

## **Articles of Association of The Paddle Steamer Preservation Society**

1. The company's name is The Paddle Steamer Preservation Society (and in this document it is called the 'Society').

### **Interpretation**

2. In the articles:

'address' means a postal address or, for the purposes of electronic communication, a fax number, an e-mail or postal address or a telephone number for receiving text messages in each case registered with the Society;

'the articles' means the Society's articles of association;

'clear days' in relation to the period of a notice means a 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;

'the Commission' means the Charity Commission for England and Wales;

'Companies Acts' means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Society;

'connected person' has the meaning defined by Article 67

'the members of the Council of Management' means the directors of the Society. The members of the Council of Management are charity trustees as defined by section 177 of the Charities Act 2011;

'document' includes, unless otherwise specified, any document sent or supplied in electronic form;

'electronic form' has the meaning given in section 1168 of the Companies Act 2006;

'officers' includes the members of the Council of Management;

'OSCR' means the Office of the Scottish Charity Regulator;

'PSKCT' means Paddle Steamer Kingswear Castle Trust Limited (company number 00755216);

'the seal' means the common seal of the Society if it has one;

'secretary' means any person appointed to perform the duties of the secretary of the Society;

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

'WEL' means Waverley Excursions Limited (company number SC070945);

'WSN' means Waverley Steam Navigation Company Limited (company number SC050789); and

words importing one gender shall include all genders, and the singular includes the plural and vice versa.

Unless the context otherwise requires words or expressions contained in the articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when these articles come into effect.

Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re enactment of it for the time being in force.

### **Liability of members**

3. The liability of the members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the Society in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:
  - (1) payment of the Society's debts and liabilities incurred before he, she or it ceases to be a member;
  - (2) payment of the costs, charges and expenses of winding up; and
  - (3) adjustment of the rights of the contributories among themselves.

### **Objects**

4. The Society's objects ('Objects') are specifically restricted to the following:
  - (1) for the public benefit to acquire, preserve and exhibit in sailing condition or otherwise one or more examples of paddle steamers or paddle propelled vessels ('paddle steamers'); and
  - (2) to acquire, preserve and exhibit a collection of marine equipment and other appurtenances and material associated with them with a view to educating the public in the historical significance of paddle steamers in the Nation's maritime and industrial heritage.

Nothing in the articles shall authorise an application of the property of the Society for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and/or section 2 of the Charities Act (Northern Ireland) 2008.

### **Powers**

5. The Society has power to do anything which is calculated to further its Objects or is conducive or incidental to doing so. In particular, the Society has power:
  - (1) To acquire and hold shares in WSN and PSKCT;
  - (2) To operate or arrange the operation of the paddle steamers in waters traditionally sailed by them;
  - (3) To enable as wide a section of the public as possible to gain practical experience of sailing in paddle steamers and of exploring them;
  - (4) To stimulate and arouse interest in paddle steamers throughout the world by public meetings, publications, exhibitions and any other means by encouraging research into their history and providing the means whereby models plans photographs and other appropriate items may be preserved and exhibited;
  - (5) to raise funds. In doing so, the Society must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations;
  - (6) to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
  - (7) to sell, lease or otherwise dispose of all or any part of the property belonging to the Society. In exercising this power, the Society must comply as appropriate with sections 117 and 122 of the Charities Act 2011;
  - (8) to borrow money and to charge the whole or any part of the property belonging to the Society as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The Society must comply as appropriate with sections 124 - 126 of the Charities Act 2011 if it wishes to mortgage land;

- (9) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- (10) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- (11) to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity;
- (12) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- (13) to employ and remunerate such staff as are necessary for carrying out the work of the Society. The Society may employ or remunerate a member of the Council of Management only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article;
- (14) to:
  - (a) deposit or invest funds;
  - (b) employ a professional fund-manager; and
  - (c) arrange for the investments or other property of the Society to be held in the name of a nominee;
 in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;
- (15) to provide indemnity insurance for the members of the Council of Management in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;

**Application of income and property**

6.

