

PRIVATE COMPANY LIMITED BY GUARANTEE

SPECIAL RESOLUTION

OF

NATIONAL THEATRE OF SCOTLAND

(Company Number: SC234270)

(the "Company")

Passed on 20 June 2018

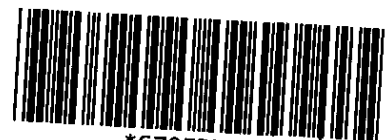
On the above date the following special resolution was duly passed in general meeting of the members of the Company:

"Approve adoption of new articles of association

That the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association."


.....
Director

TUESDAY



SCT *S79EDH1D*
03/07/2018 #81
COMPANIES HOUSE

THE COMPANIES ACT 2006
A COMPANY LIMITED BY GUARANTEE
ARTICLES of ASSOCIATION
of
NATIONAL THEATRE OF SCOTLAND
(the "Company")

[Adopted by special resolution on 20 June 2018]

1. CONSTITUTION

- 1.1 The Company is established as a private company in accordance with, and subject to, the provisions of the Act (as defined below). The Company's registered office is situated in Scotland.
- 1.2 The Regulations contained and incorporated in Table A in the Schedule to the ~~Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Amendment Regulations 1985~~ (such Table being hereinafter referred to as "Table A") save in so far as they are excluded or varied hereby and the articles hereinafter contained shall be the Articles of Association of the Company (the "Articles").
- 1.3 Regulations 2 to 38 inclusive, 40, 41, 50, 53 to 55 (inclusive), 57, 59, 60, 61, 62, 63, 64, 72 to 82 inclusive, 85 to 87 inclusive, 89, 91, 94 to 97 inclusive, 99, 101 to 108 inclusive, 110, 114, 116 to 118 inclusive in Table A shall not apply to the Company.
- 1.4 In Regulation 1 in Table A, the definitions of "the Act", "the articles" and "the holder" shall be omitted.
- 1.5 In Regulation 46 in Table A, the words "and a demand by a person as proxy for a member shall be the same as a demand by a member" shall be omitted.
- 1.6 A member or members of the Company shall be referred to as "Member" or "Members" respectively.
- 1.7 In these Articles:-
- 1.7.1 "the Act" means the Companies Act 2006 as amended and including any statutory modification or re-enactment thereof for the time being in force;
- 1.7.2 "the 2005 Act" means the Charities and Trustee Investment (Scotland) Act 2005 including any statutory modification or re-enactment thereof for the time being in force; and
- 1.7.3 "charitable" means charitable for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 and also the Taxes Acts.
- 1.8 References in these Articles to "persons" shall include, without limitation, bodies corporate, unincorporated associations, partnerships and trusts.

2. CHARITABLE PURPOSES AND POWERS

- 2.1 This Article 2 shall be interpreted as incorporating an over-riding qualification limiting the powers of the Company such that any activity which would otherwise be permitted by the terms of this Article 2 may be carried on only if that activity furthers



a purpose which is regarded as charitable. Subject to that over-riding qualification, the Company's charitable purposes are:-

- 2.1.1 the advancement of education;
- 2.1.2 the advancement of citizenship or community development; and
- 2.1.3 the advancement of the arts, heritage and culture.

