

Burness Paull

THE COMPANIES ACT 2006

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

**ARTICLES OF ASSOCIATION
of**

NORTH EDINBURGH ARTS

Company number: SC184477

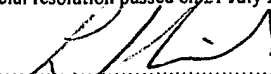
(as adopted by special resolution passed on 21 July 2021)

COMPANIES HOUSE

19 AUG 2021

EDINBURGH MAILBOX




Director

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Constitution of company

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

Defined terms

- 2 In these articles of association, unless the context requires otherwise:
 - 2.1 “Act” means the Companies Act 2006;
 - 2.2 “charity” means a body which is either a Scottish charity, or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
 - 2.3 “charitable purpose” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
 - 2.4 “conflict of interest” includes a conflict of interest and duty, and a conflict of duty;
 - 2.5 “Conflict Situation” means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);
 - 2.6 “OSCR” means the Office of the Scottish Charity Regulator;
 - 2.7 “property” means any property, heritable or moveable, real or personal, wherever situated;
 - 2.8 “Scottish charity” means a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005;
 - 2.9 “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 community of North Edinburgh which comprises the areas of Muirhouse, Pilton, Granton and Drylaw (the “Community”) with the following objects:
- 4.1 The advancement of education through promotion of the arts, particularly among the residents of the Community; and
- 4.2 The provision of recreational facilities within the Community, in particular with a view to improving the conditions of life for the residents of the Community.
- 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 article 57) 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 promote, establish and/or operate a centre or centres for artistic and cultural activities, which may include facilities for leisure time occupation and/or refreshment facilities.
- 7.2 To advise in relation to, organise, co-ordinate and/or present theatre productions, concerts, exhibitions and other artistic and cultural events and activities.
- 7.3 To prepare, organise and/or conduct educational and training courses and events in any field of the arts and/or in craft skills.
- 7.4 To promote, operate, co-ordinate, monitor, and/or support other projects and programmes (which may include workspace projects) which further the objects of the company.
- 7.5 To provide information, advisory, support and/or consultancy services which further the objects of the company.
- 7.6 To liaise with local authorities, central government authorities and agencies, charities/community benefit bodies and others, all with a view to furthering the objects of the company.
- 7.7 To carry on any other activities which further any of the above objects.

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

- 7.22 To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 7.23 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.
- 7.24 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 (as set out in article 4).
- 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:
 - 11.1 repayment of out-of-pocket expenses; or
 - 11.2 reasonable payment in return for particular services (outwith the ordinary duties of a director) 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 - comprising (i) Ordinary 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 Ordinary Members elect people to serve as directors and take decisions in relation to changes to the articles themselves), (ii) the Associate Members and (iii) the Junior Members; 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.

Categories of Members

- 14 For the purposes of these articles:
- 14.1 “Ordinary Member” means a member who fulfils the qualifications set out in article 16; “Ordinary Membership” shall be interpreted accordingly;
- 14.2 “Associate Member” means a member admitted under article 17; “Associate Membership” shall be interpreted accordingly;
- 14.3 “Junior Member” means a member admitted under article 18; “Junior Membership” shall be interpreted accordingly.
- 15 Associate Members and Junior Members are not eligible to stand for election to the board nor are they eligible to vote at any general meeting.

Qualifications for membership

- 16 Ordinary Membership shall (subject to articles 20, 21 and 23) be open to any person aged 16 years or over who:
- 16.1 is resident in the Community (as defined in article 4);
- 16.2 is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
- 16.3 supports the objects and activities of the company.
- 17 Associate Membership shall (subject to articles 20 and 21) be open to individuals who are not resident in the Community but that support the objects and activities of the company.
- 18 Junior Membership shall (subject to 20 and 21) be open to those individuals aged between 15 years or younger (whether or not they are resident in the Community) who support the objects and activities of the Company.

- 19 An individual, once admitted to Ordinary Membership, shall automatically cease to be a member if he/she ceases to fulfil any of the qualifications for Ordinary Membership set out in article 16.
- 20 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.

