

THE COMPANIES ACTS 1985 AND 2006

PRIVATE CHARITABLE COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

COMMUNITY ABILITY NETWORK

ARTICLES OF ASSOCIATION

**Incorporated under the Companies Act 1985 on 28 March 2002
Company No. SC 229793**

**Formerly known as: Craigmillar Ability Network
Change of name by special resolution on : 9 December 2009**

**Articles of Association amended by special resolution on 9 December 2009
and replacing in their entirety all former Articles (as amended)**

Registered Scottish charity no. SC 033024

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PART ONE: Interpretation and definitions

1 In these Articles:

'the Network' means *Community Ability Network*, the company which is regulated by these Articles;

'the 1985 Act' means the Companies Act 1985;

'the 2006 Act' means the Companies Act 2006;

'the Articles' means these Articles of Association;

'the Memorandum' means the Memorandum of Association of the Network;

'the constitution' of the Network means the Articles and any special resolution and any resolution agreed to by all the members of the Network that would have been effective for its purpose if passed as a special resolution and any resolution passed or agreement made by virtue of an enactment;

'the Purposes' means the Purposes of the Network as provided for in clauses 4 and 5 of the Memorandum;

'charity' means a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts and **'charitable'** in describing the Purposes of the Network shall mean a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the applications of the Taxes Acts ;

'the Board of Directors' means the governing body of the Network (and **'the Directors'** shall have a corresponding meaning) and any person occupying the position of Director by whatever name called, who shall also be understood to be the Trustees of the Network for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.

'member' unless the context admits or requires otherwise means a member of the Network as defined in section 112 of the 2006 Act;

'person' means any individual (natural) person only and excludes any company or other form of corporate body;

'the Office' means the registered office of the Network;

'the Secretary' means the Company Secretary of the Network or any other person appointed to perform the duties of the Company Secretary of the Network, including a joint, assistant or deputy Company Secretary;

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

'electronic form' has the meaning given to it by section 1168 of the 2006 Act and **'electronic copy'** has a corresponding meaning;

'the United Kingdom' means Great Britain and Northern Ireland.

- 2 Subject to Article 1, words or expressions contained in these Articles and in the Memorandum shall, unless the context requires otherwise, bear the same meaning as in the 2006 Act but excluding any statutory modification not in force when these regulations become binding upon the Network.
- 3 Words importing the single number only shall, unless the context requires otherwise, include the plural number and *vice versa*.

PART TWO : Membership

Membership of the Network

- 4 The subscribers to the Memorandum and such other persons or organisations as are admitted to membership in accordance with these Articles shall be members of the Network.
- 5 There shall be no limit to the number of persons who may be admitted to any class of membership of the Network.

Classes of member

- 6 There shall be two classes of membership of the Network as follows: Full Membership and Associate Membership.

- 7 Subject to Article 9, Full Membership shall be open to any individual person who supports the Purposes of the Network and:
- 7.1 who has a disability and / or considers herself or himself to be disadvantaged; and
 - 7.2 who works within and / or whose usual residential address is within the Area of benefit of the Network as defined in clause 3 of the Memorandum.
- 8 Subject to Article 9, Associate Membership shall be open to shall be open to any other individual person who supports the Purposes of the Network but who does not qualify for full membership under the provisions of Article 7:

Employees and secondees not to be members

- 9 A person shall not be eligible to be a member of the Network if she or he is an employee of the Network or if she or he is seconded to or otherwise placed with the Network by another company or agency as if she or he were an employee of the Network.
- 10 A member of the Network (either Full or Associate) who becomes an employee of the Network or who is seconded to or otherwise placed with the Network as if she or he were an employee of the Network shall cease to be a member with effect from the date on which the employment, secondment or placement is confirmed.

Application for membership

- 11 No person shall be admitted to be a member of the Network unless and until her or his application for membership is approved by the Directors.
- 12 Any person wishing to become a member of the Network shall lodge with the Secretary a written application for membership in such form as the Directors shall from time to time decide, signed by her or him.
- 13 All applicants for membership of the Network shall provide the Secretary with such other evidence in support of their application as the Directors may require or in accordance with any rules of membership made under Article 189.

Admission to membership

- 14 Each application for membership and (where applicable) other supporting evidence shall be considered by the Directors at their first meeting after its receipt.
- 15 If the Directors decide at any meeting to admit an applicant to membership, they shall notify the applicant in writing accordingly within a period of 7 (seven) days after the decision and such notification shall include:

- 15.1 details of the class of membership to which the applicant has been assigned; and
 - 15.2 where applicable, a request for payment of any annual subscription fee applicable to the class of membership for the time being in force.
- 16 Any decision by the Directors to admit an applicant to membership shall be deemed conditional upon the payment by the applicant of the full amount of any annual membership subscription for the time being in force.

Refusal of membership

- 17 The Directors may at their discretion refuse to admit any person into membership notwithstanding that the person in question fulfils the conditions for membership, in such cases where they consider there are reasonable grounds to do so.
- 18 Any person whose application for membership is subject to refusal shall have the right to be heard (either in person or by her or his representative) by the Directors before a final decision is taken.
- 19 If the Directors decide at any meeting to refuse admission of an applicant to membership they shall notify the applicant in writing accordingly within a period of 7 (seven) days after the meeting at which its decision was made and such notification shall include:
- 19.1 the reasons why the decision to refuse admission to membership was made; and
 - 19.2 details of the applicant's right to be heard as provided for in Article 18.

Register of members

- 20 The Directors shall keep a Register of Members. Pursuant to section 113 of the 2006 Act, there shall be entered on the Register:
- 20.1 the full name and address of each member: and
 - 20.2 the date on which the member was admitted to membership; and
 - 20.3 the date on which the member ceased to be a member (where applicable): and
 - 20.4 the class of membership to which the member has been admitted; and
- 21 The Directors may at any time, by notice in writing, request any member to provide the Network with such evidence and particulars as are necessary and reasonable for the purpose of making up the Register.

- 22 Pursuant to section 114 of the 2006 Act, the Register of Members shall be kept at the Office or at such other place permitted in regulations made under section 1136 of the 2006 Act.

Termination of membership

- 23 Membership of the Network shall not be transferable and shall cease upon:
- 23.1 the death of a member; or
 - 23.2 the voluntary withdrawal from membership of a member as provided for by Article 24; or
 - 23.3 the removal of a member by resolution of the Network under Article 26; or
 - 23.4 the lapse of membership due to the failure of a member to pay any annual subscription for the time being in force under Article 39.