In furthering the foregoing charitable purposes the Company will endeavour:-

- (i) to promote and assist in the advancement of education in Scotland by encouraging, fostering and developing interest, knowledge, understanding, appreciation and participation in, the arts of drama, acting, theatre and stagecraft in all their forms;
- (ii) to promote and advocate the art of Scottish theatre nationally and internationally;
- (iii) to encourage and support theatre companies and the presentation of dramatic art in Scotland and the maintenance, support and development of the same; so as to ensure the performance in Scotland (and elsewhere) of plays and other forms of dramatic art at regular intervals and to establish a strong identity for Scottish drama art within the international dramatic arts community;
- (iv) to present, produce, organise, manage, provide or conduct or procure to be presented, produced, organised, managed or provided or conducted such performances, plays, dramas, comedies, musical plays, and all other forms of dramatic art and other representation and performances in any medium whether the stage, cinema, television or other forms of audio or visual reproduction in Scotland or elsewhere;
- (v) to present, produce, organise, manage, provide or conduct or procure to be presented, produced, organised, managed or provided or conducted in conjunction with or in support of the charitable purposes opera, films, puppet shows, ballet, choreography, comedy and musical events;
- (vi) to procure the presentation of drama, theatre and other related artistic events and projects such as may inspire, educate and entertain audiences irrespective of age, gender, sexual orientation, physical ability, ethnicity or economic or social circumstances;
- (vii) to act as commissioning agent for the production of works of dramatic art and where appropriate for the touring of such works of dramatic art involving the Scottish theatre community;
- (viii) to promote the advancement of education and to pursue appropriate educational and learning strategies in the art of drama by promoting and supporting educational projects and workshops for people of all ages and also educational projects and workshops for young people, in Scotland either through its own initiatives and events or in conjunction or in association with educational institutions in all sectors, in Scotland;
- (ix) to encourage international tours and exchanges in order to promote Scottish theatre and Scottish theatre companies touring abroad; and
- (x) to work with and co-operate with other relevant bodies and agencies in the pursuit of the Company's objectives.

In pursuance of those purposes (but not otherwise) the Company shall have the following powers:-



- (a) to accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the purposes of the Company and take such steps (by way of personal or written appeals, public meetings or otherwise, including for the avoidance of doubt the appointment of professional fundraisers) as may be deemed expedient for procuring contributions to the funds of the Company, whether by way of subscriptions, grants, loans, donations or otherwise;
- (b) to undertake and organise schemes for the raising of money, other financial support and assistance in kind, and appeals both private and public, including the selling of goods and other products produced or acquired in connection with or ancillary to the purposes of the Company;
- (c) to disseminate information, news, current thinking and research findings relating to the purposes of the Company;
- (d) to prepare, publish and/or distribute books, pamphlets, reports, leaflets, journals, audio and video material, multimedia products and any other instructional matter;
- (e) to advise in relation to, promote, organise and/or conduct conferences, seminars, workshops and other learning opportunities (which may include the use of electronic means) to permit people to share information and experiences about the activities of the Company;
- (f) to advise in relation to, commission and/or conduct research projects and programmes and to publish and promote the findings of such research;
- (g) to pay any Director by way of reimbursement for out-of-pocket expenses or other authorised expenditure incurred by him/her on the behalf of the Company;
- (h) to encourage and provide financial support to individuals to undertake professional development and professional research;
- (i) to co-operate with and enter into agreements with any individuals, authorities or other bodies (international, national, local or otherwise) in the furtherance of the above purposes;
- (j) to promote companies whose activities may, directly or indirectly, further one or more of the above purposes or any associated purpose or which may generate income to support the activities of the Company, acquire and hold shares, stocks, debentures and other interests 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;
- (k) to acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the purposes of the Company;
- (l) to purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the Company;
- (m) to improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Company;
- (n) to sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Company;
- (o) to lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person



- (p) to borrow money and give security for the payment of money by, or the performance of other obligations of, the Company or any other person;
- (q) to draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments;
- (r) to employ or engage individuals to implement such tasks of the Company as may be assigned by the Company and to remunerate the same together with any other person employed or engaged by the Company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the Company and the spouse, widow/er, relative and dependants of any such individual; and to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person;
- (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 individual organisation, government or authority which may be advantageous for the purposes of the activities of the Company and to obtain from any such individual organisation, government or authority any right, privilege or concession;
- (u) to enter into any arrangement for co-operation or mutual assistance with any individual or charitable body, whether incorporated or unincorporated;
- (v) to effect insurance against risks of all kinds (including trustee indemnity insurance as provided for in Section 68A of the 2005 Act);
- (w) to invest funds not immediately required for the purposes of the Company's activities in such investments and securities (including land in any part of the world) and in such manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirement) and to dispose of and vary such investments and securities, all investment decisions to be taken by the Board of Directors of the Company in accordance with appropriate professional advice;
- (x) to establish and support any association or other unincorporated body having purposes altogether or in part similar to those of the Company and to promote any company or other incorporated body formed for the purpose of carrying on any activity which the Company is authorised to carry on;
- (y) to subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the Company or with the furtherance of its purposes;
- (z) to carry out any of these purposes in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others; and
- (aa) to do anything which may be incidental or conducive to the attainment of any of the purposes of the Company.