- (1) The income and property of the Society shall be applied solely towards the promotion of the Objects.
- (2)
  - (a) A member of the Council of Management is entitled to be reimbursed from the property of the Society or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Society.
  - (b) A member of the Council of Management may benefit from trustee indemnity insurance cover purchased at the Society's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.
  - (c) A member of the Council of Management may receive an indemnity from the Society in the circumstances specified in article 62.
  - (d) A member of the Council of Management may not receive any other benefit or payment unless it is authorised by article 7.
- (3) Subject to article 7, none of the income or property of the Society may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Society. This does not prevent a member who is not also a member of the Council of Management receiving:
  - (a) a benefit from the Society in the capacity of a beneficiary of the Society;

- (b) reasonable and proper remuneration for any goods or services supplied to the Society.

**Benefits and payments to members of the Council of Management and connected persons**

7.

(1) General provisions

No member of the Council of Management or connected person may:

- (a) buy any goods or services from the Society on terms preferential to those applicable to members of the public;
- (b) sell goods, services, or any interest in land to the Society;
- (c) be employed by, or receive any remuneration from, the Society;
- (d) receive any other financial benefit from the Society;

unless the payment is permitted by sub-clause (2) of this article, or authorised by the court or the Commission.

In this article a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

**Scope and powers permitting members of the Council of Management' or connected persons' benefits**

(2)

- (a) A member of the Council of Management or connected person may receive a benefit from the Society in the capacity of a beneficiary of the Society provided that a majority of the Council of Management do not benefit in this way or the benefit is available to the public in general.
- (b) A member of the Council of Management or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Society where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011.
- (c) Subject to sub-clause (3) of this article a member of the Council of Management or connected person may provide the Society with goods that are not supplied in connection with services provided to the Society by the member of the Council of Management or connected person.
- (d) A member of the Council of Management or connected person may receive interest on money lent to the Society at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).
- (e) A member of the Council of Management or connected person may receive rent for premises let by the member of the Council of Management or connected person to the Society. The amount of the rent and the other terms of the lease must be reasonable and proper. The member of the Council of Management concerned must withdraw from any part of any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- (f) A member of the Council of Management or connected person may take part in the normal trading and fundraising activities of the Society on the same terms as members of the public.

### **Payment for supply of goods only - controls**

- (3) The Society and its Council of Management may only rely upon the authority provided by sub clause (2)(c) of this article if each of the following conditions is satisfied:
- (a) The amount or maximum amount of the payment for the goods is set out in an agreement in writing between the Society or its Council of Management (as the case may be) and the member of the Council of Management or connected person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of the Society.
  - (b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
  - (c) The other members of the Council of Management are satisfied that it is in the best interests of the Society to contract with the supplier rather than with someone who is not a member of the Council of Management or connected person. In reaching that decision the Council of Management must balance the advantage of contracting with a member of the Council of Management or connected person against the disadvantages of doing so.
  - (d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the Society.
  - (e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of members of the Council of Management is present at the meeting.
  - (f) The reason for their decision is recorded by the Council of Management in the minute book.
  - (g) A majority of the members of the Council of Management present when the decision is taken are not in receipt of remuneration or payments authorised by article 7.
- (4) In sub-clauses (2) and (3) of this article:
- (a) 'Society' includes any company in which the Society:
    - (i) holds more than 50% of the shares; or
    - (ii) controls more than 50% of the voting rights attached to the shares; or
    - (iii) has the right to appoint one or more directors to the board of the company.
  - (b) 'connected person' includes any person within the definition in article 67 .

### **Declaration of members of the Council of Management' interests**

8. A member of the Council of Management must declare the nature and extent of any interest, direct or indirect, which he or she or a connected person has in a proposed transaction or arrangement with the Society or in any transaction or arrangement entered into by the Society which has not previously been declared. A member of the Council of Management must absent himself or herself from any discussions of the Council of Management in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Society and any personal interest (including but not limited to any personal financial interest).

### **Conflicts of interests and conflicts of loyalties**

- 9.
- (1) If a conflict of interests arises for a member of the Council of Management because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of

any other provision in the articles, the unconflicted members of the Council of Management may authorise such a conflict of interests where the following conditions apply:

- (a) the conflicted member of the Council of Management is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
  - (b) the conflicted member of the Council of Management does not vote on any such matter and is not to be counted when considering whether a quorum of members of the Council of Management is present at the meeting; and
  - (c) the unconflicted members of the Council of Management consider it is in the interests of the Society to authorise the conflict of interests in the circumstances applying.
- (2) A member of the Council of Management who is also a director of WSN, WEL or PSKCT shall be treated as unconflicted concerning matters in relation to the other company of which he is a director except where a decision concerns financial support by the Society to the other company of which he is a director, or its parent company or subsidiary.
- (3) In this article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a member of the Council of Management or to a connected person.