Withdrawal from membership

- 24 Any person wishing to withdraw from membership shall lodge with the Secretary a written notice of withdrawal signed by her or him.
- 25 Upon receipt of a notice of withdrawal from membership by the Network the member in question shall cease with immediate effect to be a member of the Network; provided that after such withdrawal the number of members remaining is not fewer than 2 (two).

Removal from membership

- 26 The Network may, by special resolution in general meeting, terminate the membership of any person in cases where:
- 26.1 the Network believes that the actions of the member in question have brought, or risk bringing the Network into disrepute; or
 - 26.2 the Network believes that the member in question has repeatedly or purposely breached any explicit rules of the Network or other reasonable rules or standards of good order.
- 27 Any member wishing to propose the removal of another member shall lodge with the Directors a written notice of her, his or its intention to do so (identifying the member or members concerned and stating the grounds for the proposed removal) not less than 28 (twenty eight) days before the date of the next general meeting of the Network.

- 28 The Directors shall put all proper proposals to remove a member made under Article 27 to the next general meeting of the Network, which shall consider the proposal and resolve as it thinks fit.
- 29 The Directors shall, on receipt of a notice under Article 28, send at the earliest possible time a copy of the notice to the member or members concerned who shall have the right to make written representations to the Directors with regard to the notice.
- 30 If the Directors receive any written representations made under Article 29 they shall (unless they are received too late for them to do so):
- 30.1 state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed; and
- 30.2 send a copy of the representations to every person or body to whom notice of the meeting was or is given.
- 31 Whether or not a copy of written representations has been given to each of the persons entitled to receive notice of the meeting under Article 30.2, a member in question shall have the right to be heard (either in person or by her or his representative) at the meeting before a final resolution is made.
- 32 Failure to follow correctly any of the provisions of Articles 26 to 31 shall render invalid any resolution for the removal of a person from membership.
- 33 A person removed membership under Article 26 shall cease to be a member with effect from the time at which the resolution to remove her or him was passed.

Membership subscriptions

- 34 The Network may, by ordinary resolution in general meeting, introduce an annual subscription for membership, and determine the amount of such subscription and vary the amount from time to time and from one class of member to another.
- 35 Subject to Article 37 the Network may authorise the Directors to adopt whatever methods they think most expedient to collect payment of any subscription charge and to use their discretion to apply any reduction or waiver or to agree to receive payment by instalments in cases where they think fit.
- 36 Any annual subscription for the time being in force shall be due on each accounting reference date of the Network and shall (subject to Articles 38 and 42) be deemed to relate to the period from one accounting reference date to the next.
- 37 Where any annual subscription is in force, the Secretary shall give to all members from whom a subscription payment is due, not less than 14 (fourteen) days' notice of the accounting reference date. Such notice shall:

- 37.1 advise the member that her or his membership falls due for renewal on the accounting reference date; and
 - 37.2 contain particulars of the member currently held on the Register of Members; and
 - 37.3 specify the amount and request payment of membership subscription due under Article 36, and
 - 37.4 request from the member confirmation of her or his wish to renew membership, the accuracy and currency of the particulars held on the Register of Members; and
 - 37.5 advise the member of the possible consequences under Article 39 of failure to make payment.
- 38 In the case of a person admitted to membership of the Network on a date other than the accounting reference date of the Network, the Directors may calculate the subscription to be paid by her or him in the first part-year of membership on a *pro rata* basis.

Lapse of membership due to failure to pay subscription

- 39 Provided the requirements of 37 have been complied with and provided no waiver or arrangement to pay by instalments has been agreed under Article 35, any membership in respect of which any annual membership subscription for the time being in force has not been received by the Network by the end of the 28th (twenty-eighth) day after the accounting reference date on which it fell due shall be deemed to have lapsed.
- 40 The Secretary shall, in the event of a membership lapsing under Article 39, give notice to the member concerned advising her or him of the fact and of the reasons.
- 41 A lapsed member in receipt of a notice under Article 40 may renew her or his membership by payment of the required annual subscription within a further 28 (twenty eight) days from the date of the notice, after the expiry of which any attempt by the lapsed member to renew her or his membership shall be treated by the Directors as a new application.

Non-refundable subscription

- 42 Any person or organisation who ceases to be a member of the Network for whatever reason shall not be entitled to any refund of all or any part of any annual subscription paid by her or him whatever the period between the date on which the membership subscription was last paid and the date of ceasing to be a member.

Transfer between classes of membership

- 43 A Full Member of the Network who ceases to meet the conditions of eligibility for Full Membership as provided for in Article 7 shall, unless she or he withdraws from membership, continue to be deemed a Full Member of Network until her or his membership next falls due for renewal at which time she or he may renew as an Associate Member without need to make a new application.
- 44 An Associate Member whose circumstances change such that she or he meets the eligibility conditions for Full Membership may, at the discretion of the Directors and of she or he wishes, be reassigned as a Full member of the Network with immediate effect and without need to make a new application.

PART THREE: General meetings

Annual General Meeting

- 45 Subject to Article 46 the Network shall hold an Annual General Meeting in each year at such time and place as the Directors shall decide, in addition to any other general meetings.
- 46 Not more than 15 (fifteen) months shall elapse between one Annual General Meeting and the next; provided that so long as the Network holds its first Annual General Meeting within 18 (eighteen) months of its incorporation, it need not hold it in the year of its incorporation or in the following year.

Other general meetings

- 47 The Directors may call a general meeting at any time.
- 48 The Directors shall convene a general meeting pursuant to section 303 of the 2006 Act on the requisition of the members of the Network representing not less than 5% (one-twentieth) of the total voting rights at the date on which the requisition is made, unless less than 12 (twelve) months has elapsed since the end of the last general meeting requisitioned under this Article, in which case the required percentage shall be 10% (one-tenth).
- 49 The Directors shall convene a general meeting pursuant to section 518 of the 2006 Act on the requisition of a resigning auditor.
- 50 Directors required to convene a general meeting under Articles 48 or 49 shall do so within 21 (twenty one) days from the date on which they become required to do so and a general meeting convened in this manner shall be held on a date not more than 28 (twenty eight) days after the date of the notice convening it.