Application for membership

- 21 Any individual who wishes to become a member must sign, and lodge with the company, a written application for membership, specifying the category of membership for which he/she is applying, and accompanied by a remittance for the membership subscription (if any).
- 22 The company shall supply a form for applying for membership to any individual on request.
- 23 An individual applying for Ordinary Membership shall, if the company so requests, supply such evidence as the company may reasonably request to demonstrate that he/she fulfils the qualifications set out in article 16.
- 24 At the first board meeting which is held after receipt of an application for membership, the board shall review the application (together with any evidence supplied under article 23) to determine whether the applicant fulfils the qualifications for membership set out in articles 16, 17 or 18 (as the case may be).
- 25 If, on the basis of the review carried out under article 24, the applicant fulfils the qualifications for membership, the board shall (subject to article 26) admit the applicant to membership; and, within a reasonable time after the meeting, shall notify the applicant of the outcome of the application.
- 26 The board do not require to admit an applicant to membership (even if they fulfil the qualifications for membership) if:
- 26.1 the effect of admitting them would be that the requirement under article 28 that at least three quarters of the members must be members of the community was no longer met; or
- 26.2 they were expelled from membership under article 40 at any time in the past.
- 27 For the avoidance of doubt, in determining whether or not any individual fulfils the qualifications for membership, the board shall adhere to a transparent process which enshrines the principles of equal treatment and non-discrimination.

Minimum number of members

- 28 The minimum number of members is 20; and at least three quarters of the members must, at all times, be Ordinary Members.
- 29 In the event that either or both of the requirements under article 28 cease to be met through a reduction in the number of members or a reduction in the proportion of Ordinary Members included within the membership, the directors may not conduct any business other than to ensure the admission of sufficient members (or, as the case may be, Ordinary Members) to ensure that those requirements are met once more.

Re-registration

- 30 Each member shall require to re-register as a member of the company on:
- 30.1 the third anniversary of his/her admission to membership; and
 - 30.2 the date falling every three years thereafter.
- 31 The directors shall, at least five weeks prior to the date on which a member is required to re-register in accordance with article 30, notify the member of the requirement to re-register.
- 32 Any notification under article 31 must be issued:
- 32.1 in hard copy form; or
 - 32.2 (where the member to whom notice is given has notified the company of an email address to be used for the purpose of communications from the company) by way of email;
- and must refer to the possible consequences (under article 33) of failing to confirm, within the period allowed for under article 33 that the member wishes to remain in membership.
- 33 If the company does not receive confirmation from any member, within four weeks after the issue to that member of a notification under article 32, that he/she wishes to remain in membership of the company, the board may, by resolution to that effect, expel that individual from membership.
- 34 Any confirmation under article 33 must be:
- 34.1 in hard copy form, signed by the relevant individual, and sent or delivered to the company; or
 - 34.2 sent by way of email to the company, at the email address supplied by the company to the members for this purpose.

- 35 For the avoidance of doubt, the directors shall have no power to refuse re-registration of a member in a case where the member has lodged a re-registration form within the period allowed under article 33.

Membership subscription

- 36 The board may require members to pay a membership subscription; unless otherwise determined, there shall be no annual membership subscription.
- 37 If the board determines that a membership subscription shall be payable, the board shall determine the amount of the membership subscription and whether the membership subscription is payable annually or for a particular term.

Register of members

- 38 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, the category of membership into which he/she falls, and the date on which any individual ceased to be a member.

Withdrawal from membership

- 39 Any individual who wishes to withdraw from membership shall lodge with the company a written notice to that effect, signed by him/her; on receipt of the notice by the company, he/she shall cease to be a member.

Expulsion from membership

- 40 Any individual may be expelled from membership by special resolution (see article 55), providing the following procedures have been observed:
- 40.1 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;
- 40.2 the member concerned (or, in the case of a corporate body, an individual authorised by it) shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 41 Membership shall cease on death.
- 42 A member may not transfer his/her membership to any other individual or organisation.

