied solely towards promoting the company's objects.
- 9 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.
- 10 No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- 11 No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

Liability of members

- 12 Each member undertakes that if the company is wound up while he/she is a member (or within one year after he/she ceases to be a member), he/she will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- 12.1 payment of the company's debts and liabilities contracted before he/she ceases to be a member;
- 12.2 payment of the costs, charges and expenses of winding up; and
- 12.3 adjustment of the rights of the contributories among themselves.

General structure

- 13 The structure of the company consists of:
- 13.1 the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves; and
- 13.2 the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the

company; in particular, the directors are responsible for monitoring the financial position of the company.

Qualifications for membership

- 14 The membership of the company shall consist of the subscribers to the memorandum of association and such other individuals as are admitted to membership under the articles of the company in force from time to time.
- 15 Membership shall (subject to article 17) be open to any person aged 18 years or over who:
 - 15.1 lives, works or otherwise has an interest in the Area of Benefit; and
 - 15.2 supports the objects and activities of the company.
- 16 Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.
- 17 At any given time, no more than 25% of the membership of the company may be volunteers working for the Bureau.

Application for membership

- 18 Any person who wishes to become a member must sign, and lodge with the company, a written application for membership.
- 19 The directors may, at their discretion, refuse to admit any person to membership.
- 20 The directors shall consider each application for membership at the first directors' meeting which is held after receipt of the application; the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.

Membership subscription

- 21 No membership subscription shall be payable.

Re-registration of members

- 22 The directors may at any time issue written notifications to all the members, requiring them to re-register for membership if they wish to remain in membership; each such notification shall be accompanied by a re-registration form, and shall refer to the possible consequences of failure to re-register, as referred to in article 23.
- 23 If a member fails to return his/her re-registration form, duly signed by him/her, within 28 days after the date on which he/she receives (or is deemed to receive) the notification under article 22, the directors may, by resolution passed by majority vote at a meeting of directors, expel him/her from membership.
- 24 For the avoidance of doubt, the directors shall have no power to refuse re-registration of any member if he/she has returned his/her re-registration form within the period allowed under article 23.

Register of members

- 25 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

- 26 Any person who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, he/she shall cease to be a member.

Expulsion from membership

- 27 Any person may be expelled from membership by resolution of the directors, providing the following procedures have been observed:
- 27.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion;
- 27.2 the member concerned shall be entitled to be heard on the resolution at the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
- 27.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Termination/transfer

- 28 Membership shall cease on death.

29 A member may not transfer his/her membership to any other person.

General meetings (meetings of members)

30 The directors shall convene an annual general meeting in each year.

31 Not more than 15 months shall elapse between one annual general meeting and the next.

32 The business of each annual general meeting shall include:

32.1 a report by the chair on the activities of the company;

32.2 consideration of the annual accounts of the company; and

32.3 the election/re-election of directors, as referred to in articles 75 to 83.

33 Subject to articles 30, 31 and 34, the directors may convene a general meeting at any time.

34 The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

35 At least 14 clear days' notice must be given of a general meeting.

36 The reference to "clear days" in article 35 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 sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.

37 A notice calling a meeting shall specify the time and place of the meeting; it shall:

37.1 indicate the general nature of the business to be dealt with at the meeting; and

37.2 if a special resolution (see article 42) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution; and

37.3 notify members of their rights regarding appointment of a proxy.

38 If members and directors are to be permitted to participate in the meeting by way of audio and/or an audio-visual link, the notice shall:

- 38.1 set out details of how to connect and participate via (in the case of participation by way of audio) dial-in details, or (in the case of participation by way of an audio-visual link) that link;
 - 38.2 for the benefit of those members who do not have access to a computer or to an adequate internet connection, draw members' attention to (i) the ability to participate in the meeting via audio only means, (ii) the ability of members to appoint the chairperson of the meeting as proxy, and to direct the chairperson on how he/she should vote in relation to each resolution to be proposed at the meeting, or (iii) (where attendance in person is to be permitted) the ability to attend and vote in person at the meeting.
- 39 If participation in the meeting is to be by way of audio and/or audio-visual links – with no intention for the meeting to involve attendance in person by two or more members in one place – the requirement under article 37 to specify the place of the meeting in the notice calling the meeting shall not apply.
- 40 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 41 Notice of every general meeting shall be given:
 - 41.1 in hard copy form; or
 - 41.2 in writing or (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
 - 41.3 (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

Special resolutions and ordinary resolutions

- 42 For the purposes of these articles, a “special resolution” means a resolution 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 35 to 41; 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 total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 43 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,
- 43.1 to alter its name; and
- 43.2 to alter any provision of these articles or adopt new articles of association.
- 44 For the purposes of these articles, an “ordinary resolution” means a resolution 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 35 to 41.