3. LIMITED LIABILITY

The liability of the Members is limited to the amounts (if any) payable pursuant to Article 4.

4. MEMBERS' OBLIGATIONS

Each Member undertakes to contribute such amount as may be required, not exceeding £1 per Member, to the Company's assets if it is wound up while he/she is, or within one year of the date on which he/she ceases to be, a Member for:-

- 4.1 payment of the Company's debts and liabilities contracted before he/she ceased to be a Member;
- 4.2 the payment of the costs, charges and expenses of winding up; and
- 4.3 the adjustment of rights, between themselves, of persons who have contributed to the Company's assets.

5. LIMITATION ON PRIVATE BENEFITS

- 5.1 The income and property of the Company shall be applied solely towards the promotion of its purposes as set forth in these Articles.

- 5.2 No part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of benefit to its Members, and no Director of the Company may receive any remuneration, or other benefit of money or money's worth, from the Company (in respect of acting in the capacity as Director of the Company).

- 5.3 Subject to Article 6 nothing herein shall prevent any payment in good faith by the Company:-

- 5.3.1 of a reasonable and proper remuneration to any Member, officer or servant of the Company including a member of the Board (or person connected thereto) in his/her capacity as a servant of the Company for any services rendered to the Company in accordance with Sections 67 and 68 of the 2005 Act and any amendment or alteration thereto;

- 5.3.2 of interest on money lent by any Member or the Company's Directors at a reasonable and proper rate per annum and not exceeding the base lending rate for the time being of the Company's bankers; or reasonable and proper rent for premises let by any Member or Director to the Company;

- 5.3.3 to any member of its Board of out-of-pocket expenses;

- 5.3.4 to any member of its Board of payments made pursuant to Article 20; and

- 5.3.5 of premiums in respect of indemnity insurance in accordance with Section 68A of the 2005 Act.

6. CHARITABLE DECLARATION

- 6.1 It is declared that the assets of the Company shall only be applied for charitable purposes and the Directors shall:-

- 6.1.1 act in accordance with the 2005 Act; and

- 6.1.2 do nothing to prevent the Company qualifying and continuing to qualify as charitable.

- 6.2 Without prejudice to the foregoing, each of the Directors of the Company shall, in exercising his/her powers and duties as a Director, act in the interests of the Company. In doing so:-

- 6.2.1 the Directors must seek, in good faith, to ensure that the Directors act in a manner which is in accordance with the purposes of the Company and act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person; and
- 6.2.2 in circumstances giving rise to the possibility of a conflict of interest between the Company and any other party, each Director:
- (a) must put the interests of the Company before those of the other party; or
 - (b) where any other duty or interest prevents him/her from doing so, he/she must disclose the conflicting duty or interest to his/her fellow Directors and refrain from participating in any discussions or decisions with regard to the matter in question.
- 6.3 Each of the Directors of the Company must ensure that (a) he or she complies, and (b) the Company complies with any direction, requirement or notice imposed in terms of the 2005 Act.
- 6.4 It is the duty of each Director of the Company to take decisions (and exercise his/her 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 purposes (as set out in Article 2) and be in the interests of the Company, 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.
- 7. MEMBERS**
- 7.1 Those persons who are, as at the date of adoption of these Articles, Members of the Company shall be Members of the Company until such time as they withdraw from membership or cease to be Members in accordance with the Articles. Such other persons who are admitted to membership in accordance with the Articles, shall be Members of the Company.
- 7.2 Those persons who are appointed from time to time as Directors of the Company shall be automatically admitted to membership of the Company upon such appointment.
- 7.3 Membership is open to other persons who:
- 7.3.1 apply to the Company in the form required by the Directors; and
 - 7.3.2 are approved by the Directors acting in the best interests of the Company.
- 7.4 Membership is not transferable.
- 7.5 Any Member admitted to membership may at any time withdraw from membership of the Company by giving at least seven days clear notice to that effect to the Company.
- 7.6 A person shall cease to be a Member if and when:-
- 7.6.1 that person, in the case of an individual, dies or becomes bankrupt or is sequestrated;
 - 7.6.2 that person, in the case of a partnership, is dissolved, becomes bankrupt or is sequestrated;
 - 7.6.3 that person, in the case of a body corporate, goes into liquidation (other than for the purpose of a reconstruction or amalgamation) or any steps