#### **Members**

10.

- (1) Membership is open to individuals or organisations who:
  - (a) apply to the Society in the form required by the Council of Management; and
  - (b) are approved by the Council of Management.
- (2)
  - (a) The Council of Management may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Society to refuse the application.
  - (b) The Council of Management must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.
  - (c) The Council of Management must consider any written representations the applicant may make about the decision. The decision of the Council of Management following any written representations must be notified to the applicant in writing but shall be final.
- (3) Membership is not transferable.
- (4) The Council of Management must keep a register of names and addresses of the members.

#### **Classes of membership**

11.

- (1) The membership of the Society shall consist of the following classes:
  - (a) Ordinary members;
  - (b) Senior members, who had been admitted to this class before 31 December 2017, provided they maintain continuous membership. No further members may be admitted to this class after 31 December 2017;

- (c) Associate members who shall be adult members living at the same address as an Ordinary or Senior member;
  - (d) Young Person members who shall be under the age of 26 on their previous renewal date;
  - (e) Life members;
  - (f) Honorary Life members, who may be admitted to membership by virtue of their outstanding service to the cause of the Society; and
  - (g) Corporate members which shall be entitled to appoint one representative and any such representative shall be entitled to exercise on its behalf the same voting and all other rights as an Individual Member and shall by virtue of his appointment as such representative be eligible for election or appointment to any office of the Society or to membership of the Council of Management.
- (2) The membership subscriptions payable by each class of member shall be determined from time to time by a general meeting.
- (3) All members shall enjoy the same rights, privileges and obligations of membership, except that:
- (a) Young Person members under the age of 18 and Honorary Life members shall not be entitled to a vote; and
  - (b) Associate members shall not receive separate notices or mailings.
- (4) From 1 January 2017 the Council of Management may require all members or all members of certain classes of member with addresses outside the United Kingdom to pay a postage supplement. Any such supplement shall not exceed the difference between United Kingdom and International postage rates and may be varied from time to time by the Council of Management.

### **Termination of membership**

#### 12. Membership is terminated if:

- (1) the member dies or, if it is an organisation, ceases to exist;
- (2) the member resigns by written notice to the Society unless, after the resignation, there would be less than two members;
- (3) any sum due from the member to the Society is not paid in full within six months of it falling due;
- (4) the member is removed from membership by a resolution of the Council of Management that it is in the best interests of the Society that his or her or its membership is terminated. A resolution to remove a member from membership may only be passed if:
  - (a) the member has been given at least twenty-one days' notice in writing of the meeting of the Council of Management at which the resolution will be proposed and the reasons why it is to be proposed;
  - (b) the member or, at the option of the member, the member's representative (who need not be a member of the Society) has been allowed to make representations to the meeting.
- (5) a life member fails to respond to three notices sent to him or her asking for confirmation that the member wishes to remain a member.

### **General meetings**

#### 13.

- (1) An annual general meeting must be held in each year and not more than fifteen months may elapse between successive annual general meetings.
  - (2) No motions proposed by a member may be considered by an annual general meeting unless the member has given notice in writing or electronic form to the Secretary:
    - (a) setting out the wording of the motion;
    - (b) stating his or her name and address;
    - (c) stating the names and addresses of ten other members who support the terms of the motion; and
    - (d) before the date set for the close of nominations for election to the Council of Management in accordance with Article 36.
  - (3) The notice may comprise several documents containing the text of the motion in like form to each of which one or more members supporting the resolution have signified their agreement.
14. The Council of Management may call a general meeting at any time.
15. A general meeting may be requisitioned by members using the procedure set down in Sections 303 – 305 of the Companies Act 2006 (or any statutory re-enactment or modification of those provisions), except that the required percentage shall be 5% of members in every case.