Notice of general meetings

- 51 Subject to Article 52, a general meeting of the Network (other than an adjourned meeting), including an Annual General Meeting, shall be called by not less than 14 (fourteen) days notice.
- 52 A general meeting may be called by shorter notice if so agreed by a majority in number of the members who together hold not less than 90% (ninety per cent) of the total voting rights at that meeting of all the members.
- 53 The notice of all general meetings shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of the Annual General Meeting shall specify the meeting as such.
- 54 The notice of all general meetings shall be given to all members of the Network and its Directors and to the auditors of the Network (if any).
- 55 Notice of a general meeting shall contain a statement informing each member of her or his right to appoint another person as proxy to exercise all or any of her or his rights to attend, speak and (if applicable) vote at the meeting.
- 56 Notice of a general meeting of the Network shall be given either in hard copy form or electronic form or, subject to Article 57, by means of a website, or partly by one such means and partly by another.
- 57 Publication of a notice of a general meeting of the Network on a website shall only be valid if:
- 57.1 it is accompanied by a notice to each member of the presence of the notice on the website. Such notification shall state that it concerns a notice of a general meeting and shall specify the place, date and time of the meeting; and
- 57.2 it is available on the website throughout the period beginning with the date of that notification and ending with the conclusion of the general meeting of which it gives notice.
- 58 Where the Network gives notice of a general meeting or of a resolution intended to be moved at a general meeting, any accidental omission to give the notice to, or the non-receipt of the notice by, any person or organisation entitled to receive notice shall not invalidate the proceedings at that meeting.

Quorum at general meetings

- 59 No business shall be transacted at any general meeting of the Network, other than the appointment of a chairperson of the meeting, unless a quorum is present. 5 (five) persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member, or one-tenth of the total number of such persons for the time being, which ever is the greater, shall constitute a quorum.

- 60 In the event that the total membership of the Network becomes fewer than 5 (five) there shall be a quorum when a majority of the members entitled to vote upon the business to be transacted is present (in person or by proxy) at a general meeting.
- 61 A person shall be deemed to be present at a general meeting when she or he is in a position to communicate to all those attending the meeting, during the meeting, on the nature of the business being transacted, regardless of whether she or he is in the same place as all or any other person present.
- 62 If the quorum required under Articles 59 or 60 is not present within half an hour from the time appointed for the commencement of the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be determined by the chairperson of the meeting.

Presiding at general meetings

- 63 The Chairperson of the Board of Directors shall, if present and willing to act, preside over general meetings and in her or his absence the Vice-chairperson shall so act. If neither the Chairperson or Vice-chairperson are not present or willing to act within half an hour from the time appointed for the commencement of the meeting the Directors present shall appoint one of their number to preside over the meeting or, if only one Director is present and willing to act, she or he shall preside over the meeting.
- 64 If no Director willing to preside is present within half an hour from the time appointed for the commencement of the meeting, the members present shall appoint one of their number to preside over the meeting.

Adjournment of general meetings

- 65 The chairperson may, with the consent of a general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place; provided that no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had an adjournment not taken place.
- 66 When a meeting is adjourned for more than 14 (fourteen) days, at least 7 (seven) clear days' notice shall be given to the same persons to whom notice of the Network's general meetings is required to be given, specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

Resolutions

- 67 A resolution of the members of the Network shall be passed either at a general meeting of the Network in accordance with Articles 69 to 75 or as a written resolution in accordance with Articles 93 to 95.

68 An ordinary resolution means a resolution that is passed by a simple majority of the votes cast. A special resolution means a resolution that is passed by a majority of not less than 75% (three quarters) of the votes cast. Anything that may be done by ordinary resolution may also be done by special resolution.

Resolutions at general meetings

69 A resolution put to the vote of a meeting shall be decided upon by a show of hands unless before, or on the declaration of the result of, the show of hands a ballot (poll) is duly demanded. Subject to the provisions of section 321 of the 2006 Act, a ballot may be demanded by:

69.1 the chairperson of the meeting; or

69.2 the Directors of the Network; or

69.3 at least 2 (two) members, or proxies for members, having the right to vote at the meeting; or

69.4 members, or proxies for members, representing at least 10% (one tenth) of the total voting rights of all the members entitled to vote upon the resolution.

70 Unless a ballot is demanded in accordance with Article 69, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution.

71 The demand for a ballot may be withdrawn before the ballot is taken, but only with the consent of the chairperson. The withdrawal of a demand for a ballot shall not invalidate the result of a show of hands declared before the demand for a ballot was made.

72 If a ballot is demanded in accordance with Article 69 it shall be taken at once by means of a secret ballot of all the persons present and entitled to vote (whether as members or proxies for members) and shall be conducted in such a manner as the chairperson shall direct. The chairperson may appoint scrutineers (who need not be members) and may fix the time and place for declaring the results of the ballot.

73 The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot is demanded and taken.

74 If the chairperson directs that the result of a ballot is not to be declared immediately this shall not prevent the continuance of a meeting for the transaction of any other business other than the question on which the ballot was taken.

75 In the event of an equality of votes cast on an ordinary resolution, the required majority shall not have been attained and the resolution shall be deemed not to have

been passed. For the avoidance of doubt, the chairperson of the meeting shall not be entitled to any second or casting vote.

- 76 Where a resolution is passed at an adjourned meeting of the Network, the resolution shall be treated as having been passed on the date on which it was in fact passed and not on any earlier date.

Amendments to resolutions

- 77 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

77.1 notice of the proposed amendment is given to the Network in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 (forty eight) hours before the meeting is to take place; and

77.2 the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.

- 78 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:

78.1 the chairperson of the meeting proposes the amendment at the general meeting at which the special resolution is to be proposed; and

78.2 the amendment does not go beyond what is necessary to correct grammatical or other non-substantive error in the resolution.

- 79 If the chairperson of a general meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

Votes of members at general meetings

- 80 Subject to Article 81 every member (Full and Associate) of the Network and every Director (whether or not she or he is a member of the Network) shall have one vote at general meetings, exercisable in person or by proxy.

- 81 No member of the Network shall be entitled to vote at any general meeting unless all monies then payable by her or him to the Network in the form of subscriptions or otherwise have been paid in full, except in circumstances where the Directors have agreed to reduce or waive any such payment or permit payment to be made by instalments under Article 35.

