

**The Companies Act 2006**

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**Company Limited by Guarantee**

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**Articles of Association**

**of**

**Scottish Golf & Club Managers' Association**

Company Number : SC533066

The company's name is "SCOTTISH GOLF & CLUB MANAGERS' ASSOCIATION" (hereinafter referred to as the SGCMA).

The Association is a non-profit making organisation and accordingly the income and property of the Association whence so ever derived, shall be applied solely towards the promotion of its objects and save on dissolution no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Association.

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#### PART 1 DEFINED TERMS, INTERPRETATION AND LIMITATION OF LIABILITY

##### Defined terms and interpretation

1.1 In the Articles, unless the context requires otherwise:

**"Act"** means the Companies Act 2006;

**"the Articles"** means the Company's Articles of Association;

**"board"** means the Board of Directors of the Company appointed pursuant to article 21 from time to time;

**"the Association "** means the above named company;

**"Byelaws"** means the "SGCMA Rules" and such other byelaws of the Association as are in force from time to time made by the Directors in accordance with these Articles;

**"chairman"** has the meaning given in article 15;

**"chairman of the meeting "** has the meaning given in article 15;

"Company" means Scottish Golf & Club Managers' Association

"**Companies Acts**" means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

"**director**" means a director of the Company, and includes any person occupying the position of director, by whatever name called;

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

"**electronic form**" has the meaning given in section 1168 of the Act;

"**electronic means**" has the meaning given in section 1168 of the Act;

"**Individual Member**" shall mean a member admitted to individual membership of the Company in accordance with article 24;

"**member**" has the meaning given in section 112 of the Act;

"**officer**" means a director or secretary of the Association

"**Ordinary Resolution**" has the meaning given in section 282 of the Act;

"**Participate**" in relation to a Directors' meeting, has the meaning given in Article 13;

"**Proxy Notice**" has the meaning given in article 36;

"**Special Resolution**" has the meaning given in section 283 of the Act;

"**Subsidiary**" has the meaning given in section 1159 of the Act;

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 The relevant model articles (within the meaning of section 20 of the Act) are excluded.

1.3 Unless the context otherwise requires, other words or expressions contained in the Articles bear the same meaning as in the Act as in force on the date when the articles become binding on the Company.

1.4 Except where the contrary is stated or the context otherwise requires, any reference in the Articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.

1.5 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

## **Objects**

1.6 The Association's objects are specifically restricted to support the ongoing training and development needs of Scottish Club Managers and Committee members at all SGL affiliated clubs. As such it will promote, administer and encourage excellence through training and development and other relevant means for the benefit of members of the Association and in particular but not exhaustively :

- 1.6.1 to advance the profession of club management through a coordinated approach in the provision of education, networking and other development opportunities for its members and their clubs ;
- 1.6.2 to provide access to local and national education and development for all clubs in Scotland;
- 1.6.3 to provide information and guidance on all issues which may have an impact on the management performance of clubs;
- 1.6.4 to provide the facilities for members to obtain recognised club management qualifications;
- 1.6.5 to promote and protect the professional interests of club managers
- 1.6.6 to develop and nurture relationships with other organisations who share the same aims as the Association;
- 1.6.7 to do all such other things as is deemed necessary to meet the objectives of the Association;
- 1.6.8 to solicit, receive and accept financial assistance, grants, donations, subscriptions, endowments, gifts (both inter vivos and testamentary) and loans of or of any interest in money, rents, heritable and other property whatsoever subject or not to any specific trusts or conditions or burdens;
- 1.6.9 to undertake, execute and perform any charitable trust or other conditions affecting any property of any description of the Company whether acquired by gift or otherwise;
- 1.6.10 to purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the Company;
- 1.6.11 to improve, manage, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Company;
- 1.6.12 to sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Company;
- 1.6.13 to borrow money and give security (including without prejudice to the foregoing generality, standard securities and floating charges) for the payment of money by, or the performance of other obligations of, the Company or any other person;
- 1.6.14 to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- 1.6.15 to apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, brevets d'invention, licences, secret processes, trademarks, designs, protections, concessions and discoveries or techniques of any kind and to disclaim, alter, modify, develop, use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire and/or to secure the exploitation of the same by access to sources of finance from third parties and the provision of expertise;