Procedure at general meetings

- 45 The board may, if they consider appropriate, make arrangements for members and directors to participate in general meetings by way of audio and/or audio-visual links, providing:
- 45.1 the means by which members and directors can participate in this manner are not subject to technical complexities, significant costs or other factors which are likely to represent – for all, or a significant proportion, of the members – a barrier to participation;
- 45.2 the notice calling the meeting contains the information required under paragraph 37.3 of article 37; and
- 45.3 the manner in which the meeting is conducted ensures, so far as reasonably possible, that those members and directors who participate via the audio or audio-visual links are not disadvantaged with regard to their ability to contribute to discussions at the meeting, as compared with those members and directors (if any) who are attending in person (and vice versa).
- 46 A general meeting may involve two or more members or directors participating via attendance in person while other members and/or directors participate via audio and/or audio-visual links; or it may involve participation solely via audio and/or audio-visual links.

- 47 For the avoidance of doubt, an individual participating in a general meeting (whether as a member, as a proxy for a member, as a director, or as the chairperson of the meeting) via audio or an audio-visual link shall be deemed to be present (or, as the case may be, in attendance) at the meeting.
- 48 Where a general meeting is to involve participation solely via audio and/or audio-visual links, the board shall encourage any individuals participating in that general meeting who do not have access to a computer or to an adequate internet connection to dial-in to the meeting via audio means, failing which the board shall take reasonable steps to encourage such individuals to participate in the meeting through:
- 48.1 (in the case of members) the submission of a proxy form (which may appoint the chairperson of the meeting as proxy, and with the proxy form being completed in a manner which directs the chairperson on whether to vote in favour of, or against, each of the resolutions to be proposed at the meeting); and/or
- 48.2 the submission of questions and/or comments, which (subject to article 49) the chairperson of the meeting will be expected to read out, and address, in the course of the meeting.
- 49 The requirements under paragraph 48.2 above shall not apply if and to the extent that the questions or comments are of an unreasonable length (individually or taken together), or contain material which is defamatory, racist or otherwise offensive.
- 50 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be that number of individuals entitled to vote (whether as a member or as a proxy for a member) which corresponds with 25% (to the nearest round number) of the total membership at the time.
- 51 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.
- 52 Where participation in the adjourned meeting is to be by way of audio and/or audio-visual link - with no intention for the adjourned meeting to involve attendance in person by two or more members or directors in one place - the requirement under article 51 for the chairperson to fix the place of the adjourned meeting shall not apply.
- 53 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair of the company is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the vice chair shall preside as chairperson of the meeting.
- 54 If neither the chair of the company nor the vice chair is present and willing to act as chairperson within 15 minutes after the time appointed for holding a general meeting, the directors present shall elect one of their number to act as chairperson of the meeting; or, if

there is only one director present and willing to act, he/she shall be chairperson of the meeting.

55 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.

56 Every member shall (subject to article 63) have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.

57 Where a member, or a proxy for a member, is participating in a meeting via audio or an audio-visual link, he/she may cast his/her vote on a given resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, or by way of a message sent electronically – and providing the board have no reasonable grounds for suspicion as regards authenticity, any such action shall be deemed to be a vote cast via a show of hands.

58 Any member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):

58.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or

58.2 shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

providing (in either case), the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).

59 An instrument of proxy which does not conform with the provisions of article 58, or which is not lodged or sent in accordance with such provisions, shall be invalid.

60 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

61 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, and need not be a member of the company.