General meetings (meetings of members)

- 43 The directors shall convene an annual general meeting in each year.
- 44 Not more than 15 months shall elapse between one annual general meeting and the next.
- 45 The business of each annual general meeting shall include:
- 45.1 a report by the chair on the activities of the company;
 - 45.2 consideration of the annual accounts of the company;
 - 45.3 the election/re-election of directors, as referred to in articles 92 to 97.
- 46 Subject to articles 43 and 47, the directors may convene a general meeting at any time.
- 47 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

- 48 At least 14 clear days' notice must be given of any general meeting.
- 49 The reference to "clear days" in article 48 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 email, the day after it was sent) and also the day of the meeting, should be excluded.
- 50 A notice calling a meeting shall specify the time of the meeting, and (subject to article 52) the place where the meeting is to be held; and
- 50.1 it shall indicate the general nature of the business to be dealt with at the meeting;
 - 50.2 if a special resolution (see article 55) (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
 - 50.3 it shall notify the Ordinary Members of his/her right to appoint a proxy.
- 51 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 (or notes accompanying the notice) shall:
- 51.1 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; and

- 51.2 (particularly for the benefit of those members who may have difficulty in using a computer or laptop for this purpose) draw members' attention to the following options:
- 51.2.1 the ability to participate in the meeting via audio only means, using dial-in details (if that forms part of the arrangements);
 - 51.2.2 the ability of Ordinary Members to appoint the chairperson of the meeting as proxy, and to direct the chairperson on how they should vote in relation to each resolution to be proposed at the meeting; or
 - 51.2.3 (where attendance in person is to be permitted, either on an open basis or with a restriction on the total number who will be permitted to attend) the ability to attend and vote in person at the meeting.
- 52 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 50 to specify the place of the meeting in the notice calling the meeting shall not apply (except to the extent that this remains a requirement under the Act).
- 53 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 54 Notice of every general meeting shall be given to all the members and directors, and (if auditors are in office at the time) to the auditors:
- 54.1 in hard copy form; or
 - 54.2 (where the individual to whom notice is given has notified the company of an email address to be used for the purpose of communications from the company) by way of email; or
 - 54.3 (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

- 55 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 48 to 54; 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.

- 56 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution:
- 56.1 to alter its name;
 - 56.2 to alter any provision of these articles or adopt new articles of association.
- 57 If the company is a Scottish charity, amendments to the objects of the company (as set out in article 4) will require the prior approval of OSCR.
- 58 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 48 to 54.

Procedure at general meetings

- 59 The board may, if they consider appropriate (whether on the basis of concerns relating to health risks associated with large gatherings, or otherwise) make arrangements for members and directors to participate in general meetings by way of audio and/or audio-visual links, providing:
- 59.1 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;
 - 59.2 the notice calling the meeting contains the information required under articles 50 and 51; and
 - 59.3 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).
- 60 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.
- 61 For the avoidance of doubt, an individual participating in a general meeting (whether as an Ordinary Member, as a proxy for an Ordinary Member, as the authorised representative of a member which is a corporate body, as a director, or as the chairperson of the meeting) via an audio or audio-visual link shall be deemed to be present (or, as the case may be, in attendance) at the meeting.

- 62 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:
- 62.1 (in the case of Ordinary 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
- 62.2 the submission of questions and/or comments, which (subject to article 63) the chairperson of the meeting will be expected to read out, and address, in the course of the meeting.
- 63 The requirements under paragraph 62.2 of article 62 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.
- 64 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall (subject to article 65) be 15 Ordinary Members, either present or represented by proxy.
- 65 A quorum shall not be deemed to be present at any general meeting unless the Ordinary Members present or represented by proxy at the meeting form a majority of the members present or represented by proxy at the meeting.
- 66 For the avoidance of doubt, Associate Members and Junior Members shall not be counted in determining whether a quorum is present at any general meeting.
- 67 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 (subject to article 68) place as may be fixed by the chairperson of the meeting.
- 68 Where participation in the adjourned meeting is to be by way of audio and/or audio-visual links - with no intention for the adjourned meeting to involve attendance in person by two or more members or directors in one place - the requirement under article 67 for the chairperson to fix the place of the adjourned meeting shall not apply.
- 69 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.