- 1.6.16 to employ such employees as the Board may from time to time think desirable and on such terms and conditions as the Board may decide;
- 1.6.17 to remunerate any individual in the employment of the Company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual, who is or was at any time in the employment of the Company and the wife, widow, relatives and dependents of any such individual; and to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person;
- 1.6.18 to apply for, promote and obtain any Private Act of Parliament, charter, privilege, concession, licence or authorisations of any government, state or municipality, Provisional Order or licence of the Department of Business, Enterprise and Regulatory Reform or other authority to enable the Company to carry out its objects, alter its constitution, and achieve any other purpose which may promote the Company's interests, and to oppose or object to any application or proceedings which may prejudice the Company's interests;
- 1.6.19 to enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the Company and to obtain from any such organisation, government or authority any charter, right, privilege or concession, which the Company may think desirable and to carry out, exercise and comply with any such charters, rights, privileges and concessions;
- 1.6.20 to enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any person, firm, trust, association or company carrying on or engaged in, any business or transaction which the Company is authorised to carry on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company;
- 1.6.21 to effect insurance against risks of all kinds;
- 1.6.22 to invest monies of the Company not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such a manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments and securities;
- 1.6.23 to carry on (whether on its own account or in partnership or association with others) any other business which may seem to the Company capable of being conveniently carried on in connection or in conjunction with the objects of the Company or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property;
- 1.6.24 to liaise or amalgamate with any charitable body, society or company incorporated or unincorporated, having objects altogether or in part similar or ancillary to those of the Company, such body, society or company being prohibited from distributing profits and assets among their members to at least the extent imposed by these Articles upon the Company;
- 1.6.25 to subscribe for, take, purchase and otherwise acquire and hold shares, stocks, debentures and other interests in any company with which the Company is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the Company is authorised to amalgamate;

- 1.6.26 to transfer with or without valuable consideration all or any part of the undertaking, property and rights of the Company to any body, incorporated or unincorporated, with which the Company is authorised to amalgamate;
- 1.6.27 to subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the Company or in the furtherance of its objects;
- 1.6.28 to promote any other company for the purpose of acquiring the whole or any part of the business or property and undertaking any of the liabilities of the Company or of undertaking any business or operations which may appear likely to assist or benefit the Company and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- 1.6.29 to procure the Company to be registered or recognised in any part of the world;
- 1.6.30 to carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others;
- 1.6.31 to procure and print, publish, issue and distribute, gratuitously or otherwise, newspapers, periodicals, books, pamphlets, leaflets, photographs, advertisements, appeals or other publicity material;
- 1.6.32 to co-operate with and enter into any arrangement with ecclesiastical authorities, educational authorities, national authorities, local authorities or associations, societies or other bodies, corporate or unincorporate and for the purpose of promoting the objects of the Company, co-operate with manufacturers, dealers or other traders and with the press and other sources of publicity;
- 1.6.33 to pay out of the funds of the Company all reasonable costs and expenses, incidental to the ongoing registration of the Company; and
- 1.6.34 to do anything which may be incidental or conducive to the attainment of any of the objects of the Company. Provided that the Company shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others, any regulation, restriction or condition which, if an object of the Company would make it a Trade Union,

and it is declared that in this clause where the context so admits, “**property**” means any property, heritable or moveable, wherever situated.

## **Income**

- 1.7 The income and property of the Company shall be applied solely in promoting the objects of the Company as set out in article ??.
- 1.8 No dividends or bonus may be paid or capital otherwise returned to the members, provided that nothing in these Articles shall prevent any payment in good faith by the Company of:
  - 1.8.1 reasonable and proper remuneration to any member, officer or servant of the Company for any services rendered to the Company;
  - 1.8.2 any interest on money lent by any member or any director at a reasonable and proper rate;



- 1.8.3 reasonable and proper rent for premises demised or let by any member or director;  
or
- 1.8.4 reasonable out-of-pocket expenses properly incurred by any director.

### **Winding up**

On the winding-up or dissolution of the Company, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the members but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Company, such body to be determined by the members at the time of winding up or dissolution.

### **Liability of members**

- 1.9 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:
  - 1.9.1 payment of the Company's debts and liabilities contracted before he ceases to be a member;
  - 1.9.2 payment of the costs, charges and expenses of winding up; and
  - 1.9.3 adjustment of the rights of the contributories among themselves.

## **PART 2 DIRECTORS**

### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **Directors' general authority**

Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

#### **Members' reserve power**

- 1.10 The members may, by Special Resolution, direct the directors to take, or refrain from taking, specified action.
- 1.11 No such Special Resolution invalidates anything which the directors have done before the passing of the resolution.

#### **Directors may delegate**

- 1.12 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:
  - 1.12.1 to such person or committee;
  - 1.12.2 by such means (including by power of attorney);
  - 1.12.3 to such an extent;
  - 1.12.4 in relation to such matters or territories; and

1.12.5 on such terms and conditions,

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the directors generally and shall not be limited by the fact that in certain of the Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the directors or by a committee authorised by the directors.

1.13 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

1.14 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

### **Committees**

1.15 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

1.16 A member of a committee need not be a director.

1.17 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

1.18 The provisions of article ?? shall apply to committee members as far as they are applicable.

## **DECISION-MAKING BY DIRECTORS**

### **Directors to take decisions collectively**

The general rule about decision-making by directors is that any decision of the directors must be either a majority decision of the Eligible Directors at a meeting or a decision taken in accordance with article ??.