62 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the company at the company's registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of

electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

- 63 If there are an equal number of votes for and against any resolution, the chairperson of the meeting (if he/she is a member) shall be entitled to one additional (casting) vote in his capacity as a member of the company.
- 64 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 two persons present in person at the meeting and entitled to vote (whether as members or 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.
- 65 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.
- 66 Where a member, or a proxy for a member, is participating in a meeting via audio or an audio-visual link, the chairperson's directions regarding how a secret ballot is to be conducted may allow him/her to cast his/her vote on the secret ballot via any of the methods referred to in article 57, providing reasonable steps are taken to preserve anonymity (while at the same time, maintaining confidence in the validity of the process).
- 67 The development officer appointed to the Bureau from time to time by The Scottish Association of Citizens Advice Bureaux (Scottish charity number: SC016637), or some other appropriate member of The Scottish Association of Citizens Advice Bureaux staff, shall be entitled to attend general meetings of the company; for the avoidance of doubt, the development officer, or other appropriate member of The Scottish Association of Citizens Advice Bureaux staff, shall not be entitled to vote at any such meeting.
- 68 These articles of association impose certain requirements regarding the means which can be adopted for participation and voting at general meetings; providing the arrangements made by the board in relation to a given general meeting are consistent with those requirements:
- 68.1 a member cannot insist on participating in the general meeting, or voting at the general meeting, by any particular means;
 - 68.2 the general meeting need not be held in any particular place;
 - 68.3 the general meeting may be held without any of those participating in the meeting being together at the same place;
 - 68.4 the general meeting may be held by any means which permits those attending to hear and contribute to discussions at the meeting;

- 68.5 a member will be able to exercise the right to vote at a general meeting (including where a secret ballot is to be held) by such means as is determined by the chairperson of the meeting (consistent with the arrangements made by the board) and which permits that member's vote to be taken into account in determining whether or not a resolution is passed.

Categories of director

69 For the purposes of these articles:

- 69.1 "Member Director" means a director (drawn from the membership of the company) appointed under articles 76 to 84;
- 69.2 "Co-opted Director" means a (non-member) director appointed or re-appointed by the directors under articles 85 and 86.

Maximum/minimum number of directors

- 70 The maximum number of directors shall be 12; out of that number, no more than 9 shall be Member Directors and no more than 3 shall be Co-opted Directors.
- 71 At any given time, Member Directors must form a majority of the total number of directors in office.
- 72 At any given time, no more than 25% of the directors in office may be volunteers working for the Bureau.
- 73 The minimum number of directors shall be 3.

Eligibility

- 74 A person shall not be eligible for election/appointment as a Member Director unless he/she is a member of the company; a person appointed as a Co-opted Director need not, however, be a member of the company.
- 75 A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.

Election, retiral, re-election: Member Directors

- 76 At each annual general meeting, the members may (subject to articles 70 to 75) elect any member (providing he/she is willing to act) to be a director (a "Member Director").
- 77 The directors may (subject to articles 70 to 75) at any time appoint any member (providing he/she is willing to act) to be a director (a "Member Director").

78 The directors to retire shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.

79 A director who retires from office shall be eligible for re-election.

Appointment/re-appointment: Co-opted Directors

80 In addition to their powers under article 77, the directors may (subject to articles 70 to 75) at any time appoint any non-member of the company (providing he/she is willing to act) to be a director (a “Co-opted Director”) either on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.

81 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then (subject to articles 70 to 75) be eligible for re-appointment.

Termination of office

82 A director shall automatically vacate office if:

82.1 he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;

82.2 he/she becomes debarred under any statutory provision from being a charity trustee;

82.3 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;

82.4 (in the case of a Member Director) he/she ceases to be a member of the company;

82.5 he/she becomes an employee of the company;

82.6 he/she resigns office by notice to the company;

82.7 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;

82.8 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 114);

- 82.9 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- 82.10 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 83 A resolution under paragraph 84.8 or 84.9 shall be valid only if:
- 83.1 the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
- 83.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
- 83.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Register of directors

- 84 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

- 85 The directors shall elect from among themselves a chair, vice chair and finance director, and such other office bearers (if any) as they consider appropriate.
- 86 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.
- 87 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

- 88 Subject to the provisions of the Act, 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.
- 89 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests

- 90 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 117) from voting on the question of whether or not the company should enter into that arrangement.
- 91 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 limited liability partnership of which he/she is a member or any Scottish charitable incorporated organisation of which he/she is a charity trustee or any registered society or unincorporated association of which he/she is a management committee member (or any other party who/which is deemed to be connected with him/her for the purposes of the Act), has a personal interest in that arrangement.
- 92 Provided
- 92.1 he/she has declared his/her interest;
- 92.2 he/she has not voted on the question of whether or not the company should enter into the relevant arrangement; and
- 92.3 the requirements of article 103 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 98) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 93 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 94 For the avoidance of doubt, the provisions of section 175 of the Act and article 100 do not apply to a conflict of interest relating to a transaction or arrangement with the company; conflicts of that kind are regulated by the provisions of articles 97 to 99 and articles 117 to 120.