- 70 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such date, time and (subject to article 68) place as the chairperson may determine.
- 71 Every Ordinary 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.
- 72 Where an Ordinary Member, or a proxy for an Ordinary Member, is participating in a meeting via audio or an audio-visual link, they may cast their 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.
- 73 The principles set out in articles 72 and 84 shall also apply in relation to the casting of votes by an individual in his/her capacity as proxy for an Ordinary Member.
- 74 For the avoidance of doubt, Associate Members and Junior Members shall have no power to vote at general meetings.
- 75 Any Ordinary Member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):
- 75.1 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
- 75.2 shall send by email to the company, at such email 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).
- 76 An instrument of proxy which does not conform with the provisions of article 75, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 77 An Ordinary Member shall not be entitled to appoint more than one proxy to participate on the same occasion.
- 78 A proxy appointed to participate in and vote at any meeting instead of an Ordinary Member shall have the same right as the Ordinary Member who appointed him/her to speak at the meeting and need not be a member of the company.
- 79 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 email, was received by the company at the address notified by the company to the members for the purpose of email communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

- 80 An Associate Member which is a corporate body shall be entitled to appoint an individual to attend and speak at any general meeting as its authorised representative.
- 81 If there are an equal number of votes for and against any resolution proposed at a general meeting, the chairperson of the meeting shall not be entitled to a casting vote.
- 82 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 participating in the meeting and entitled to vote, whether as Ordinary Members or as proxies for Ordinary 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.
- 83 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.
- 84 Where an Ordinary Member, or a proxy for an Ordinary 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 them to cast their votes on the secret ballot via any of the methods referred to in article 72, providing reasonable steps are taken to preserve anonymity (while at the same time, maintaining confidence in the validity of the process).
- 85 The result of any secret ballot shall be declared at the meeting at which the ballot was demanded.

Technical objections to remote participation in general meetings

- 86 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:
- 86.1 an Ordinary Member cannot insist on participating in the general meeting, or voting at the general meeting, by any particular means;
- 86.2 the general meeting need not be held in any particular place;
- 86.3 the general meeting may be held without any number of those participating in the meeting being together at the same place (but on the basis that the quorum requirements – taking account of those participating via audio or an audio-visual link – must still be met);

- 86.4 the general meeting may be held by any means which permits those attending to hear and contribute to discussions at the meeting;
- 86.5 an Ordinary 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 Ordinary Member's vote to be taken into account in determining whether or not a resolution is passed.

Categories of director

- 87 For the purposes of these articles:
- 87.1 "Member Director" means a director (drawn from the membership of the company) appointed under articles 92 to 97;
- 87.2 "Appointed Director" means a (non-member) director appointed or re-appointed by the directors under articles 98 and 99.

Maximum number of directors

- 88 The maximum number of directors shall be 14; out of that number, no more than 8 shall be Member Directors and no more than 6 shall be Appointed Directors.
- 89 At any given time, directors who are also Ordinary Members must form a majority of the total number of directors in office.

Eligibility

- 90 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 an Appointed Director need not, however, be a member of the company.
- 91 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

- 92 Any Ordinary Member or Associate Member who wishes to be considered for election as a 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 seven days before the date of the annual general meeting.

- 93 At each annual general meeting, the Ordinary Members may (subject to articles 88 to 91) elect as a director (a “Member Director”) any individual in respect of whom a valid notice has been lodged with the company in accordance with article 92.
- 94 The directors may (subject to articles 88 to 91) at any time appoint any Ordinary Member or Associate Member (providing he/she is willing to act) to be a director (a “Member Director”).
- 95 At each annual general meeting:
- 95.1 any Member Director appointed under article 94 during the period since the preceding annual general meeting shall retire from office;
- 95.2 out of the remaining Member Directors, one third (to the nearest round number) shall retire from office.
- 96 The directors to retire under paragraph 95.2 of article 95 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.
- 97 A director who retires from office under article 95 shall be eligible for re-election.