### **Unanimous decisions**

1.19 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

1.20 Such a decision may take the form of a resolution in writing signed by each Eligible Director (whether or not each signs the same document) or to which each Eligible Director has otherwise indicated agreement in writing.

1.21 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

### **Calling a directors' meeting**

1.22 Any director may call a directors' meeting by giving not less than five Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company secretary to give such notice.

1.23 Notice of any directors' meeting must indicate:

1.23.1 its proposed date and time;

1.23.2 where it is to take place; and

- 1.23.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 1.24 Notice of a directors' meeting need not be in writing and must be given to each director
- 1.25 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

### **Participation in directors' meetings**

- 1.26 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when
  - 1.26.1 the meeting has been called and takes place in accordance with the Articles; and
  - 1.26.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 1.27 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 1.28 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 1.29 Directors may invite such other persons as they consider appropriate to participate in, but not vote at, directors' meetings.

### **Quorum for directors' meetings**

- 1.30 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 1.31 Subject to article 1.32, the quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is four.
- 1.32 For the purposes of any meeting (or any part of a meeting) held pursuant to article ?? to authorise a director's conflict, if there is only one Eligible Director other than the interested director(s) concerned, the quorum for such meeting (or any part of the meeting) shall be one Eligible Director.
- 1.33 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision :
  - 1.33.1 to appoint further directors; or
  - 1.33.2 to call a general meeting so as to enable the members to appoint further directors.

### **Chairing of directors' meetings**

- 1.34 Subject to Article 1.35, the chairperson appointed in accordance with article 1.45.1 shall chair directors' meetings.
- 1.35 If no director has been appointed as chairperson in accordance with article 1.45.1, or the chairperson is unwilling to chair the meeting or 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.

### **Casting vote**

- 1.36 If the numbers of votes for and against a proposal are equal, the chairperson or other director chairing the meeting has a casting vote.
- 1.37 Article 16.1 does not apply if, in accordance with the Articles, the chairperson or other director chairing the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Directors' interests**

Except to the extent that article ?? applies or the terms of any authority given under that article otherwise provide, and without prejudice to such disclosure as is required under the Act, a director may be a party to, or otherwise interested in, any transaction or arrangement with the Company and shall be entitled to participate in the decision-making process for quorum and voting purposes on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty that conflicts or may conflict with the interests of the Company.

### **Directors' conflicts of interest**

- 1.38 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may, notwithstanding his office or that, without the authorisation conferred by this article 1.38, he would or might be in breach of his duty under the Act to avoid conflicts of interest, be or become a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in: (i) any undertaking which is a member of the Company or facilitates participation in the Sport; and/or (ii) any undertaking in the same group as the Company, or promoted by the Company or by any undertaking in the same group as the Company, or in which the Company or any undertaking in the same group as the Company is otherwise interested.
- 1.39 No director shall:
- 1.39.1 by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under article 1.38 (and no such benefit shall constitute a breach of the duty under the Act not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);
- 1.39.2 be in breach of his duties as a director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under article 1.38; or
- 1.39.3 be required to disclose to the Company, or use in relation to the Company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under article 1.38 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection.
- 1.40 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

1.41 The directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching his duty under the Act to avoid conflicts of interest, and any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict provided that:

1.41.1 such proposal and any authority given by the directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the directors under the provisions of the Articles, except that the director concerned and any other director with a similar interest:

1.41.1.1 shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration;

1.41.1.2 may, if the other directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration; and

1.41.1.3 shall not vote on any resolution authorising the conflict except that, if any such director does vote, the resolution will still be valid if it would have been agreed to if his vote had not been counted; and

1.41.2 where the directors give authority in relation to such a conflict:

1.41.2.1 they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other director with a similar interest as they may determine, including, without limitation, the exclusion of that director and any other director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the directors or otherwise) related to the conflict;

1.41.2.2 the director concerned and any other director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the directors in relation to the conflict but will not be in breach of his duties as a director by reason of his doing so;

1.41.2.3 the authority may provide that, where the director concerned and any other director with a similar interest obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;

1.41.2.4 the authority may also provide that the director concerned or any other director with a similar interest shall not be accountable to the Company for any benefit that he receives as a result of the conflict;

1.41.2.5 the receipt by the director concerned or any other director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Act not to accept benefits from third parties;

1.41.2.6 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and

1.41.2.7 the directors may withdraw such authority at any time.