- 82 No objection shall be raised to the validity of any vote or the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection

made in due time shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

Appointment of proxy

- 83 A member and a Director (whether or not she or he is a member) shall have the right to appoint a proxy to attend, speak and (if applicable) vote on her or his behalf at any general meeting or adjourned meeting. A proxy may be any person aged 16 (sixteen) years or over, who need not be a member of the Network but who shall not be an employee of the Network, provided that no person may act as a proxy for more than 1 (one) member or Director at the same meeting.
- 84 A member or Director wishing to appoint a proxy under Article 83 shall lodge with the chairperson of the meeting not less than 24 (twenty four) hours prior to its commencement an proxy notice in writing or by means of electronic communication in such form as the Directors may decide, subject to Article 85, signed by her or him.
- 85 A proxy notice made under Article 84 shall:
- 85.1 state the name of the member or Director appointing the proxy; and
 - 85.2 identify the person appointed to be the proxy of that member or Director; and
 - 85.3 identify the general meeting in relation to which that person is appointed.
- 86 A proxy notice made under Article 84 may, for each resolution on which a vote is to be taken at the meeting, either:
- 86.1 instruct the proxy to cast her or his vote in favour or against the resolution or to abstain from voting; or
 - 86.2 indicate that the proxy may exercise her or his own judgement in deciding how to cast her or his vote.
- 87 A member or Director shall not be entitled to appoint more than 1 (one) proxy to attend the same general meeting.
- 88 A proxy properly appointed to attend any general meeting in place of a member or Director shall have the same right as the person she or he is replacing to speak and (if applicable) vote, including the right to vote by show of hands, to vote on any amendment to a resolution and to demand a ballot. No proxy shall have the right to vote if she or he is replacing a member who is not eligible to vote under Article 81.
- 89 A person who is entitled to attend, speak or vote at a general meeting of the Network remains so entitled in respect of that meeting or any adjournment of it even though a valid proxy notice has been delivered by that person.

Termination of a proxy's appointment

- 90 An appointment of a proxy made under Article 83 may be revoked by the member or Director making it by delivering to the Network a notice in writing to that effect.
- 91 A notice revoking a proxy only takes effect if it is delivered before the start of the general meeting or adjourned meeting to which it relates and any revocation notice received after the start of the meeting does not affect whether the proxy counts in deciding whether there is a quorum at the meeting or the validity of any action taken by the proxy during the course of the meeting.

Written resolutions

- 92 A resolution in writing signed by the necessary majority of the members entitled to attend and vote at a general meeting and received by the Secretary within 28 (twenty eight days) after the date on which notice was given of the said resolution shall be as effectual as if it had been passed at a general meeting.
- 93 A member signifies agreement to a proposed written resolution when the Network receives from her or him an authenticated document identifying the resolution to which it relates and indicating her or his agreement with the resolution. Such document may be sent to the Network in hard copy or in electronic form.
- 94 The Network may publish a proposed written resolution on a website. To be valid, such resolution or statement shall be available on the website throughout the period beginning with the circulation date and ending on the date on which the resolution lapses.

PART FOUR: Board of Directors

Board of Directors

- 95 The business of the Network shall be managed and administered by a Board of Directors whose members shall be understood to be directors of the Network for the purposes of the Companies Acts, who shall be registered as directors with the Registrar of Companies and who shall also be understood to be the Trustees of the Network for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.
- 96 There shall be a minimum of 3 (three) and a maximum of 12 (twelve) Directors comprised as follows:
- 96.1 Subject to Article 98, a minimum of 3 (three) and a maximum of 9 (nine) Directors who are members of the Network (Full or Associate) proposed prior to and appointed at an Annual General Meeting as provided for by Articles 101 to 105 (for the purposes of these Articles referred to as the **Elected Directors**); and

96.2 A maximum of 3 (three) other Directors, who need not be members of the Network, co-opted by the Directors as provided for by Article 107 (for the purposes of these Articles referred to as the **Co-opted Directors**).

97 The first Directors shall be those persons named in the statement delivered pursuant to section 10(2) of the 1985 Act, who shall be deemed to have been appointed under the Articles. Future Directors shall be appointed as provided for subsequently in these Articles.

98 At any time not more than one-third of the Elected Directors shall be Associate Members and not less than two-thirds shall be Full Members of the Network.

Retirement of Elected Directors

99 At the conclusion of the first Annual General Meeting all the Directors shall retire from office, and at the conclusion of every subsequent Annual General Meeting one-third of the Elected Directors or, if their number is not 3 or a multiple of 3, the number nearest to one-third shall retire from office, but if there is only 1 (one) Director who is subject to retirement by rotation, she or he shall retire.

100 The Elected Directors to retire by rotation shall be those who have been longest in office since their last appointment, but as between persons who became Elected Directors on the same day those to retire shall be agreed among themselves, or otherwise be determined by lot.

Nomination and appointment of Elected Directors

101 The notice of an Annual General Meeting shall be accompanied by an invitation to all Full Members to nominate themselves or another Full or Associate Member for appointment as an Elected Director of the Network. To be valid, such nomination shall:

101.1 Be in writing, in such form as the Directors may from time to time decide, and signed by the nominating member; and

101.2 In the case of a nomination made on behalf of another member, include an indication of the willingness of the member nominated to hold office as a Director of the Network; and

101.3 Be received by the Secretary at least 7 days before the date of the Annual General Meeting.

102 At an Annual General Meeting the Network may by ordinary resolution appoint as an Elected Director any Full or Associate Member in respect of whom a written nomination has been received in compliance with Article 101, provided that:

- 102.1 No member shall be appointed if, as a result, the number of Elected Directors would exceed the maximum number of 9 (nine) Elected Directors permitted under clause 96.1; and
- 102.2 No Associate Member shall be appointed if, as a result, the proportion of Associate Members who are Elected Directors would exceed of one-third of the total number of Elected Directors permitted under Article 98; and
- 102.3 No member shall be appointed who is disqualified from acting as a Director under the provisions of Article 112.
- 103 In the event of the number of written nominations lodged with the Network in compliance with Article 101 being more than the number of vacancies, a secret ballot shall be held among the Full and Associate Members present at the Annual General Meeting. Those nominees receiving the greatest number of votes in favour of their appointment, up to but not exceeding the maximum number of vacant places available, may by ordinary resolution be appointed as Elected Directors, provided that:
- 103.1 No Associate Member is appointed if, as a result, the number of Associate Members who are Elected Directors would exceed of one-third of the total number of Elected Directors permitted under Article 98; and
- 103.2 No person is appointed in this manner who is disqualified from acting as a Director under the provisions of Article 112.
- 104 An Elected Director who is due for retirement shall be eligible to be nominated and reappointed to serve as a Director for a further term, provided she or he continues to be a member of the Network, without limit to the number of consecutive terms she or he may serve.

Vacancies among Elected Directors

- 105 The Directors may appoint any Full or Associate Member to fill any vacancy among the number of Elected Directors that arises between one Annual General Meeting and the next, provided that:
- 105.1 No Associate Member is appointed to fill a vacancy if, as a result, the number of Associate Members who are Elected Directors would exceed of one-third of the total number of Elected Directors permitted under Article 98; and
- 105.2 No person is appointed to fill a vacancy who is disqualified from acting as a Director under the provisions of Article 112.

106 Any Elected Director appointed to fill a vacancy under Article 105 shall hold office only until the conclusion of the next Annual General Meeting at which time she or he shall retire and shall not form part of the body of Elected Directors subject to retirement by rotation.