are taken for the winding-up or dissolution of, or for the appointment of a receiver, administrator, administrative receiver, or similar officer to that Member; or

7.6.4 that person ceases to be a Director of the Company.

7.7 Subject to the foregoing Articles, where a Member is a partnership, membership shall continue whatever the constitution of the partnership may be from time to time, and notwithstanding any changes that may from time to time take place in such constitution whether in consequence of a partner being assumed or any partner, present or future, ceasing for any reason to be such partner or otherwise in any manner of ways.

8. GENERAL MEETINGS AND RESOLUTIONS

8.1 General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at that Meeting of all the Members. The notice shall specify the time and place of the Meeting and the general nature of the business to be transacted. The notice shall be given to all the Members and to the Directors and Auditors.

8.2 ~~All business shall be deemed special that is transacted at any General Meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.~~

8.3 Notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

8.4 No business shall be transacted at any Meeting unless a quorum is present at the time when the Meeting proceeds to business. Save as herein otherwise provided a quorum shall be not less than two or, if greater, such number as is not less than one tenth, of all the persons who at the commencement of the Meeting are Members and are entitled to attend and vote thereat, present in person (or, in the case of a corporate Member, by its duly appointed representative) or by proxy.

8.5 The words "and any separate Meeting of the holders of any class of shares in the company" shall be omitted from Regulation 44 in Table A.

8.6 Paragraph (d) of Regulation 46 in Table A shall be omitted.

8.7 On a show of hands every Member present in person (including, in the case of a corporate Member, through attendance of its duly appointed representative) or by proxy shall have one vote. On a poll every Member present in person (including, in the case of a corporate Member, through attendance of its duly appointed representative) shall have one vote.

8.8 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair shall be entitled to a casting vote in addition to any other vote he/she may have.

8.9 If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

- 8.10 The Directors shall convene an Annual General Meeting in each year. Not more than fifteen months shall elapse between one Annual General Meeting and the next. The business of each Annual General Meeting shall include consideration of the annual accounts of the Company. References to "General Meetings" in these Articles shall include Annual General Meetings.

9. NUMBER AND APPOINTMENT OF DIRECTORS

- 9.1 The directors of the Company shall be called "Directors".
- 9.2 The maximum number of Directors shall be fifteen and the minimum number shall be three.
- 9.3 No person shall be appointed a Director of the Company unless he/she is approved for such appointment, by the Members in General Meeting.
- 9.4 The Board of Directors may, by majority resolution, designate one of the Directors to be Chair and another to be Senior Independent Director (Vice-Chair) of the Board of Directors on such terms as shall be specified in the resolution. The Chair, whom failing the Senior Independent Director (Vice-Chair), whom failing any other Director present, shall preside at every Meeting of the Directors.
- 9.5 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that such person has been approved by the Members in General Meeting and the appointment does not cause the number of Directors to exceed any number determined in accordance with the Articles hereof as the maximum number of Directors and for the time being in force.
- 9.6 Subject to Article 9.6(A), the Directors shall be subject to retirement in accordance with the following arrangements:-

All Directors shall be required to retire at the expiry of four years from the Annual General Meeting at which he/she was appointed or where appointed other than at an Annual General Meeting from the date of the next Annual General Meeting following his/her appointment. Such Directors shall be eligible for a further three year term but shall cease to be eligible thereafter.