- 1.42 Subject to article 1.43, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairperson appointed in accordance with article 1.45.1, whose ruling in relation to any director other than the chairperson is to be final and conclusive.
- 1.43 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairperson appointed in accordance with article 1.45.1, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **Records of decisions to be kept**

The directors must ensure that the Company keeps a record for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

### **Directors' discretion to make further rules**

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

## **APPOINTMENT OF DIRECTORS**

### **Appointment of directors**

- 1.44 Unless otherwise determined by Ordinary Resolution, the number of directors shall be more than seven but no more than eleven.
- 1.45 The Board shall comprise of the following roles:
- 1.45.1 a chairperson, appointed in accordance with article 1.46;
  - 1.45.2 a finance director, appointed in accordance with article 1.46;
  - 1.45.3 up to four general directors, appointed in accordance with article 1.47;
  - 1.45.4 up to five general directors, elected in accordance with article 1.48;
- 1.46 The chairperson and finance director shall be appointed as follows:
- 1.46.1 any prospective candidate must complete a prescribed application form in respect of the role for which they are applying and submit such completed application form to the Appointments Committee by the published deadline;
  - 1.46.2 the Appointments Committee will then consider all timeously submitted application forms and meet with prospective candidates as is necessary to determine which candidate(s) satisfy the competency framework for the office of chairperson or finance director (as the case may be).
  - 1.46.3 the Appointments Committee will then provide to the Board the names of all those candidates who satisfy the competency framework for the office of chairperson or finance director (as the case may be) and shall make a recommendation to the Board as to the preferred candidate to be appointed to the office of chairperson or finance director (as the case may be). In the event of the decision of such Appointments Committee not being unanimous, the preferred candidate will be the

candidate in whose favour the majority of such Appointments Committee cast their vote; and

- 1.46.4 taking into account the recommendation of the Appointments Committee as to the preferred candidate, the Board shall then appoint to the office of chairperson or finance director (as the case may be) one of the candidates who the Appointments Committee has determined satisfies the competency framework for the office of chairperson or finance director (as the case may be).
- 1.47 The Board may appoint by a majority vote of the Board up to four suitable individuals, with appropriate skills and qualifications as may be determined by the Board, as general directors of the Company.
- 1.48 Up to five general directors shall be elected as follows:
- 1.48.1 any prospective candidate must complete a prescribed application form in respect of the role for which they are applying and submit such completed application form to the Appointments Committee by the published deadline;
  - 1.48.2 the Appointments Committee will then consider all timeously submitted application forms and meet with prospective candidates as is necessary to determine which candidate(s) satisfy the competency framework for the office for which they are applying;
  - 1.48.3 the Appointments Committee will then provide to the Board the names of all those candidates who satisfy the competency framework for the office for which they are applying, provided that where more than five candidates satisfy the competency framework for the office for which they are applying the Appointments Committee will provide to the Board the names of the five preferred candidates (in the event of the decision of such Appointments Committee not being unanimous, the five preferred candidates will be those candidates in whose favour the majority of such Appointments Committee cast their vote), and following receipt of all the names of the candidates or the five preferred candidates (as the case may be) the members shall at the next Annual General Meeting of the Company be entitled to elect director(s) (as the case may be) as follows:
    - 1.48.3.1 in the event that only one candidate satisfies the competency framework for the vacant office that candidate shall be elected if at least a majority of the members' properly recorded votes cast at the Annual General Meeting are in favour of that sole candidate's election;
    - 1.48.3.2 if there are two candidates who satisfy the competency framework for the vacant office, the Board shall issue with the notice of Annual General Meeting the list of candidates and provide details of each candidate's curriculum vitae. At the Annual General Meeting the candidate that shall be elected will be the one for whom at least a majority of the members' properly recorded votes cast are in favour of; and
    - 1.48.3.3 if there are three or more candidates who satisfy the competency framework for the vacant office, the Board shall issue with the notice of Annual General Meeting the list of candidates and provide details of each candidate's curriculum vitae. At the Annual General Meeting the members will vote in favour of their preferred candidate for the vacant office. If one candidate receives a majority of the properly recorded votes cast by the members that candidate shall be elected. If none of the candidates receive a majority of the members' properly recorded votes cast at the Annual General Meeting, the candidate with the lowest number of votes shall step down for election and following that a further ballot will be held in respect of the remaining candidates for the vacant office. If one candidate receives a majority of the properly recorded votes

cast by the members following the second vote that candidate shall be elected. If none of the candidates receive a majority of the members' properly recorded votes cast in the second vote, the candidate with the lowest number of votes shall step down for election. This process will continue until one candidate receives a majority of the members' properly recorded votes cast and that candidate shall be elected.

1.49 The Appointments Committee will be a committee appointed by the Board responsible for assessing whether prospective candidates, who have submitted application forms in accordance with article 1.46.1 or article 1.48.1, have the requisite the skills and experience to carry out the proposed role on the Board. The committee will comprise of directors nominated by the Board, including the chairperson (unless in exception circumstances he is unable to attend and in his absence the Board shall be entitled to nominate another director to attend in his place. The Board may at its discretion prescribe the competency framework to be applied by the Appointments Committee in relation to any appointment or delegate the responsibility for setting any such competency frameworks to the Appointments Committee.