Co-opted Directors

107 The Elected Directors may at any time co-opt any person aged 18 years or over (who need not be a member of the Network but with the exception of an employee of the Network) to be a Co-opted Director in cases where they consider the person in question has knowledge, skills or experience which would assist them in the performance of their duties, provided that no person shall be co-opted under this Article:

107.1 If, as a result, the number of Co-opted Directors would exceed the maximum number of 3 (three) permitted in Article 96.2; or

107.2 Who is disqualified from acting as a Director under the provisions of Article 112.

108 Co-opted Directors shall hold office only until the conclusion of the next Annual General Meeting at which time they shall retire and shall not form part of the body of Directors subject to retirement by rotation.

109 A Co-opted Director retiring under Article 108 may, at the discretion of the Elected Directors, be co-opted to serve for a further term (subject to Article 107) without limit to the number of consecutive terms she or he may serve.

Register of Directors

110 Pursuant to sections 162 to 165 of the 2006 Act the Directors shall maintain and keep at the Office or at a place specified in regulations under section 1136 of the 2006 Act, a Register of Directors containing for each Director her or his:

110.1 present full name and former names by which she or he has been known since the age of 18 (eighteen) and within the past 20 (twenty) years; and

110.2 a service address and the Director's usual residential address (if different); and

110.3 the country, state or part of the United Kingdom in which she or he is usually resident; and

110.4 nationality; and

110.5 date of birth; and

- 110.6 business occupation (if any).
- 110.7 the date of appointment and (if applicable) the date of retirement as a Director.
- 111 Pursuant to section 167 of the 2006 Act the Directors shall give notice to the Registrar of Companies in the prescribed form of any change to the particulars of its Register of Directors within 14 (fourteen) days of the date on which the change occurred.

Disqualification from serving on the Board of Directors

- 112 A person shall not be appointed or reappointed to serve as a Director (whether Elected or Co-opted) and a serving Director shall cease to hold office with immediate effect if she or he:
 - 112.1 is below the age of 16 (sixteen) years; or
 - 112.2 is the subject of a disqualification order issued by any court of law under the Company Directors Disqualification Act 1986; or
 - 112.3 is disqualified from acting as a company director by virtue of any provision of the Companies Acts or from acting as a trustee of a Scottish charity under section 69 of the Charities and Trustee Investment (Scotland) Act 2005 (or any statutory re-enactment or modification of this Act); or
 - 112.4 is or becomes an employee of the Network or is seconded to or otherwise placed with the Network as if she or he were an employee of the Network; or
 - 112.5 is or has become, in the written opinion of a medical practitioner made to the Network, physically or mentally incapable of acting as a Director and may remain so for more than 3 (three) months; or
 - 112.6 is the subject of an order made by a court which, by reason of her or his mental health, wholly or partly prevents her or him from personally exercising any powers or rights which she or he would otherwise have.

Resignation of Directors

- 113 A Director may resign from her or his office by giving written notice to the Management Board, but only if at least 3 (three) Elected Directors will remain in office when the notice of resignation is to take effect.

Removal of Directors

- 114 The Directors may, at their discretion, agree to remove from office any Director who is absent without good reason, in the opinion of the Directors, from 3 (three) consecutive meetings of the Board of Directors.
- 115 Subject to 116 to 119 (inclusive) and to the requirements under sections 168 and 169 of the 2006 Act, the Network may by ordinary resolution in general meeting remove a Director before the expiration of her or his period of office notwithstanding any agreement she or he may have with the Network.
- 116 A meeting at which a resolution is to be put to remove one or more Directors under Article 115 shall be called by special notice; that will involve at least 28 (twenty eight) days' notice being given to the Network of the member's intention to propose the resolution, and the Network giving at least 14 (fourteen) days' notice of the general meeting at which the resolution is to be put. On receipt of a notice from a member of her, his or its intention to propose such a resolution a copy shall be sent to the Director or Directors concerned.
- 117 A Director who is the subject of a resolution for her or his removal under Article 115 shall have the right:
- 117.1 to attend and to be heard (either in person or through her or his representative) at the meeting at which the resolution is put; and
- 117.2 to make written representations to the Directors prior to the meeting and to request their notification to members of the Network.
- 118 The Directors shall, on receipt of written representations made under Article 117.2, unless the representations are received too late for them to do so, send a copy of the representations to every member of the Network to whom notice of the meeting is or was sent.
- 119 If written representations made under Article 117.2 are not sent to the members of the Network, for whatever reason, a Director making the representations may require that they shall be read out at the meeting.
- 120 Failure to follow correctly any of the procedures provided for in Articles 116 to 119 (inclusive) shall render invalid any resolution for the removal of a Director.

Powers of the Directors

- 121 Subject to the provisions of the Companies Acts, the Memorandum of Association, these Articles and to any directions given by special resolution, the business of the Network shall be managed by the Directors who may exercise all the powers of the Network.

- 122 No alteration to the Memorandum or the Articles and no direction by special resolution shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

Validity of acts of Directors

- 123 The acts of a person acting as a Director shall be valid notwithstanding that it is afterwards discovered that there was a defect in her or his appointment, that she or he was disqualified from holding office, had ceased to hold office or was not entitled to vote on the matter in question.

Directors to act in a personal capacity

- 124 There shall be no provision for the appointment of alternate Directors and no Director shall have the right to be represented at a meeting of the Board of Directors by any other person or to request another Director to cast a vote on her or his behalf.

General duties of Directors

- 125 Pursuant to sections 170 to 177 of the 2006 Act a Director shall, in performing her or his duties as a Director, act at all times with due regard to the general duties she or he owes to the Network, namely:
- 125.1 to act in accordance with the constitution of the Network and only to exercise her or his powers for the purposes for which they are conferred; and
 - 125.2 to act in ways which she or he considers, in good faith, would be most likely to promote the success of the Network for the benefit of its members and beneficiaries; and
 - 125.3 to exercise independent judgement; and
 - 125.4 to exercise reasonable care, skill and diligence to the extent that may reasonably be expected of a person carrying out the functions she or he performs in relation to the Network; and
 - 125.5 to avoid situations in which she or he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Network, in particular with regard to the exploitation of any property, information or opportunity of the Network;
 - 125.6 not to accept any benefit from a third party conferred by reason of her or his being a Director or doing (or not doing) anything as a Director.

Directors' remuneration and expenses

- 126 Subject to the permissible exceptions in Article 127 and in clauses 8 and 9 of the Memorandum no Director shall be entitled to any remuneration, whether in respect of her or his serving as a Director or as a holder of any executive office under the Network.
- 127 A Director may be paid all reasonable travel, subsistence and other expenses incurred by her or him in connection with her or his attendance at meetings of the Board of Directors, sub-committees of the Board, general meetings of the Network or otherwise in connection with the discharge of her or his duties.