#### **Notice of general meetings**

- 16.
- (1) The minimum periods of notice required to hold a general meeting of the Society are:
    - (a) twenty one clear days for an annual general meeting or a general meeting called for the passing of a special resolution; or
    - (b) fourteen clear days for all other general meetings.
  - (2) The notice must specify the date time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006 and article 23.
  - (3) The notice must be given to all the members and to the members of the Council of Management and auditors or reporting accountant.
17. The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Society.

#### **Proceedings at general meetings**

- 18.
- (1) No business shall be transacted at any general meeting unless a quorum is present.
  - (2) A quorum is 30 members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.
  - (3) The authorised representative of a member organisation shall be counted in the quorum.
- 19.
- (1) If:
    - (a) a quorum is not present within half an hour from the time appointed for the meeting, or



(b) during a meeting a quorum ceases to be present,  
the meeting shall be adjourned to such time and place as the Council of Management shall determine.

- (2) The Council of Management must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
- (3) If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the members present in person or by proxy at that time shall constitute the quorum for that meeting.

20.

- (1) General meetings shall be chaired by Chairman of the Society, or failing him or her, the Vice-Chairman of the Society.
- (2) If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting a member of the Council of Management nominated by the Council of Management shall chair the meeting.
- (3) If there is only one member of the Council of Management present and willing to act, he or she shall chair the meeting.
- (4) If no member of the Council of Management is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.

21.

- (1) The members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- (2) The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- (3) No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- (4) If a meeting is adjourned by a resolution of the members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.

22.

- (1) Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:
  - (a) by the person chairing the meeting; or
  - (b) by at least two members present in person or by proxy and having the right to vote at the meeting; or
  - (c) by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
- (2)
  - (a) The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.

- (b) The result of the vote must be recorded in the minutes of the Society but the number or proportion of votes cast need not be recorded.
- (3)
- (a) A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting.
  - (b) If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
- (4)
- (a) A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
  - (b) The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- (5)
- (a) A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
  - (b) A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
  - (c) The poll must be taken within thirty days after it has been demanded.
  - (d) If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
  - (e) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

#### **Content of proxy notices**

23.

- (1) Proxies may only validly be appointed by a notice in writing (a 'proxy notice') which:
  - (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Council of Management may determine; and
  - (d) is delivered to the Secretary at least 48 hours before the meeting is due to start and in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The Society may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **Delivery of proxy notices**

24.

- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Society by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the Society a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

#### **Written resolutions**

25.

- (1) A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:
  - (a) a copy of the proposed resolution has been sent to every eligible member;
  - (b) a simple majority (or in the case of a special resolution a majority of not less than 75%) of members has signified its agreement to the resolution; and
  - (c) it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date.
- (2) A resolution in writing may comprise several copies to which one or more members have signified their agreement.
- (3) In the case of a member that is an organisation, its authorised representative may signify its agreement.

#### **Votes of members**

26. Subject to article 11, every member, whether an individual or an organisation, shall have one vote.

27. Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.

28.

- (1) Any organisation that is a member of the Society may nominate any person to act as its representative at any meeting of the Society.
- (2) The organisation must give written notice to the Society of the name of its representative. The representative shall not be entitled to represent the organisation at any meeting unless the

notice has been received by the Society. The representative may continue to represent the organisation until written notice to the contrary is received by the Society.

- (3) Any notice given to the Society will be conclusive evidence that the representative is entitled to represent the organisation or that his or her authority has been revoked. The Society shall not be required to consider whether the representative has been properly appointed by the organisation.

### **Council of Management**

29.

- (1) A member of the Council of Management must be a natural person aged 18 years or older who is a paid-up member of the Society.
- (2) No one may be appointed a member of the Council of Management unless he or she has made a declaration in the form specified by the Council of Management to confirm that he or she would not be disqualified from acting under the provisions of article 42.

30. The minimum number of members of the Council of Management shall be seven and the maximum number shall be seventeen.

31. The Council of Management shall consist of members of the Society appointed as follows:

- (1) up to seven members of the Society elected by the members of the Society using the procedures set out in Articles 36 to 38;
- (2) one representative appointed by WSN;
- (3) one representative appointed by PSKCT;
- (4) one representative appointed by Loch Lomond Steamship Company;
- (5) one member of the Society from each Branch of the Society appointed by the Chairman of the Society on the nomination of the member's Branch Committee in accordance with bye laws made by the Council of Management; and
- (6) up to two members appointed by the Council of Management to serve until the next annual general meeting.