1.50 The finance director appointed in accordance with article 1.46 and the four general directors appointed in accordance with article 1.47 shall, subject to article ??, hold office:

1.50.1 for an initial term expiring on close of the third Annual General Meeting held after the relevant director was appointed; and

1.50.2 providing that such director is willing to act, for a second term if such term is approved by a majority of the Board (excluding the director in question) and such director shall retire from office on close of the sixth Annual General Meeting held after he was first appointed,

providing that at all times, the finance director appointed in accordance with article 1.46 and the four general directors appointed in accordance with article 1.47 shall not hold office for a continuous period extending beyond close of the sixth Annual General Meeting held after each of them was first appointed.

1.51 The five general directors elected in accordance with article 1.48, shall, subject to article ??, hold office:

1.51.1 for an initial term expiring on close of the third Annual General Meeting after the general meeting at which the relevant director was first elected; and

1.51.2 providing such director is willing to act, for a second term if such term is approved by the members by Ordinary Resolution at the third Annual General Meeting after the general meeting at which he was first elected and such director shall retire from office at the close of the sixth Annual General Meeting held after the general meeting at which he was first elected,

providing that at all times, the five general directors, elected in accordance with article 1.48, shall not hold office for a continuous period extending beyond close of the sixth Annual General Meeting held after the general meeting at which each of them was first elected.

1.52 The chairperson appointed in accordance with article 1.46 shall, subject to article ??, hold office:

1.52.1 for an initial term expiring on close of the second Annual General Meeting held after he was appointed; and

1.52.2 providing such chairperson is willing to act, for a second term if such term is approved by a majority of the Board (excluding the chairperson) and such chairperson shall retire from office on close of the fourth Annual General Meeting held after he was first appointed,



providing that at all times, the chairperson shall not hold office for a continuous period extending beyond close of the fourth Annual General Meeting held after he was first appointed.

- 1.53 A director serving the maximum continuous term in accordance with articles 1.50, 1.51, or 1.52 shall not be eligible to be appointed, elected or co-opted as a director of the Company for a period of twelve months from his retirement.
- 1.54 Subject to the terms of the Articles, it shall be competent for the Board at any time to appoint any person who is willing to act as a director to fill a vacancy arising by virtue of a director ceasing to hold office for whatever reason or by reason of no person being nominated for election for a particular portfolio. Any person appointed by the Board as a director to fill a vacancy in accordance with this article 1.54 (a “**Vacancy Director**”) shall hold office until close of the Annual General Meeting at which the director ceasing to hold office was due to be re-elected or retire and where no person had been being nominated for election for a particular portfolio until close of the next Annual General Meeting. A Vacancy Director shall be eligible to be appointed, elected or co-opted as a director of the Company immediately following the end of their term as a Vacancy Director and the period of time in which they served as a Vacancy Director shall not be counted towards their continuous term of office for the purpose of articles 1.50, 1.51, or 1.52.

#### **Termination of director’s appointment**

- 1.55 A person ceases to be a director as soon as:
- 1.55.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
  - 1.55.2 he becomes bankrupt, is sequestered or makes any arrangement or composition with his creditors generally;
  - 1.55.3 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - 1.55.4 he fails, in the opinion of all his co-directors, to carry out the duties incumbent on him and the Board resolve that his office be vacated;
  - 1.55.5 for more than six consecutive months he has been absent (without permission of the Board or with reasonable excuse) from meetings of the Board held during that period;
  - 1.55.6 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
  - 1.55.7 he is otherwise duly removed from office.

#### **Directors’ expenses**

- 1.56 The Company may pay any reasonable expenses which the directors (and company secretary (if any)) properly incur in connection with their attendance at:
- 1.56.1 meetings of directors or committees of directors; or
  - 1.56.2 general meetings,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## **PART 3 MEMBERS**

### **BECOMING AND CEASING TO BE A MEMBER**

#### **Applications for membership**

**Every club affiliated to Scottish Golf Limited is eligible to nominate officers or officials of their club to become a member**

1.57 The classes of membership of the Company shall be as follows:

1.57.1 Ordinary Full Member

A person officially appointed to carry out the duties of Manager or similar title such as Secretary, Honorary Secretary, Chief Executive, PGA Professional (this list not being exhaustive and equivalents in other sports), and designated as such, who has paid an enhanced subscription, as set by the Board, which will entitle them to access and retain the recognised club management qualifications; eligibility for bursary awards; and access to personal advice on their own employment contract.

1.57.2 Associate Member

Those persons who previously qualified for Ordinary Full membership of the Association who are currently not in post; have retired; or designated club officials or individuals aspiring to attain a club management position, who have paid the relevant annual subscription, as set by the Board.

1.57.3 Ordinary Member

A person officially nominated as representative by their club to attend seminars and other regional and national meetings.