- 9.6(A) Upon a Director being appointed as Chair pursuant to Article 9.4, his/her previous period of service on the Board of Directors shall be disregarded for the purposes of Article 9.6 and he/she shall be required to retire at the expiry of four years from the Annual General Meeting at which he/she was appointed as Chair or where appointed other than at an Annual General Meeting from the date of the next Annual General Meeting following his/her appointment as Chair. The Chair shall be eligible for a further three year term as Chair but shall cease to be eligible thereafter.
- 9.7 Any Director may be removed from office by an ordinary resolution of the Members of the Company. The Members shall not be required to give any reason for such termination.
- 9.8 Any notice to the Company that a person is resigning or retiring from office as Director where such resignation or retirement would otherwise lead to the Company having fewer than the minimum number of Directors determined in accordance with these Articles shall not take effect until sufficient replacement Directors have been appointed.

10. POWERS OF DIRECTORS

- 10.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage and charge its undertaking and, without prejudice to the foregoing or to the provisions of Regulation 70 in Table A, the Directors shall have the power, from



time to time in their discretion, to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or standard security or floating or other charge over its undertaking, assets, property or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any other body or person corporate or otherwise; and without prejudice to this generality the Board of Directors may borrow money as aforesaid from a Director as well as from others.

- 10.2 All references to "the memorandum" in Regulation 70 shall be delete.

11. DELEGATION OF DIRECTORS' POWERS

The Directors may delegate any of their powers to any committee (including, by way of illustration and not limitation, the Finance Committee, the Audit Committee or the Nominations Committee) consisting of one or more Directors and such other persons, not being a majority in number of the members of the committee, as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors. Subject to any such regulations, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying. The Directors may also delegate to any individual Director or other senior executive or official such of their powers as they consider desirable to be exercised by him/her. ~~Any such delegation may be made subject to~~ any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

12. DEALINGS WITH DIRECTORS

- 12.1 Subject to the provisions of the Act and the 2005 Act, no Director or proposed Director shall be disqualified by virtue of his/her office (or proposed office) from contracting with the Company, whether as vendor, purchaser, or otherwise (including the holding of any other office or appointment from the Company (except that of Auditor) nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established.

- 12.2 Notwithstanding the foregoing a Director must act in accordance with the remaining provisions of these Articles and put the interests of the Company before those of himself.

13. REMUNERATION OF DIRECTORS

- 13.1 Except as provided for in Article 5, the Directors shall not be entitled to receive any remuneration in respect of their office as Directors and shall not be employees of the Company.

The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at Meetings of Directors or committees of Directors or General Meetings of the Company.

No Director entitled to receive remuneration or other benefits pursuant to Article 5 or pursuant to this Article 13, shall be entitled to participate in or to vote in any proceedings of the Board of Directors relating to the fixing and arranging of such remuneration or benefits.

- 13.2 The words "of any class of shares or" shall be omitted from Regulation 83 in Table A.



14. DISQUALIFICATION OF DIRECTORS**14.1 The office of Director shall be vacated if the Director:-**

- 14.1.1 ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a director or a charity trustee (within the meaning of the 2005 Act); or
- 14.1.2 becomes bankrupt or is sequestrated, goes into liquidation (other than for the purposes of reconstruction or amalgamation) or makes any arrangement or composition with his/its creditors generally; or
- 14.1.3 becomes incapable by reason of illness or injury of managing and administering his/her property affairs; or
- 14.1.4 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 Section 66(1) or (2) of the 2005 Act; or
- 14.1.5 resigns his office by notice to the Company (subject to Article 9.8); or
- 14.1.6 is absent without permission of the Chair or Vice-Chair for more than half of the Meetings of Directors held during a calendar year and the Directors resolve that his/her office be vacated; or
- 14.1.7 ceases to be a Member.