Directors' appointments to executive office

- 128 Subject to the provisions of the Companies Acts, the Directors shall appoint from among their number a Chairperson, Vice-chairperson and Treasurer and may appoint any other such executive officer as they consider appropriate, provided that only an Elected Director shall hold the office of Chairperson.
- 129 Appointments to executive office under Article 128 shall, subject to Article 133, be made at a meeting of the Directors held as soon as reasonably practicable after the incorporation of the Network and thereafter at a meeting of the Directors held as soon as reasonably practicable after each Annual General Meeting.
- 130 Subject to Article 132 a Director shall hold an executive office until the conclusion of the Annual General Meeting which next follows her or his appointment at which time she or he shall retire.
- 131 An executive officer whose term of office expires under Article 130 may be re-appointed to such office or to any other executive office without limit to the number of consecutive terms of office she or he may hold, provided that she or he is willing to act and continues to be a Director and, in the case of the Chairperson, provided that she or he continues to be an Elected Director.
- 132 The appointment of any executive officer shall terminate if she or he ceases, for whatever reason, to be a Director or if she or he resigns from such executive office by written notice to the Directors or if she or he is removed from such executive office for whatever reason by resolution of the Directors.
- 133 In the event that the appointment of any Director to any executive office terminates under Article 132, the Directors shall, at a meeting held as soon as reasonably practicable after such termination, appoint another of their number to hold such office in her or his place, unless the executive office is such that the Directors may, at their discretion, resolve not to appoint a replacement. Any executive officer appointed under this Article shall hold such office until the conclusion of the next Annual General Meeting which follows her or his appointment.

Proceedings of the Board of Directors

- 134 Except where specifically provided for by these Articles, the Directors may regulate proceedings at their meetings as they think fit.
- 135 Any Director may, and the Secretary if requested by a Director shall call a meeting of the Board of Directors at a reasonable time and giving a reasonable period of notice provided that there shall be no fewer than 6 (six) meetings of the Board of Directors in each financial year of the Network.
- 136 It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom.
- 137 No proposal may be voted upon at a meeting of Directors, other than a proposal to call another meeting, unless a quorum is present. The Directors may decide upon a quorum for the transaction of business at their meetings, provided that they shall not fix a number which is less than one third of their number or 3 (three) Directors, whichever is the greater, of whom at least 2 (two) shall be a Elected Directors.
- 138 A Director is deemed to be present at a meeting of Directors when:
- 138.1 the meeting has been called and takes place in accordance with these Articles; and
- 138.2 she or he can communicate information or opinions on the business of the meeting to all others present at the meeting, regardless of the means of communication used or whether all or any of the Directors are in the same place.
- 139 In the event that a meeting of the Directors is held at which not all of the Directors are in the same place, the Directors may decide at which place the meeting is deemed to be held for the purpose of the record of the meeting.
- 140 The Board of Directors may act notwithstanding any vacancies in its number, but if the number of remaining Directors is less than the number fixed as a quorum, or if the number of remaining Elected Directors is less than the minimum provided for in Article 96.1 the continuing Director or Directors may act only for the purpose of appointing further Directors or of calling a general meeting so as to enable the members to appoint further Directors.
- 141 The Chairperson shall chair meetings of the Board of Directors, but if the Chairperson is not present within 15 (fifteen) minutes after the time appointed for the commencement of the meeting, or if she or he is unwilling to act, the Directors present may appoint another among their number to chair the meeting.

Votes of Directors

- 142 Questions arising at a meeting of the Board of Directors shall be decided by consensus or by a majority of votes cast. Subject to Article 143 all Directors (whether

Elected or Co-opted) shall have (one) vote, but in the case of an equality of votes the Chairperson or whoever is chairing the meeting shall have a second casting vote.

- 143 Except as otherwise provided for in these Articles, a Director shall not vote at a meeting of the Board of Directors or at a sub-committee of the Board on any resolution concerning a matter in which she or he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Network unless her or his interest or duty arises from a permitted cause under the provisions of Article 144.
- 144 A Director shall be permitted to vote on any resolution where the case falls within either or both of the following:
- 144.1 the resolution relates to giving her or him a guarantee, security or indemnity in respect of money lent to, or any obligation incurred by her or him for the benefit of the Network or any of its subsidiaries;
- 144.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Network or any of its subsidiaries for which the Director has assumed responsibility in whole or part (and whether alone or jointly with others) under a guarantee or by the giving of security.
- 145 For the purpose of Article 143, an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the Network), connected with a Director shall be treated as an interest of the said Director. A connected person shall be defined as provided for by sections 252 to 255 (inclusive) of the 2006 Act.
- 146 The Network may by ordinary resolution suspend or relax to any extent either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Board of Directors or at a sub-committee.
- 147 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which she or he is prohibited from voting under the provisions of Article 143.
- 148 If a question arises at a meeting of the Board of Directors or at a sub-committee as to the right of any Director to vote, the question may be referred, before the conclusion of the meeting, to the Chairperson or whoever is chairing the meeting, whose decision in relation to any Director other than herself or himself shall be final and conclusive.
- 149 A Director may not vote on any resolution to appoint or remove herself or himself from any executive office of the Board of Directors made under Articles 128, 131 or 133. Where proposals are under consideration for the appointment to or removal from executive office of 2 (two) or more Directors, the proposals may be divided and considered in relation to each Director separately. Provided she or he is not prohibited from voting for another reason each of the Directors concerned shall be

entitled to vote and be counted in the quorum in respect of each resolution except that concerning her or his own appointment.

Written resolutions of Directors

- 150 A resolution in writing, signed by a majority of the Directors for the time being, and received by the Secretary within 28 (twenty eight) days after the date on which notice was given of the said resolution, shall be as valid and effective as if it had been passed at a meeting of the Board of Directors. Such a resolution may consist of several documents in the same form, each signed by 1 (one) or more of the Directors.

Board of Directors: attendance of observers and advisors

- 151 The Directors may invite or request the attendance at any of their meetings of any person or representative of any body for the purposes of giving advice, submitting information or evidence or otherwise assisting it in the conduct of its business. The attendance of such persons shall be in a non-voting capacity at the discretion of the Directors and may be for the whole or any part of any meeting or for more than 1 (one) meeting.