Remuneration and expenses

- 95 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
- 96 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then:
- 96.1 the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
 - 96.2 the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and
 - 96.3 less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
- 97 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

- 98 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 99 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.
- 100 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.
- 101 A board meeting may be held wholly by, or any director(s) may participate in a board meeting by means of, a conference telephone, video conferencing facility or similar communications equipment whereby all the directors participating in the meeting can hear each other; any director(s) participating in a meeting in this manner shall be deemed to be present in person at the meeting.
- 102 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.
- 103 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 vice chair shall preside as chairperson of the meeting.

- 104 If neither the chair of the company nor the vice chair is present and willing to act within 15 minutes after the time when a meeting of the directors was due to commence, the directors present may appoint one of their number to be chairperson of the meeting.
- 105 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.
- 106 The directors may allow two individuals representing the volunteer workers of the Bureau to attend at any meeting of the directors during discussions relating to relevant agenda items, and to participate in discussions.
- 107 For the avoidance of doubt, the individual holding the most senior management post within the Bureau shall not be entitled to be a director but must be allowed to attend and speak at all board meetings.
- 108 The directors retain the right to require the individual referred to in article 111 to withdraw from the meeting and refrain from participating in any discussions or decisions relating to his/her remuneration or terms and conditions of employment.
- 109 The directors shall allow the development officer appointed to the Bureau from time to time by The Scottish Association of Citizens Advice Bureaux, or some other appropriate member of The Scottish Association of Citizens Advice Bureaux staff, to attend meetings of the directors as an observer.
- 110 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.
- 111 For the purposes of article 114, a person shall be deemed to have a personal interest in a particular matter 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 limited liability partnership of which he/she is a member or any Scottish charitable incorporated organisation of which he/she is a charity trustee or any registered society or unincorporated association of which he/she is a management committee member has a personal interest in that matter.
- 112 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.

Conduct of directors

- 113 Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must:

- 113.1 seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects;
- 113.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- 113.3 in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party:
 - 113.3.1 put the interests of the company before that of the other party, in taking decisions as a director; or
 - 113.3.2 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;
- 113.4 ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 114 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.
- 115 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

- 116 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.
- 117 Any delegation of powers under article 120 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 118 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

- 119 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

- 120 The directors may appoint a company secretary, and on the basis that the term of the appointment, the remuneration (if any) payable to the company secretary, and the such conditions of appointment shall be as determined by the directors; the company secretary may be removed by them at any time.

Minutes

- 121 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.

Membership of The Scottish Association of Citizens Advice Bureaux

- 122 So long as the company constitutes a member of The Scottish Association of Citizens Advice Bureaux, the directors shall ensure that at all times an individual is authorised by them to attend, speak and vote on behalf of the company at meetings of The Scottish Association of Citizens Advice Bureaux; the directors may at any time revoke the authority of any such individual to exercise such powers and appoint some other individual in his/her place to exercise such powers.
- 123 The directors shall not have power to remove the company from membership of The Scottish Association of Citizens Advice Bureaux without the prior sanction of a special resolution of the company.
- 124 The directors shall ensure that, so long as the company remains a member of The Scottish Association of Citizens Advice Bureaux, the company complies with the conditions of membership (including those relevant to the operation of the Bureau) in force from time to time.

Accounting records and annual accounts

- 125 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 126 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.
- 127 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

- 128 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member or be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the company or (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.
- 129 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.
- 130 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

- 131 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may 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 or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.
- 132 To the extent that effect cannot be given to article 135, the relevant property shall be applied to some charitable purpose or purposes.

Indemnity

- 133 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality (but only to the extent permitted by those sections of the 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.
- 134 The company shall be entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company

may sustain or incur in connection with the execution of the duties of his/her office; and such insurance may (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).