32. A member of the Council of Management may not appoint an alternate director or anyone to act on his or her behalf at meetings of the Council of Management.

### **Powers of Council of Management**

33.

- (1) The Council of Management shall manage the business of the Society and may exercise all the powers of the Society unless they are subject to any restrictions imposed by the Companies Acts, the articles or any special resolution.
- (2) No alteration of the articles or any special resolution shall have retrospective effect to invalidate any prior act of the Council of Management.
- (3) Any meeting of Council of Management at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the Council of Management.

34. The Council of Management may appoint a President and Vice-Presidents. Holders of these offices have no rights, powers or duties in respect of the Society's business.

### **Term of membership of the Council of Management**

35.

- (1) In order to maintain an even balance of retirements each year, on the coming into effect of these articles and at any subsequent time deemed expedient, the terms of membership of each member of the Council of Management, with the exception of co-opted members and the Chairmen of WSN and PSKCT, may be set or varied by the Society in General Meeting.
- (2) Other than as provided in the previous paragraph, with the exception of co-opted members and the Chairmen of WSN and PSKCT, the term of membership of members of the Council of Management shall end:
  - (a) in the case of members elected under article 31(1), at the conclusion of the third annual general meeting following their appointment; or
  - (b) in the case of members appointed under article 31 (6), following a resolution of the Branch Committee ending the appointment or on the third anniversary of their appointment; or
  - (c) in the case of all other members, on the third anniversary of their appointment.

**Election of members of the Council of Management under Article 31(1)**

36. The Council of Management shall give notice to all members of the Society not more than one hundred and eighty days and not less than ninety days before the proposed date of the next annual general meeting of the Society of those elected members of the Council of Management who shall retire at such meeting and of the total number of vacancies that are available to be filled as at the date of the notice. The Notice shall state the date on which the next annual general meeting of the Society shall be held and that nominations for the Council of Management shall be received by the Secretary during a period of not less than thirty days ending between sixty and one hundred and fifty days before that date.

37. A member of the Society is eligible to be elected as a member of the Council of Management if:

- (1) he or she is a member of the Council of Management retiring at the end of their term; or
- (2) he or she is recommended for election or re-election by the Council of Management; or
- (3) during a period of not less than thirty days ending between sixty and one hundred and fifty days before that date of the annual general meeting, the Secretary is given a notice that:
  - (a) is signed by a member entitled to vote at the meeting,
  - (b) states the member's intention to propose the appointment of a person as a member of the Council of Management,
  - (c) contains the details that, if the person were to be appointed, the Society would have to file at Companies House, and
  - (d) is signed by the person who is to be proposed to show his or her willingness to be appointed.

38.

- (1) If there shall be more candidates than vacancies for membership of the Council of Management the selection shall be made by a postal ballot as set out in this article. If the number of candidates for election is equal to or less than the number of vacancies to be filled all candidates will be deemed to be elected unless at the annual general meeting it is expressly resolved not to fill such vacated office or unless a resolution for the election of a candidate shall have been put to the meeting and lost.

- (2) If a ballot shall be necessary for the election to membership to the Council of Management the Secretary shall cause the names of all candidates together with the names of their proposers to be entered in ballot papers in the form approved by the Council of Management which shall be posted to all members entitled to vote on such ballot at least twenty one days before the date of the annual general meeting. Members shall be responsible for the return of their ballot papers as prescribed and the ballot shall close seven days before the annual general meeting. The Council of Management shall make bye laws to regulate the conduct of the ballot.
- (3) A Member shall be entitled to vote in favour of as many candidates as there shall be vacancies to be filled upon the Council of Management but a member shall not be entitled to vote more than once for a candidate.
- (4) The result of the ballot shall be announced at the annual general meeting. In the event of an equality of votes the candidate or candidates to be elected from those having an equal number of votes shall be chosen by lot.
- (5) The term of appointment commences at the conclusion of the annual general meeting at which their election is announced.

#### **Appointment of members of the Council of Management**

39. All members of the Council of Management shall be entitled to be reappointed or to seek reappointment at the conclusion of their term of membership.
40.
  - (1) The Council of Management may appoint a person who is willing to act to be a member of the Council of Management to fill a casual vacancy within the nine members of the Council of Management elected by the members of the Society.
  - (2) A member of the Council of Management appointed by a resolution of the Council of Management must retire at the next annual general meeting and may seek re-appointment.
41. The appointment of a member of the Council of Management, by whatever method, must not cause the number of members of the Council of Management to exceed twenty-one.