14.2 The office of Director shall also be vacated, unless the Directors otherwise resolve, if the Director is the Chief Executive of the Company and, for whatever reason, ceases to be employed by the Company in that capacity.**15. PROCEEDINGS OF DIRECTORS**

- 15.1 The quorum necessary for the transaction of the business at Meetings of the Directors shall be not less than one third of the Directors entitled to attend such Meetings or such greater number as the Directors may from time to time determine.
- 15.2 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the minimum number of Directors, the continuing Directors may act for the purposes of (i) increasing the number of Directors of the Company; and/or (ii) convening a General Meeting of the Company, but for no other purpose.
- 15.3 A resolution in writing, signed by all the Directors for the time being entitled to receive notice of and vote in respect of that resolution at a Meeting of the Directors, shall be as valid and effectual as if it had been passed at a Meeting of the Directors duly convened and held.
- 15.4 Any Director (or his alternate Director) may participate in a Meeting of the Directors or a committee of the Directors by means of video conference, conference telephone or similar form of communications equipment by means of which all persons participating in the Meeting can hear and speak to each other and such Meeting shall be deemed to have occurred at the place, if any, where most of the Directors participating are present and otherwise where the Chair of the Meeting is present. Participation in a Meeting in such manner shall constitute presence in person at such Meeting for the purpose of these Articles. The word "Meeting" when referring to a Meeting of the Directors, or of a committee of the Directors, in these Articles shall be construed accordingly.

16. DIRECTORS' CONFLICTS OF INTEREST**Conflicting Interests**

- 16.1 Subject always to the Act, the 2005 Act, and these Articles, and provided that the matter has been disclosed to and authorised by the Directors in accordance with Section 175 of the Act or by resolution of the Members, a Director may be in any situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which he/she would otherwise be under a duty to avoid pursuant to Section 175 of the Act and he/she shall not be accountable to the Company for any profit, remuneration or benefit realised by or accruing to him/her on consequence of any such situation, and no transaction or arrangement shall be liable to be avoided, by reason of his/her office or of the fiduciary relationship thereby established.
- 16.2 Any authorisation pursuant to Article 16.1 shall be for such duration and subject to such terms and conditions as the Directors or Members (as the case may be) shall determine and may be varied or terminated at any time. In particular, but without limitation, any such authorisation may (but need not) provide that:-
- 16.2.1 if the Director has obtained any information, otherwise than as a Director, in respect of which he/she owes a duty of confidentiality to another person, the Director is under no obligation to disclose such information to the Company or to use or apply such information in performing his/her duties as a Director of the Company where to do so would be a breach of that duty of confidentiality; and/or
- 16.2.2 the Director shall not be given any information relating to the matter which has been authorised; and/or
- 16.2.3 the Director shall not be counted in the quorum present nor shall he/she be entitled to deliberate and vote at any Meeting of the Directors in respect of any resolution relating to that matter.
- 16.3 A Director shall not be counted in the quorum present nor shall he/she be entitled to deliberate and vote at any Meeting of the Directors:-
- 16.3.1 in respect of any resolution to authorise a matter pursuant to Article 16.1; or
- 16.3.2 in respect of any resolution relating to a matter which has been authorised pursuant to Article 16.1 where the terms of that authorisation do not permit this; or
- 16.3.3 in respect of any other resolution in which he/she has an interest unless:-
- (a) his/her interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (b) he/she has disclosed the nature and extent of his interest to the other Directors (to the extent that they are not already aware of it).
- 16.4 For the avoidance of doubt, Article 16.1 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.
- 16.5 The Company may (subject to the 2005 Act) by ordinary resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of Article 16.3.
- 16.6 If a question arises at a Meeting of Directors or at a Meeting of a committee of Directors to the right of a Director to vote, the question may, before the conclusion of the Meeting, be referred to the chair of the Meeting. The ruling of the chair of the Meeting in relation to any Director other than himself/herself shall be final and conclusive.

