

ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION of
SCOTTISH INDEPENDENCE
CONVENTION LIMITED

THE COMPANIES ACT 2006

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

ARTICLES of ASSOCIATION

of

SCOTTISH INDEPENDENCE CONVENTION LIMITED

Constitution of company

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

Defined terms

- 2 In these articles of association, unless the context requires otherwise:-
 - (a) "Act" means the Companies Act 2006;
 - (b) "Convention" means the unincorporated association known as the Scottish Independence Convention, operating (at the date of the company's incorporation) under the memorandum of understanding adopted at a meeting of its members on 15 November 2018, and acting for legal purposes in connection with its membership of the company by its Convenor, Vice-Convenor and Treasurer for the time being;
 - (c) "electronic form" has the meaning given in section 1168 of the Act;
 - (d) "property" means any property, heritable or moveable, real or personal, wherever situated; and
 - (e) "subsidiary" has the meaning given in section 1159 of the Act.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

- 4 The company's objects are to promote the cause of Scottish independence.
- 5 The company's objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-
 - (a) To campaign in support of the cause of Scottish independence.
 - (b) To carry out or commission research which may further any of the above objects.
 - (c) To carry on any other activities which further any of the above objects.
 - (d) To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company.
 - (e) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities.
 - (f) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
 - (g) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
 - (h) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
 - (i) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
 - (j) To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.

- (k) To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- (l) To engage such consultants and advisers as are considered appropriate from time to time.
- (m) To effect insurance of all kinds (which may include officers' liability insurance).
- (n) To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- (o) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
- (p) To establish and/or support any other organisation, and to make donations for any purpose falling within the company's objects.
- (q) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (r) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (s) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (t) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company.
- (u) To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

Restrictions on use of the company's assets

- 8
- (a) The income and property of the company shall be applied solely towards promoting the company's objects.
 - (b) No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise, but for the avoidance of doubt this does not prohibit or restrict the company from expending its resources in carrying on any activity on behalf the Convention provided such activity is consistent with the company's objects.

- (c) No director shall be paid any salary or fee for performance of their duties as director, but a director:
 - (i) may be reimbursed out-of-pocket expenses;
 - (ii) may receive reasonable payment in return for particular services (not being of a management nature) actually rendered to the company; and
 - (iii) may be a salaried employee of the company.

Liability of members

- 9 Each member undertakes that if the company is wound up while they are a member (or within one year after they cease to be a member), they will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- (a) payment of the company's debts and liabilities contracted before they cease to be a member;
 - (b) payment of the costs, charges and expenses of winding up; and
 - (c) adjustment of the rights of the contributories among themselves.

General structure

- 10 The structure of the company consists of:-
- (a) the MEMBER, and
 - (b) the DIRECTORS.

Qualifications for membership

- 11 The sole member of the company shall be the Convention.

Register of members

- 12 The directors shall maintain a register of members in accordance with the Act.

Quorum for general meetings

- 13 Where the company has only one member for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum.

Maximum number of directors

- 14 The maximum number of directors shall be nine.

The board of directors

- 15 The directors of the company shall be:
- (a) the Convenor of the Convention;
 - (b) the Vice-Convenor of the Convention;
 - (c) the Treasurer of the Convention;
 - (d) two other individuals appointed by the Convention by written notice to the company; and
 - (e) up to four other individuals who may be appointed by the directors.
- 16 The directors holding office under articles 15(a) to 15(c) shall be *ex officio* appointments and accordingly a director who ceases to hold the relevant office of the Convention shall automatically vacate office as a director of the company on that date, and an individual appointed to a relevant office of the Convention shall be deemed to become a director of the company on that date subject only to agreeing to act.
- 17 A director appointed under article 15(d) or 15(e) shall hold office until the anniversary of their appointment, on which date they shall automatically vacate office but shall be eligible for re-appointment.

Termination of office

- 18 A director shall automatically vacate office if:-
- (a) they cease to be a director through the operation of any provision of the Act or become prohibited by law from being a director
 - (b) they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months
 - (c) they resign office by notice to the company
 - (d) they are absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove them from office
 - (e) they are removed from office by resolution of the directors on the grounds that they are considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 42);
 - (f) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 19 A resolution under paragraph (e) of article 18 shall be valid only if:-

- (a) the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for their removal is to be proposed;
- (b) the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
- (c) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Register of directors

- 20 The directors shall maintain a register of directors, setting out full details of each director, including the date on which they became a director, and also specifying the date on which any person ceased to hold office as a director.

Powers of directors

- 21 Subject to the provisions of the Act, and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.
- 22 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal interests

- 23 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; they will be debarred (in terms of article 37) from voting on the question of whether or not the company should enter into that arrangement.
- 24 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs **or** any firm of which they are a partner **or** any limited company of which they are a substantial shareholder or director **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity trustee **or** any registered society or unincorporated association of which they are a management committee member (or any other party who/which is deemed to be connected with them for the purposes of the Act), has a personal interest in that arrangement.
- 25 Provided
- (a) they have declared their interest

- (b) they have not voted on the question of whether or not the company should enter into the relevant arrangement and
- (c) the requirements of article 29 are complied with,

a director will not be debarred from entering into an arrangement with the company in which they have a personal interest (or is deemed to have a personal interest under article 24) and may retain any personal benefit which they gain from their participation in that arrangement.

- 26 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 27 For the avoidance of doubt, the provisions of section 175 of the Act and article 26 do not apply to a conflict of interest relating to a transaction or arrangement with the company; conflicts of that kind are regulated by the provisions of articles 23 to 25 and articles 37 to 40.
- 28 No director may be given any remuneration by the company for carrying out their duties as a director.
- 29 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable; and
 - (b) the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount).
- 30 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

Procedure at directors' meetings

- 31 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 32 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 33 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be

five, of whom three must be directors holding office under articles 15(a) to 15(d) (*ex officio* directors and directors appointed by the Convention).

- 34 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 35 The directors shall appoint one of their number to chair their meetings. The person so appointed for the time being is known as the chair. The directors may terminate the chair's appointment at any time. If the chair is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.
- 36 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
- 37 A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which they have a personal interest which conflicts (or may conflict) with the interests of the company; they must withdraw from the meeting while an item of that nature is being dealt with.
- 38 For the purposes of article 37, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of theirs **or** any firm of which they are a partner **or** any limited company of which they are a substantial shareholder or director **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity trustee **or** any registered society or unincorporated association of which they are a management committee member has a personal interest in that matter.
- 39 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 40 The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 37 to 39.

Conduct of directors

- 41 Each of the directors shall, in exercising their functions as a director of the company, act in the interests of the company; and, in particular, must
- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects.
 - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person

- (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party
 - (i) put the interests of the company before that of the other party, in taking decisions as a director; or
 - (ii) where any other duty prevents them from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question
- 42 Each of the directors shall comply with any code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time.
- 43 For the avoidance of doubt, any code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association; and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Delegation to sub-committees

- 44 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine.
- 45 Any delegation of powers under article 44 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 46 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

- 47 The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.

Secretary

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

Minutes

- 49 The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

Accounting records and annual accounts

- 50 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 51 The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.

Notices

- 52 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by them to the company or (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.
- 53 Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 54 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

Winding-up

- 55 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) having as their principal object the furtherance of the cause of Scottish independence (or, if that has been achieved, the furtherance of Scotland's interests) as may be determined by the

member of the company at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction).

- 56 For the avoidance of doubt, a body to which property is transferred under article 55 may be a member of the company.

Indemnity

- 57 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office; that may include, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted **or** any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
- 58 The company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of their office; and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).