#### **Disqualification and removal of members of the Council of Management**

42. A member of the Council of Management shall cease to hold office if he or she:
  - (1) ceases to be a member of the Council of Management by virtue of any provision in the Companies Acts or is prohibited by law from being a director;
  - (2) is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 or sections 69 and 70 of the Charities and Trustee Investment (Scotland) Act 2005 (or any statutory re-enactment or modification of those provisions);
  - (3) becomes unable to make truthfully the Trustee Eligibility Declaration specified by the Commission;
  - (4) becomes unable to make truthfully a declaration for fit and proper persons specified by Her Majesty's Revenue and Customs;
  - (5) ceases to be a member of the Society;
  - (6) becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
  - (7) has their nomination withdrawn by their appointing body and/or it appoints another person to replace them;

- (8) resigns as a member of the Council of Management by notice to the Society (but only if at least two members of the Council of Management will remain in office when the notice of resignation is to take effect); or
- (9) is absent without the permission of the Council of Management from three consecutive meetings or all meetings held within a period of six consecutive months, whichever is the longer period, and the Council of Management resolves that his or her office be vacated.

#### **Remuneration of members of the Council of Management**

43. The members of the Council of Management must not be paid any remuneration unless it is authorised by article 7.

#### **Proceedings of Council of Management**

44.

- (1) The Council of Management may regulate their proceedings as they think fit, subject to the provisions of the articles. Only members of the Council of Management shall have a right to attend its meetings. The Council of Management shall meet at least three times per year.
- (2) Any member of the Council of Management may call a meeting of the Council of Management.
- (3) The secretary must call a meeting of the Council of Management if requested to do so by a member of the Council of Management.
- (4) Questions arising at a meeting shall be decided by a majority of votes.
- (5) In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.
- (6) A meeting may be held by suitable electronic means agreed by the Council of Management in which each participant may communicate with all the other participants.

45.

- (1) No decision may be made by a meeting of the Council of Management unless a quorum is present at the time the decision is purported to be made. 'Present' includes being present by suitable electronic means agreed by the Council of Management in which a participant or participants may communicate with all the other participants.
- (2) The quorum shall be six.
- (3) A member of the Council of Management shall not be counted in the quorum present when any decision is made about a matter upon which that member of the Council of Management is not entitled to vote.

46. If the number of members of the Council of Management is less than the number fixed as the quorum, the continuing members of the Council of Management or member of the Council of Management may act only for the purpose of filling vacancies or of calling a general meeting.

47.

- (1) The Council of Management shall appoint for a term not exceeding three years one of their number to chair their meetings and this person shall be Chairman of the Society. The Council of Management may at any time revoke such appointment. The appointment will end if he or she ceases to be a member of the Council of Management. The Chairman is eligible to seek re-appointment at the end of his or her term of appointment.
- (2) The Council of Management shall appoint for a term not exceeding three years one of their number to be Vice-Chairman of the Society. The Vice-Chairman shall chair meetings of the

Council of Management in the absence of the Chairman or if the Chairman is unable or unwilling to do so. The Council of Management may at any time revoke such appointment. The appointment will end if he or she ceases to be a member of the Council of Management. The Vice-Chairman is eligible to seek re-appointment at the end of his or her term of appointment.

- (3) If no one has been appointed Chairman or Vice-Chairman or if the people appointed are unwilling or unable to preside or are not present within ten minutes after the time appointed for the meeting, the members of the Council of Management present may appoint one of their number to chair that meeting.
- (4) The Chairman and Vice-Chairman shall have no functions or powers except those conferred by the articles or delegated to him or her or them by the Council of Management.

48. The Council of Management shall appoint for a term not exceeding three years one of their number (who shall not be a director of WSN or PSKCT or one of their subsidiaries) to be Secretary of the Society. The Council of Management may at any time revoke such appointment. The appointment will end if he or she ceases to be a member of the Council of Management. The Secretary is eligible to seek re-appointment at the end of his or her term of appointment.

49.