Appointment/re-appointment: Appointed Directors

- 98 In addition to their powers under article 94, the directors may (subject to articles 88 to 91) at any time appoint any non-member of the company (providing he/she is willing to act) to be a director (an “Appointed Director”) on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
- 99 At each annual general meeting, all of the Appointed Directors shall retire from office – but shall then (subject to articles 88 to 91) be eligible for re-appointment under article 98.

Termination of office

- 100 A director shall automatically vacate office if:
- 100.1 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;
- 100.2 he/she becomes debarred under any statutory provision from being a charity trustee (within the meaning of section 106 of the Charities and Trustee Investment (Scotland) Act 2005);
- 100.3 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;

- 100.4 (in the case of a Member Director) he/she ceases to be an Ordinary Member or Associate Member of the company;
 - 100.5 he/she becomes an employee of the company;
 - 100.6 he/she resigns office by notice to the company;
 - 100.7 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;
 - 100.8 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a serious breach of the code of conduct for directors (as referred to in article 138);
 - 100.9 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
 - 100.10 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 101 A resolution under paragraphs 100.8 or 100.9 of article 100 shall be valid only if:
- 101.1 the director who is the subject of the resolution is given reasonable prior written notice of the grounds upon which the resolution for his/her removal is to be proposed;
 - 101.2 the director concerned is given the opportunity to address the meeting at which the resolution is proposed, prior to the resolution being put to the vote; and
 - 101.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Register of directors

- 102 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.

Officebearers

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

- 104 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.
- 105 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

- 106 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.
- 107 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests

- 108 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 (under article 130) from voting on the question of whether or not the company should enter into that arrangement.
- 109 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 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.
- 110 Provided:
- 110.1 he/she has declared his/her interest;
- 110.2 he/she has not voted on the question of whether or not the company should enter into the relevant arrangement; and
- 110.3 the requirements of articles 113, 114 and 130 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 109) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 111 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any Conflict Situation that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to

amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.

112 For the avoidance of doubt, article 111 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that nature shall be governed by the provisions of articles 108 to 110 and articles 130 to 133 and the code of conduct referred to in article 138.

113 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 ordinary duties as a director.

114 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then:

114.1 the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;

114.2 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

114.3 less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).

115 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their participation in 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

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

117 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 (subject to article 118) have a casting vote.

118 A chairperson who is not an Ordinary Member shall not be entitled to a casting vote.

119 A resolution agreed to in writing (or by e-mail) by a majority of the directors (providing a copy of the resolution has been circulated to all of the directors) shall be as valid as if duly passed at a board meeting.

120 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 (subject to article 121) be five.

- 121 A quorum shall not be deemed to be constituted at any meeting of directors unless the Member Directors who are also Ordinary Members form a majority of the total number of directors present at the meeting.
- 122 If at any time the number of directors in office falls below the number fixed as the quorum or ceases to comply with the provisions of article 121, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 123 The board may, if they consider appropriate (whether on the basis of concerns relating to health risks associated with gatherings, or otherwise) allow directors to participate in board meetings by way of audio and/or audio-visual links, providing:
- 123.1 the means by which directors can participate in this manner are not subject to technical complexities, significant costs or other factors which are likely to represent – for all, or a significant proportion, of the directors – a barrier to participation; and
- 123.2 the manner in which the meeting is conducted ensures, so far as reasonably possible, that those 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 directors (if any) who are attending in person (and vice versa).
- 124 A board meeting may involve two or more directors participating via attendance in person while other directors participate via audio and/or audio-visual links; or it may involve participation solely via audio and/or audio-visual links.
- 125 For the avoidance of doubt, a director participating in a board meeting in the manner provided for under article 123 shall be deemed to be present in person at the meeting.
- 126 If directors are to be permitted to participate in the meeting by way of audio and/or an audio-visual link, the directors shall, in advance of the meeting:
- 126.1 be provided with 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;
- 126.2 be made aware (particularly for the benefit of those directors who may have difficulties in using a computer or laptop for this purpose) of:
- 126.2.1 the ability to participate in the meeting via audio only means, using dial-in details (if that forms part of the arrangements); or
- 126.2.2 (where attendance in person is to be permitted, either on an open basis or subject to a restriction on the total number who will be permitted to attend) the ability to attend and vote in person at the meeting.