1.57.4 Honorary Member

This class of membership shall be open to any individual who has given outstanding service to the promotion, development or presentation of their Sport and merit recognition as an Honorary Member. An Honorary Member shall be entitled to attend and speak at general meetings of the Company but has no voting rights. An Honorary Member shall not be bound by the provisions of article ??.

1.58 Any applicant wishing to become a Member of the Company shall be required to complete an application provided by the Company, as determined and published by the Board from time to time, and in submitting the application form to the Company include payment of the appropriate membership fee. In submitting the application form, the applicant agrees to:

1.58.1 be bound by the terms of the Articles, including the provisions of article ?? (as appropriate);

1.58.2 be bound by the terms of the Rules and Byelaws;

1.58.3 accept the policies, rules and conditions in relation to membership; and

1.58.4 pay any membership fees applicable to that class of membership.

On successful submission of a correctly completed application form and payment of the appropriate membership fee to the Company, an applicant will become an Individual Member of the Company.

- 1.59 An individual may be nominated to become an Honorary Member by a majority vote of the Board and shall only be admitted to membership after such recommendation has been approved by at least a majority of the members' properly recorded votes at a general meeting and that individual has signed an acceptance of such membership in the format provided by the Company, as determined by the Board from time to time.
- 1.60 The Board shall arrange for the details of each Member, to be entered into the Company's Register of Members.
- 1.61 Any club located and operating in Scotland that participates in Sport may nominate a club representative to become a member, by such club completing an application form in the format provided by the Company, as determined and published by the Board from time to time, paying the necessary appropriate annual subscription fee and agreeing to be bound by the terms of the Rules and Regulations.

#### **Annual membership fees and renewal of continued membership**

- 1.62 The Board shall fix the annual membership fees payable by each class of membership each year.
- 1.63 An Individual Member's membership fee shall be due for payment annually on 1<sup>st</sup> January and failure by any Individual Member to pay his annual membership fee by 1<sup>st</sup> April will result in that Individual Member's membership of the Company being automatically terminated in accordance with article 1.67.
- 1.64 At the time a Member's membership fee shall be due for payment, such Member shall be required by the Company to complete a renewal of continued membership form provided by the Company, as determined and published by the Board from time to time, to ensure that the details held for such member are up to date.

#### **Termination of membership**

- 1.65 Any member may withdraw from membership of the Company by giving seven days' notice to the Company in writing. Notwithstanding resignation from membership of the Company, membership fees for the full year in which the member resigns will not be refunded.
- 1.66 Membership is not transferable and a person's membership will terminate when that person dies.
- 1.67 The failure by any member to pay his annual membership fee by the due date shall result in that member's membership of the Company being automatically terminated, along with any and all applicable rights and privileges of membership.
- 1.68 The Board may terminate the membership of any member without his consent by giving him written notice if, in the reasonable opinion of the directors:
- 1.68.1 he is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the members and directors into disrepute;
- 1.68.2 he has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or

- 1.68.3 he has failed to observe the terms of these Articles and/or the Rules and Regulations.
- 1.69 Following termination, the Board shall arrange for such member to be removed from the Register of Members.

Any member whose membership is terminated in accordance with article 1.68 shall not be entitled to a refund of any annual membership fees and shall remain liable to pay to the Company any sum owed by him.

## **ORGANISING OF GENERAL MEETINGS**

### **Attendance and speaking at general meetings**

- 1.70 A member is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 1.71 A person is able to exercise the right to vote at a general meeting when:
- 1.71.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 1.71.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 1.72 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

### **Calling a general meeting**

- 1.73 The members shall have the ability to:
- 1.73.1 require the directors to call a general meeting of the Company in accordance with section 303 of the Act; and
  - 1.73.2 require the Company to circulate a resolution that may properly be moved and is proposed to be moved as a written resolution in accordance with section 292 of the Act.
- 1.74 The Company shall hold a general meeting in every calendar year as its Annual General Meeting, the date and time of such meeting to be determined by the Board.
- 1.75 All general meetings other than the Annual General Meeting shall be called general meetings.
- 1.76 Not less than 14 clear days' notice shall be given to the members in respect of all general meetings of the Company including the Annual General Meeting. The accidental omission to give notice of a general meeting to or the non receipt of a notice of a general meeting by any person entitled to receive notice shall not invalidate the proceedings at that general meeting.
- 1.77 Without prejudice to the provisions of article 1.73, for a resolution to be considered and voted on at the Annual General Meeting, such resolution must be:
- 1.77.1 proposed by the Board;
  - 1.77.2 submitted in writing to the Company no later than 28 days prior to the date of the Annual General Meeting by a Member and signed by not less than 7 other

Members, provided that any such resolution submitted pursuant to this article 1.77.2 shall not be considered and voted on at the Annual General Meeting if, in the view of the Board, such resolution: (a) would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Articles or otherwise); (b) is defamatory of any person; or (c) is frivolous or vexatious; or

- 1.77.3 submitted in writing to the Company no later than 28 days prior to the date of the Annual General Meeting by a member, such resolution being signed by not less than 7 other members, provided that any such resolution submitted pursuant to this article 1.77.3 must also be approved by the Board before it can be considered and voted on at an Annual General Meeting.