Board of Directors: attendance of Network employees

- 152 The senior employee of the Network (if any) shall be deemed to have a standing invitation to attend all meetings of the Board of Directors, but the Directors shall have the right to request her or his withdrawal from the whole or any part of any meeting when they consider there are reasonable grounds for doing so.
- 153 The Directors shall comply with their obligations under any recognition agreement with a trade union or other representative body of employees of the Network to which it has signed agreement with regard to the attendance of representatives from such a body or bodies at their meetings.

Delegation to sub-committees or to executive officers

- 154 Subject to Article 159 the Directors may appoint 1 (one) or more sub-committees for the purpose of making any inquiry or supervising or performing any function or duty which in their opinion would be more conveniently undertaken or carried out by a sub-committee provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the Board of Directors.
- 155 The Directors shall determine the membership of any sub-committee provided that a sub-committee shall include at least 1 (one) Director.
- 156 The Directors may delegate to the Chairperson or to any other executive officer such powers and duties as they consider desirable or appropriate to be delegated to her

or him provided that all actions taken by the Chairperson or other executive officer under this provision shall be fully and promptly reported to the Board of Directors.

157 Any delegation of powers or duties by the Directors under Articles 154 and 156 shall be subject to such terms of reference as the Directors may decide and the Directors shall retain the power:

157.1 to revoke or impose limits upon any specific authority or power granted to any sub-committee or executive officer under such terms; and

157.2 to transfer any function or responsibility of any sub-committee to another sub-committee or to their direct control at any time; and

157.3 to suspend or dissolve any sub-committee and to re-instate or re-convene any sub-committee at any time in the same or different form and subject to the same or different terms of reference as they think fit.

158 Subject to any condition imposed in pursuance of Article 157, the proceedings of a sub-committee shall be governed by the Articles regulating the proceedings of meetings of the Board of Directors insofar as they are capable of applying.

159 The following matters shall be excluded from delegation to any sub-committee or executive officer:

159.1 any introduction of a new policy or change in policy which is rightly or legally the responsibility of the Board of Directors or which would conflict with the declared policy of the Board of Directors or of the Network; and

159.2 any action or decision involving expenditure or financial arrangements or transactions that are not in accordance with the financial regulations of the Network.

160 All contracts with third parties in connection with the discharge of the functions of a sub-committee shall be entered into by a Director who is a member of the said sub-committee or, in her or his absence, by some other Director of the Network. No other member of a sub-committee shall contract or hold herself or himself out as contracting on behalf of the Network.

161 All acts done by a sub-committee shall be valid, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member of the sub-committee or that any member of the sub-committee was not qualified to act as such.

162 A resolution in writing signed by all the members of a sub-committee shall be as valid and effectual as if it had been passed at a meeting of the sub-committee duly convened and held. Such a resolution may consist of several documents in the same form each signed by 1 (one) or more members of the sub-committee.

PART FIVE: Administrative and financial arrangements

Company Secretary

- 163 The Directors may, at their discretion, appoint any person aged 16 (sixteen) years or over as Company Secretary for such term, at such remuneration (if not a Director) and upon such conditions as they think fit, and any Company Secretary so appointed may be removed and replaced by the Directors.
- 164 The Directors may delegate to any Company Secretary appointed by them such powers and duties as they consider desirable or appropriate provided that all actions taken by the Company Secretary under this provision shall be fully and promptly reported to the Board of Directors.
- 165 If the Directors decide not to appoint a Company Secretary:
- 165.1 any references in the Companies Acts and in these Articles to anything required to be sent to, or served on, the Network by being sent to its Secretary shall be treated as being sent to, or served on, the Network itself; and
 - 165.2 anything else required or authorised to be done by or to the Secretary may be done by or to a Director or another person authorised generally or specifically in that behalf by the Directors.

Record of resolutions and meetings

- 166 Pursuant to section 355 of the 2006 Act the Directors shall keep records for not less than 10 (ten) years of:
- 166.1 all proceedings at general meetings of the Network and at meetings of the Board of Directors and at any sub-committees, including the names of the Directors and of any other persons present at each meeting; and
 - 166.2 copies of all resolutions of members passed otherwise than at general meetings; and
 - 166.3 all appointments of executive officers made by the Board of Directors.
- 167 The record of proceedings at a general meeting, if purporting to be signed by the chairperson of that meeting or by the chairperson of the next general meeting, are sufficient evidence of the proceedings at the meeting.
- 168 The record of a resolution passed otherwise than at a general meeting, if purporting to be signed by a Director or Secretary of the Network, is sufficient evidence of the passing of the resolution.

Notices and means of communication

- 169 Subject to the Articles, anything sent or supplied by or to the Network under the Articles may be sent or supplied in any form and by any means permitted by the 2006 Act.
- 170 Any notice to be given to or by any person or organisation pursuant to these Articles shall be in writing, whether in hard copy or electronic form. The Network may give notice to a member or to a Director or other person entitled to receive such notice either personally or by sending it to an address given by that person for the purpose of receiving notices.
- 171 A member of the Network or a Director or other person or body present in person or represented by proxy at any meeting of the Network shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called.

Bank accounts and accounting records

- 172 Any bank, building society or similar account in which any part of the assets of the Network is deposited shall be operated by the Directors and shall indicate the name of the Network. All cheques and orders for the drawing of money from such an account shall be signed by at least 2 (two) signatories who have been authorised by the Directors to act in this capacity, of whom at least 1 (one) shall be an Elected Director.
- 173 Pursuant to section 386 of the 2006 Act, the Directors shall cause accounting records to be kept which are sufficient to show and explain the Network's transactions, which disclose with reasonable accuracy, at any time, the financial position of the Network at that time and which enable the Directors to ensure that any accounts required to be prepared comply with the 2006 Act.
- 174 Pursuant to section 388 of the 2006 Act, the accounting records of the Network shall be kept at the Office of the Network or at such other place as the Directors think fit, and shall at all times be open to inspection by the officers of the Network.
- 175 The accounting records of the Network kept in accordance with Article 173 shall be preserved for a minimum period of 6 (six) years from the date on which they are made.

Financial year and accounting reference date

- 176 The financial year of the Network shall run from 1 April in each year to 31 March of the following year and the accounting reference date of the Network, for the purpose of making up accounts and for inviting membership renewals and subscriptions (if any) shall be 31 March.

Annual accounts

- 177 Pursuant to sections 393 to 396 of the 2006 Act and to the Charities Accounts (Scotland) Regulations 2006 the Directors shall prepare accounts for the Network for each of its financial years which give a true and fair view of the state of affairs of the Network as at the end of its financial year.
- 178 Pursuant to section 414 of the 2006 Act the annual accounts of the Network shall be approved by the Board of Directors and the balance sheet of the Network shall be signed on behalf of the Board of Directors by 1 (one) of its number.