- 127 Where a director is participating in a board meeting via audio or an audio-visual link, they may cast their 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.
- 128 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 themselves the person who will act as chairperson of the meeting.
- 129 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to participate (whether in person or by way of an audio or audio-visual link) in any board meeting; for the avoidance of doubt, any such person who is invited to participate in a directors' meeting shall not be entitled to vote.
- 130 A director shall not vote at a directors' meeting (or at a meeting of a sub-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.
- 131 For the purposes of article 130, 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, has a personal interest in that matter.
- 132 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.
- 133 The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 130 to 132.
- 134 The principles set out in article 86 (technical objections to remote participation) shall apply in relation to remote participation and voting at board meetings, as if each reference in that article to a member were a reference to a director and each reference in that article to a general meeting were a reference to a board meeting.

Conduct of directors

- 135 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 will be in the best interests of the company and will promote the success of the company in furthering its objects, 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.

- 136 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:
- 136.1 seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out article 4);
 - 136.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - 136.3 in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party;
 - 136.3.1 put the interests of the company before that of the other party, in taking decisions as a director;
 - 136.3.2 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;
 - 136.4 ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 137 In addition to the duties outlined in article 135, all of the directors must take such steps as are reasonably practicable for the purpose of ensuring:
- 137.1 that any breach of any of those duties by a director is corrected by the director concerned and not repeated; and
 - 137.2 that any director who has been in serious or persistent breach of those duties is removed as a director.
- 138 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

- 139 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.

140 Any delegation of powers under article 139 may be made subject to such conditions as the directors may impose and may be revoked or altered.

141 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

142 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.

143 Where the company uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in article 142.

Secretary

144 The directors shall (notwithstanding the provisions of the Act) 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 conditions of appointment, shall be as determined by the directors; the company secretary may be removed by them at any time.

Minutes

145 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.

146 Any person may request a copy of the minutes of general meetings or meetings of the directors of the company and, provided that the request is reasonable, the company must, subject to article 147, provide a copy of the minutes to that person within 28 days of the request.

147 Where a request for a copy of minutes is made under article 146, the company may withhold information contained in the minutes provided that the person requesting a copy of the minutes is informed of the reasons for doing so.

Accounting records and annual accounts

148 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

149 The accounting records shall be maintained by the treasurer and overseen by the chair, or otherwise by, or as determined by, the directors; such records shall be kept at such place or places as the directors think fit and shall always be available for inspection by the directors.

- 150 The directors shall prepare annual accounts, complying with all relevant statutory requirements.
- 151 Subject to article 152, the directors shall ensure that an audit of the annual accounts is carried out by an auditor.
- 152 Notwithstanding the provisions of article 151, an audit (within the meaning of the Act) by a company auditor (as defined in the Act) shall not be required, in a case where the company is exempt (under the Act) from the requirement to have an audit, if and to the extent that proper arrangements for the auditing or independent examination of the company's accounts are made in a manner which satisfies the requirements of the Act and (if the company is a Scottish charity at the time) the requirements of the Charities and Trustee Investment (Scotland) Act 2005.
- 153 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 authorised by ordinary resolution of the company.

Notices

- 154 Any notice which requires to be given to a member under these articles shall be given either in writing or by email (or, in the case of a notice of general meeting, by way of a website - (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 Companies Act); 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/it 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 email communications) may be given to the member by way of email.
- 155 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.
- 156 Any notice sent by email 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 email 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

- 157 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 paid or transferred to some charity or charities with similar purposes to those of the company, as determined (prior to the winding up) by the members of the company (subject to the identity of the transferee body or bodies being approved in writing by both Creative Scotland and City of Edinburgh Council).

- 158 To the extent that effect cannot be given to article 157, the relevant property shall be applied to some charitable purpose or purposes.

Indemnity

- 159 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.
- 160 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) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).