- 16.7 Any reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

Transactions involving a conflict of interest

- 16.8 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

- 16.9 But if Article 16.10 applies, a Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.

- 16.10 This Article 16.10 applies when:

16.10.1 the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process;

16.10.2 the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

16.10.3 the Director's conflict of interest arises from a permitted cause.

- 16.11 For the purposes of this Article, the following are permitted causes:-

16.11.1 a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company; and

16.11.2 arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company which do not provide special benefits for Directors or former Directors.

- 16.12 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' Meeting or part of a Directors' Meeting.

- 16.13 Subject to Article 16.14, if a question arises at a Meeting of Directors or of a committee of Directors as to the right of a Director to participate in the Meeting (or part of the Meeting) for voting or quorum purposes, the question may, before the conclusion of the Meeting, be referred to the Chair whose ruling in relation to any Director other than the Chair is to be final and conclusive.

- 16.14 If any question as to the right to participate in the Meeting (or part of the Meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Directors at that Meeting, for which purpose the Chair is not to be counted as participating in the Meeting (or that part of the Meeting) for voting or quorum purposes.

17. MINUTES

- 17.1 The words "of the holders of any class of shares in the Company" shall be omitted from Regulation 100 in Table A.

18. NOTICES

- 18.1 The second sentence of Regulation 112 in Table A shall be omitted.

- 18.2 The words "or of the holders of any class of shares in the Company" shall be omitted from Regulation 113 in Table A.

19. MEANS OF COMMUNICATION TO BE USED

- 19.1 Anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 19.2 Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 19.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

20. INDEMNITY

Subject to the provisions of the Act and the 2005 Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, the Directors, Solicitors, Officers and Auditors of the Company, and each of them and their respective estates and representatives shall at all times be indemnified out of the assets and funds of the Company from and against any liability incurred by them or him/her in defending any proceedings whether civil or criminal, in which decree or judgement is given in their or his/her favour or in which they or he/she are/is acquitted or in connection with any application in which relief is granted to them or him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company and from and against all loss, costs and charges which they or he/she may properly incur or be put to in or about the *bona fide* execution of duties of their or his/her office, and none of them shall be answerable for any act or default of any other of them, or for the sufficiency of any security which may be taken by them or any of them unless the loss thereby arising shall happen through his/her own wilful neglect or default, nor shall any of them be liable for any agent, broker, banker or other person with whom or into whose hands the money or property of the Company shall from time to time be deposited or come, or of any involuntary loss or damage whatever, which may happen in the execution of their respective offices, services or trusts or in relation thereto.

21. ACCOUNTS AND INDEPENDENT EXAMINATION/AUDIT

- 21.1 No Member (not being a Director) shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Directors or by ordinary resolution of the Company.
- 21.2 The Directors shall comply with the provisions of the Charities Accounts (Scotland) Regulations 2006 (or any statutory modification or re-enactment of them). No Chartered Accountant (or firm) or Independent Examiner shall be considered ineligible for appointment as auditors or Independent Examiner of the Company by reason only of the fact that one of the Directors may be a principal, partner, member or director of the partnership, limited liability partnership or company as the case may be. The Chartered Accountant (or firm) or Independent Examiner shall have access to all papers, books, vouchers, accounts and documents relating to the Company.

22. DISSOLUTION OR WINDING UP

If the Company is to be wound up or dissolved or if at any time it appears to the Directors that the property of the Company is of such size that there is no reasonable prospect of the Company property or some part of it being required, either as source of income or for payment or application as capital, in any future



year or years for the purposes of the Company, or it appears to the Directors that the Company cannot continue to serve a useful purpose or that its property could be more suitably and effectively applied, the Directors may decide that the Company property or such part of it, shall be transferred or made over to such institution(s), trust(s), fund(s) or other recipient(s) (in order to further purposes which are charitable only) as the Directors shall decide, subject to the satisfaction of debts and liabilities and to the provisions of Articles 2 and 6. For the avoidance of doubt, the Directors' decision is subject to any requirement to seek consent under the 2005 Act.