Directors' report

- 179 The Directors shall for each financial year of the Network prepare a Directors' Report which shall:
- 179.1 state the names of the persons who, at any time during the financial year, were Directors of the Network; and
 - 179.2 give a fair view of the principal activities and development of the Network in furtherance of its purposes.
- 180 The Directors' Report shall be approved by the Board of Directors and shall be signed on its behalf by the Secretary or by 1 (one) among its number.

Audit or independent examination of annual accounts

- 181 The Directors shall comply with the requirements of Part 16 Chapter 1 of the 2006 Act and the Charities Accounts (Scotland) Regulations 2006 with regard to the audit or independent examination of the annual accounts of the Network.

Circulation of accounts and reports to members

- 182 The Directors shall lay before the members of the Network in a general meeting such approved and signed accounts, balance sheets and Directors' reports as are prepared and approved in respect of each financial year of the Network.
- 183 Notwithstanding the requirement of Article 182, the Directors shall, pursuant to section 423 of the 2006 Act, send to every member of the Network and to any other person entitled to receive notice of general meetings, a copy of the annual accounts and Directors' report, together with a copy of the report of the auditor or independent examiner of the accounts as applicable.
- 184 Annual accounts and reports sent to members of the Network under Article 183 shall be sent not later than either:

- 184.1 the end of the period for filing such accounts and reports with the Registrar of Companies; or
- 184.2 if earlier, the date on which the accounts and reports are actually filed with the registrar of Companies.

Filing of accounts and reports with the Registrar

- 185 Pursuant to Part 15 Chapter 10 of the 2006 Act the Directors shall, in respect of each financial year of the Network, deliver to the Registrar of Companies a copy of the Network's annual accounts and a copy of the Directors' Report as approved by the Board of Directors and signed on its behalf, together with and a copy of the auditor's or independent examiner's report as applicable within 9 (nine) months after the end of the financial year to which they apply.

PART SIX: Other provisions

Indemnity

- 186 Subject to Article 187 and to the provisions of sections 232 and 234 of the 2006 Act a Director or former Director of the Network may be indemnified out of the assets of the Network against any liability incurred by her or him to a person other than the Network (a third party) in connection with any negligence, default, breach of duty or breach of trust.
- 187 The provisions contained in Article 186 shall not indemnify a Director or former Director of the Network against any liability:
 - 187.1 to pay a fine imposed on her or him in criminal proceedings; or
 - 187.2 for a sum payable by her or him to a regulatory body by way of a penalty in respect of any non-compliance with any requirement of a regulatory nature, however arising; or
 - 187.3 for the costs of defending criminal proceedings in which she or he is convicted; or
 - 187.4 for the costs of defending civil proceedings brought by the Network, or an associated company, in which judgement is given against her or him; or
 - 187.5 in connection with an application to a court for relief in which the court refuses to grant her or him relief.

Insurance

- 188 Pursuant to section 233 of the 2006 Act but subject to any provisions of the Charities and Trustee Investment (Scotland) Act 2005 the Directors may decide to purchase and maintain insurance at the expense of the Network for the benefit of any Director or former Director in respect of any loss or liability which has been or may be incurred by her or him in connection with her or his duties or powers in relation to the Network.

Rules

- 189 Subject to Article 191 the Directors may from time to time make such rules as they deem necessary or expedient or convenient for the proper management and conduct of the Network, and in particular but without prejudice to the generality of the foregoing, they may by such rules regulate:
- 189.1 the admission and classification of members of the Network and the rights and privileges of such members insofar as such matters are not regulated by these Articles, by any resolutions affecting the Network's constitution or by the Companies Acts; and
 - 189.2 the conduct of members of the Network in relation to one another, and to the Network's employees, volunteers, Directors, officers and agents; and
 - 189.3 the setting aside of the whole or any part or parts of the Network's premises at any particular time or times or for any particular purpose or purposes, provided that in so doing the Directors shall not permit the premises of the Network to be used for purposes which are not in furtherance of its charitable purposes; and
 - 189.4 the proceedings at general meetings and meetings of the Board of Directors and of sub-committees of the Board insofar as such proceedings are not regulated by these Articles, by any resolutions affecting the Network's constitution or by the Companies Acts; and
 - 189.5 generally, all such matters as are commonly the subject of company rules.
- 190 Subject to Article 191 the members of the Network in general meeting shall have power by ordinary resolution to alter, add to or repeal the rules made by the Directors and the Directors shall adopt such means as they think sufficient to bring to the notice of members of the Network all such rules, which shall be binding on all members of the Network.
- 191 No rule may be made under Articles 189 or 190 by the Directors or by the Network in general meeting which would make obsolete or be inconsistent with any provision contained in the Articles, or with any resolutions affecting the Network's constitution or with the Companies Acts.

Amendment of Articles

- 192 Subject to the provisions of section 21 of the 2006 Act and to Articles 195 and 198, the Network may, by special resolution, amend these Articles. Any amendment so made shall be as valid as if originally contained in the Articles and shall remain subject to further amendment in a like manner.
- 193 No amendment shall be made under Article 192 which is inconsistent with or would be made void by the Companies Acts or which would have the effect of the Network ceasing to be a charity under the Charities and Trustee Investment (Scotland) Act 2005.
- 194 Pursuant to section 26 of the 2006 Act the Directors shall, within 15 (fifteen) days of the Network passing a resolution to amend its Articles under Article 192, send a copy of the Articles as amended to the Registrar of Companies.
- 195 Pursuant to section 17 of the Charities and Trustee Investment (Scotland) Act 2005 the Directors shall notify the Office of the Scottish Charity Regulator (OSCR) of any amendment to the Articles within 3 (three) months of the date on which the amendment is made.

Amendment of statement of purposes

- 196 The Network may, by special resolution, amend the statement of purposes contained in the Memorandum, provided that:
- 196.1 no amendment shall be made to the statement of purposes without the prior written consent of the Office of the Scottish Charity Regulator under section 16(a) of the Charities and Trustee Investment (Scotland) Act 2005 ; and
- 196.2 no amendment shall be made which would have the effect of the Network ceasing to be a charity in Scots law.

Disposal of assets upon dissolution

- 197 If, in the event of the Network being wound up or dissolved and after all its debts have been settled and all its liabilities have been met, including the return of any assets on loan or the repayment of any unspent portion of any grant or donation where this was an express condition of the grantor or donor, there remains any property, it shall not be paid or distributed among the members of the Network or its Directors or its employees, but shall be given or transferred for nil consideration to some other charity or charities having purposes similar to the purposes of the Network, chosen by the members of the Network at or before the time of dissolution or, if that cannot be done, then to some other charitable purpose.