- (1) The Council of Management shall appoint for a term not exceeding three years one of their number (who shall not be a director of WSN or PSKCT or one of their subsidiaries) to be Treasurer of the Society. The Council of Management may at any time revoke such appointment. The appointment will end if he or she ceases to be a member of the Council of Management. The Treasurer is eligible to seek re-appointment at the end of his or her term of appointment.
- (2) All moneys payable to the Society shall be received by the Treasurer or such other officers of the Society or such Bank as the Council of Management shall appoint to receive the same. The receipts of the Treasurer or such other officer or Banker shall be a sufficient discharge.

50.

- (1) A resolution in writing or in electronic form agreed by more than two-thirds of the members of the Council of Management entitled to receive notice of a meeting of the Council of Management and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the Council of Management duly convened and held.
- (2) The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more members of the Council of Management has signified their agreement.

#### **Delegation**

51.

- (1) The Council of Management may delegate any of their powers or functions to a committee of two or more of their number but the terms of any delegation must be recorded in the minute book. Such committees may include advisory members but all delegated powers must be exclusively exercised by the members of the Council of Management.
- (2) The Council of Management may impose conditions when delegating, including the conditions that:
  - (a) the relevant powers are to be exercised exclusively by the committee to whom they delegate;



- (b) no expenditure may be incurred on behalf of the Society except in accordance with a budget previously agreed with the Council of Management.
- (3) The Council of Management may revoke or alter a delegation.
- (4) All acts and proceedings of any committees must be fully and promptly reported to the Council of Management.

#### **Validity of Council of Management' decisions**

52.

- (1) Subject to article 52(2), all acts done by a meeting of Council of Management, or of a committee of members of the Council of Management, shall be valid notwithstanding the participation in any vote of a member of the Council of Management:
  - (a) who was disqualified from holding office;
  - (b) who had previously retired or who had been obliged by these articles to vacate office;
  - (c) who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;if without:
  - (d) the vote of that member of the Council of Management; and
  - (e) that member of the Council of Management being counted in the quorum;the decision has been made by a majority of the members of the Council of Management at a quorate meeting.
- (2) Article 52(1) does not permit a member of the Council of Management or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the Council of Management or of a committee of members of the Council of Management if, but for article 52(1), the resolution would have been void, or if the member of the Council of Management has not complied with article 8.

#### **Seal**

53. If the Society has a seal it must only be used by the authority of the Council of Management or of a committee of Council of Management authorised by the Council of Management. The Council of Management may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a member of the Council of Management and by the secretary (if any) or by a second member of the Council of Management.

#### **Minutes**

54. The Council of Management must keep minutes of all:
- (1) appointments of officers made by the Council of Management;
  - (2) proceedings at meetings of the Society;
  - (3) meetings of the Council of Management and committees of Council of Management including:
    - (a) the names of the members of the Council of Management present at the meeting;
    - (b) the decisions made at the meetings; and
    - (c) where appropriate the reasons for the decisions.

## **Accounts**

55.

- (1) The Council of Management must prepare for each financial year accounts as required by the Companies Acts. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.
- (2) The Council of Management must keep accounting records as required by the Companies Acts.
- (3) The Council of Management must ensure that the accounts are subject to such independent scrutiny as is required by the Companies Acts, the Charities Act 2011 and/or the Charities and Trustee Investment (Scotland) Act 2005.

## **Annual Report and Return and Register of Charities**

56.

- (1) The Council of Management must comply with the requirements of the Charities Act 2011 and/or the Charities and Trustee Investment (Scotland) Act 2005 with regard to the:
  - (a) transmission of a copy of the statements of account to the Commission and to OSCR;
  - (b) preparation of an Annual Report and the transmission of a copy of it to the Commission and to OSCR; and
  - (c) preparation of Annual Returns and their transmission to the Commission and to OSCR.
- (2) The Council of Management must notify the Commission and OSCR promptly of any changes to the Society's entry on the registers of the two bodies.

## **Means of communication to be used**

57.

- (1) Subject to the articles, anything sent or supplied by or to the Society under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Society.
- (2) Subject to the articles, any notice or document to be sent or supplied to a member of the Council of Management in connection with the taking of decisions by Council of Management may also be sent or supplied by the means by which that member of the Council of Management has asked to be sent or supplied with such notices or documents for the time being.