### **Quorum for general meetings**

- 1.78 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 1.79 The quorum for general meetings shall be twenty Members of the Company, who are entitled to vote at a general meeting, present in person or by proxy.

### **Chairing general meetings**

- 1.80 The chairperson appointed in accordance with article 1.45.1 shall chair general meetings if present and willing to do so.
- 1.81 If chairperson is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 1.81.1 the directors present; or
- 1.81.2 (if no directors are present), the meeting,
- must appoint a director or member (as the case may be) to chair the meeting, and the appointment of the chairperson of the meeting must be the first business of the meeting.
- 1.82 In accordance with paragraph 2(5), Schedule 5 of Companies Act 2006 (Commencement No. 5, Transitional Provisions and Savings) Order 2007, the chairperson of a general meeting of the Company will have a casting vote.

### **Attendance and speaking by directors and non-members**

- 1.83 Directors may attend and speak at general meetings, whether or not they are members.
- 1.84 The chairperson of a general meeting may permit other persons who are not members or otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting.

### **Adjournment**

- 1.85 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, if the meeting was convened by the members, the meeting shall be dissolved and, in any other case, chairperson of the meeting must adjourn it. If at the adjourned meeting the persons attending within half an hour of the time at which the meeting was due to start do not constitute a quorum, the members present shall constitute a quorum.
- 1.86 The chairperson of a general meeting may adjourn a general meeting at which a quorum is present if:

- 1.86.1 the meeting consents to an adjournment; or
  - 1.86.2 it appears to the chairperson that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 1.87 The chairperson must adjourn a general meeting if directed to do so by the meeting.
- 1.88 When adjourning a general meeting, the chairperson must:
- 1.88.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
  - 1.88.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 1.89 If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 1.89.1 to the same persons to whom notice of the Company's general meetings is required to be given; and
  - 1.89.2 containing the same information which such notice is required to contain.
- No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **Voting: general**

- 1.90 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles and whether on a show of hands or on a poll every member entitled to vote shall be entitled to cast one vote in respect of that resolution.
- 1.91 Where a resolution is put to the vote of a general meeting and neither the Act nor the Articles specify what kind of resolution is required, an Ordinary Resolution will be required for that resolution to be passed.

### **Errors and disputes**

- 1.92 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 1.93 Any such objection must be referred to the chairperson of the general meeting, whose decision is final.

### **Poll votes**

- 1.94 A poll on a resolution may be demanded:
- 1.94.1 in advance of the general meeting where it is to be put to the vote; or
  - 1.94.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 1.95 A poll on a resolution may be demanded by:
- 1.95.1 the chairperson of the meeting;
  - 1.95.2 the directors; or
  - 1.95.3 any qualifying person (as defined in section 318 of the Act) present and entitled to vote on the resolution.
- 1.96 A demand for a poll may be withdrawn if:
- 1.96.1 the poll has not yet been taken; and
  - 1.96.2 the chairperson of the meeting consents to the withdrawal.
- 1.97 A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 1.98 Polls must be taken immediately and in such manner as the chairperson of the meeting directs.

### **Content of Proxy Notices**

- 1.99 Proxies may only validly be appointed by a notice in writing (a “**Proxy Notice**”) which:
- 1.99.1 states the name and address of the member appointing the proxy;
  - 1.99.2 identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
  - 1.99.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 1.99.4 is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the general meeting in relation to which the proxy is appointed and in accordance with any instructions contained in the notice of the general meeting to which they relate (but notwithstanding this, an appointment of a proxy may be accepted by the directors at any time prior to the meeting at which the person named in the appointment proposes to vote (or, where a poll is demanded at the meeting, but not taken forthwith, at any time prior to the taking of the poll)).
- 1.100 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 1.101 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 and when such Proxy Notice prescribes how the proxy is to act, the proxy must comply with the instructions given by the appointor.
- 1.102 The Company shall not be obliged to ascertain that a proxy has complied with the instructions given to him in the Proxy Notice by the appointor and no decision on any resolution shall be vitiated by reason only that a proxy has not done so. Notwithstanding the foregoing, where the chairperson is aware that a proxy holder has acted in contravention of instructions given to him by the appointor in the Proxy Notice, the chairperson shall disregard the relevant vote of the proxy and deem it to be given by the appointor in the manner so instructed in the Proxy Notice.

- 1.103 On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and:
- 1.103.1 has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or
  - 1.103.2 has been instructed by one or more of those members to vote for the resolution in the same way (either for or against) and has been given discretion by one or more other of those members as to how to vote on the resolution,
- the proxy is entitled to one vote for and one vote against the resolution.
- 1.104 Unless a Proxy Notice indicates otherwise, it must be treated as:
- 1.104.1 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
  - 1.104.2 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**

- 1.105 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 Company by or on behalf of that person.
- 1.106 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 1.107 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.
- 1.108 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.

#### **Amendments to resolutions**

- 1.109 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
- 1.109.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairperson of the meeting may determine); and
  - 1.109.2 the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- 1.110 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
- 1.110.1 the chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and



- 1.110.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 1.111 If the chairperson of the 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.

## **PART 4 ADMINISTRATIVE ARRANGEMENTS**

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

- 1.112 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 1.113 Except insofar as the Companies Acts require otherwise, the Company shall not be obliged to accept any notice, document or other information sent or supplied to the Company in electronic form unless it satisfies such stipulations, conditions or restrictions (including, without limitation, for the purpose of authentication) as the directors think fit, and the Company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.
- 1.114 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 1.115 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

### **Deemed delivery of documents and information**

- 1.116 Any document or information sent or supplied by the Company shall be deemed to have been received by the intended recipient:
- 1.116.1 where the document or information is properly addressed and sent by second class post to an address in the United Kingdom, three Business Days following the day (whether or not it is a working day) on which it was put in the post and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post;
- 1.116.2 where (without prejudice to article 1.116.4) the document or information is properly addressed and sent by international post to an address outside the United Kingdom, five Business Days after it was put in the post, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post;
- 1.116.3 where the document or information is not sent by post but delivered personally or left at the intended recipient's address, on that day if it was a Business Day between the hours of 9am and 5pm or at 9am on the next Business Day;
- 1.116.4 where the document or information is properly addressed and sent or supplied by electronic means, on the day (whether or not a working day) and time that it was sent and proof that it was sent in accordance with guidance issued by the Institute

of Chartered Secretaries and Administrators shall be conclusive evidence that it was sent; and

- 1.116.5 where the document or information is sent or supplied by means of a website, when the material was first made available on the website or (if later) when the intended recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

### **Company seals**

- 1.117 Any common seal may only be used by the authority of the directors.
- 1.118 The directors may decide by what means and in what form any common seal is to be used.
- 1.119 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 1.120 For the purposes of this article, an authorised person is:
- 1.120.1 any director of the Company;
  - 1.120.2 the company secretary (if any); or
  - 1.120.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

### **No right to inspect accounts and other records**

Except as provided by law or authorised by the directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

### **Secretary**

Subject to the Act, the directors may appoint a company secretary (or two or more persons as joint secretary) for such term and upon such conditions as the directors may think fit to manage and record the company's business ; and any company secretary (or joint secretary) so appointed may be removed by the directors.

### **Rules and Regulations**

- 1.121 The directors may establish, publish and enforce rules, regulations, bye-laws, policies and procedures and codes of conduct for the control and governance that are required from time to time for the effective operation of the Company (the "**Rules and Regulations**").
- 1.122 All Rules and Regulations may be amended by the Board from time to time and if there is a conflict between the terms of these Articles and the Rules and Regulations, the terms of these Articles shall prevail.
- 1.123 Members may propose the creation, amendment or repeal of Rules or Bye Laws by giving notice of a resolution to be put to the Company at its annual general meeting by means of an Ordinary Resolution, unless the Directors consider it appropriate that the resolution should be a Special Resolution.
- 1.124 Both the Directors and Members may propose the creation, amendment or repeal of Rules or Bye Laws and the amendment of these Articles of Association at an extraordinary general meeting.

## DIRECTORS' INDEMNITY AND INSURANCE

### Indemnity

- 1.125 Subject to article 1.126 (but without prejudice to any indemnity which a Relevant Officer is otherwise entitled):
- 1.125.1 a Relevant Officer may be indemnified out of the Company's assets to whatever extent the directors may determine against:
- 1.125.1.1 any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any undertaking in the same group as the Company;
- 1.125.1.2 any liability incurred by that officer in connection with the activities of the Company or a group undertaking in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act);
- 1.125.1.3 any other liability incurred by that officer as an officer of the Company or any undertaking in the same group as the Company; and
- 1.125.2 the Company may, to whatever extent the directors may determine, provide funds to meet expenditure incurred or to be incurred by a Relevant Officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any undertaking in the same group as the Company, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the Relevant Officer to avoid incurring such expenditure.
- 1.126 This article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

### Insurance

- 1.127 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.
- 1.128 In this article, a "**Relevant Loss**" means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that officer's duties or powers in relation to the Company, any undertaking in the same group as the Company or any pension fund or employees' share scheme of the Company or any undertaking in the same group as the Company.