58. Any notice to be given to or by any person pursuant to the articles:

- (1) must be in writing, or
- (2) must be given in electronic form.

59.

- (1) The Society may give any notice to a member either:
  - (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the member at his or her address; or
  - (c) by leaving it at the address of the member; or

- (d) by giving it in electronic form to the member's address; or
- (e) by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place date and time of the meeting.

- (2) A member who does not register an address with the Society or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Society.

60. A member present in person at any meeting of the Society shall be deemed to have received notice of the meeting and of the purposes for which it was called.

61.

- (1) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- (2) Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- (3) In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
  - (a) 48 hours after the envelope containing it was posted; or
  - (b) in the case of an electronic form of communication, 48 hours after it was sent.

#### **Indemnity**

62.

- (1) The Society shall indemnify a relevant member of the Council of Management against any liability incurred in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.
- (2) In this article a 'relevant member of the Council of Management' means any member of the Council of Management or former member of the Council of Management of the Society.

63. The Society may indemnify an auditor against any liability incurred by him or her or it:

- (1) in defending proceedings (whether civil or criminal) in which judgment is given in his or her or its favour or he or she or it is acquitted; or
- (2) in connection with an application under section 1157 of the Companies Act 2006 (power of Court to grant relief in case of honest and reasonable conduct) in which relief is granted to him or her or it by the Court.

#### **Rules and Bye Laws**

64.

- (1) The Council of Management may from time to time make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the Society.
- (2) The bye laws may regulate the following matters but are not restricted to them:
  - (a) the conduct of members of the Society in relation to one another, and to the Society's employees and volunteers,
  - (b) the establishment and operation of branches of the Society;

- (c) the setting aside of the whole or any part or parts of the Society's premises at any particular time or times or for any particular purpose or purposes;
  - (d) the procedure at general meetings and meetings of the Council of Management in so far as such procedure is not regulated by the Companies Acts or by the articles;
  - (e) the procedure to be used for the postal election of members of the Council of Management; and
  - (f) generally, all such matters as are commonly the subject matter of company rules.
- (3) The Society in general meeting has the power to alter, add to or repeal the rules or bye laws.
- (4) The Council of Management must adopt such means as they think sufficient to bring the rules and bye laws to the notice of members of the Society.
- (5) The rules or bye laws shall be binding on all members of the Society. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the articles.

### **Disputes**

65. If a dispute arises between members of the Society about the validity or propriety of anything done by the members of the Society under these articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

### **Dissolution**

66.

- (1) The members of the Society may at any time before, and in expectation of, its dissolution resolve that any net assets of the Society after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Society be applied or transferred in any of the following ways:
- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities for purposes similar to the Objects; or
  - (c) to any charity or charities for use for particular purposes that fall within the Objects.
- (2) Subject to any such resolution of the members of the Society, the Council of Management of the Society may at any time before and in expectation of its dissolution resolve that any net assets of the Society after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the Society be applied or transferred:
- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities for purposes similar to the Objects, or
  - (c) to any charity or charities for use for particular purposes that fall within the Objects.
- (3) In no circumstances shall the net assets of the Society be paid to or distributed among the members of the Society (except to a member that is itself a charity) and if no resolution in accordance with article 66(1) is passed by the members or the Council of Management the net assets of the Society shall be applied for charitable purposes as directed by the Court or the Commission.

### **Meaning of Connected Person**

67. In these articles 'connected person' means:

- (1) a child, step-child, parent, grandchild, step-grandchild, grandparent, brother or sister of the member of the Council of Management,
- (2) the spouse or civil partner of the member of the Council of Management or of any person falling within sub clause (1) above,
- (3) a person carrying on business in partnership with the member of the Council of Management or with any person falling within sub-clause (1) or (2) above;
- (4) an institution which is controlled -
  - (a) by the member of the Council of Management or any connected person falling within sub-clause (1), (2), or (3) above; or
  - (b) by two or more persons falling within sub-clause 4(a), when taken together
- (5) a body corporate in which -
  - (a) the member of the Council of Management or any connected person falling within sub clauses (1) to (3) has a substantial interest, or
  - (b) two or more persons falling within sub-clause (5)(a) who, when taken together, have a substantial interest.
  - (c) Sections 350 - 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this article.