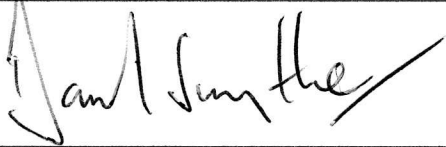


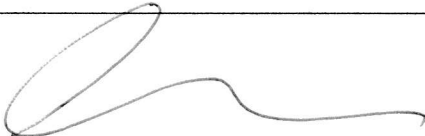


THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION

of

ASSOCIATION OF SCOTLAND'S SELF-CATERERS LIMITED

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Name of each subscriber	Signature of each subscriber
David Smythe	
Matthew Haggis	
Linda Battison	
Robert Kennedy	

Date: 8th October 2016.

THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION

of

ASSOCIATION OF SCOTLAND'S SELF-CATERERS LIMITED

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Constitution of company

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

Defined terms

- 2 In these articles of association, unless the context requires otherwise:-
- 2.1 "Act" means the Companies Act 2006;
- 2.2 "body" or "corporate body" shall be deemed to include a Scottish partnership;

- 2.3 "Co-operative" means this company;
 - 2.4 "electronic form" has the meaning given in section 1168 of the Act;
 - 2.5 "property" means any property, heritable or moveable, real or personal, wherever situated; and
 - 2.6 "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 Co-operative shall have the following objects, to be exercised in a manner which is consistent with the ethos and principles of the co-operative business model:-
- 4.1 To establish, support and promote quality standards for self-catering accommodation premises and businesses;
 - 4.2 To represent and further the interests of members to Industry Bodies, Government, Executive Agencies, Local Authorities and any other appropriate organisations;
 - 4.3 To advise on members' operational methods and to assist in marketing and profitability;
 - 4.4 To develop and promote services for the benefit of member;.
 - 4.5 To negotiate special terms with suppliers for purchases made by members and to advise on sources of supply;
 - 4.6 To promote the image of self-caterers in Scotland in general, and the members of the Co-operative in particular; and
 - 4.7 To pool information for the benefit of members.
- 5 The Co-operative's objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The Co-operative may add to, remove or alter the statement of the Co-operative'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 The Co-operative shall have the following powers:-
- 7.1 To enter into all such contracts and arrangements as may be considered appropriate in relation to the conduct of the Co-operative's business and/or other operations from time to time.

- 7.2 To make payments to members of the Co-operative in pursuance of any contracts and arrangements of the nature referred to in paragraph 7.1.
- 7.3 To carry on any other activity which may appropriately be carried on in connection with any of the objects of the Co-operative.
- 7.4 To establish and/or participate in joint ventures and to promote companies and/or other bodies whose activities may further one or more of the above objects or may generate income to support the activities of the Co-operative, acquire and hold shares, stocks, debentures and other interests in such companies or other bodies, and carry out in relation to any such company which is a subsidiary of the Co-operative, all such functions as may be associated with a holding company.
- 7.5 To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the Co-operative.
- 7.6 To purchase, take on lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the Co-operative.
- 7.7 To improve, manage, enhance, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Co-operative.
- 7.8 To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Co-operative.
- 7.9 To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
- 7.10 To borrow money and give security for the payment of money by, or the performance of other obligations of, the Co-operative or any other person.
- 7.11 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments.
- 7.12 To remunerate any individual in the employment of the Co-operative 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 Co-operative and the spouse, widow/er, relatives and dependants of any such individual; to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- 7.13 To oppose or object to any application or proceedings which may prejudice the Co-operative's interests.

- 7.14 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the Co-operative and to obtain from any such organisation, government or authority any right, privilege or concession.
- 7.15 To enter into any arrangement for co-operation or mutual assistance with any body, whether incorporated or unincorporated.
- 7.16 To effect insurance against risks of all kinds.
- 7.17 To invest funds not immediately required for the purposes of the Co-operative's activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous, and to dispose of and vary such investments and securities.
- 7.18 To establish and support any association or other unincorporated body which is a charity having objects altogether or in part similar to those of the Co-operative and to promote any company or other incorporated body which is a charity formed for the purpose of carrying on any activity which the Co-operative is authorised to carry on.
- 7.19 To subscribe and make contributions to or otherwise support charities, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the Co-operative or with the furtherance of its objects.
- 7.20 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust, for any of the objects of the Co-operative.
- 7.21 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the Co-operative, whether by way of subscriptions, grants, loans, donations or otherwise.
- 7.22 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.
- 7.23 To do anything which may be incidental or conducive to the attainment of any of the objects of the Co-operative.

Application of surpluses

- 8 Any surpluses generated by the Co-operative shall be applied as follows (and in such proportions and in such manner as may be determined from time to time by ordinary resolution passed at an annual general meeting of the Co-operative):
 - 8.1 firstly, to fund the continuation, and (if the members consider appropriate) development, of the Co-operative; and

8.2 secondly, in making payments for social and charitable purposes.

Liability of members

9 Each member undertakes that if the Co-operative is wound up while he/she/it is a member (or within one year after he/she/it ceases to be a member), he/she/it will contribute - up to a maximum of £1 - to the assets of the Co-operative, to be applied towards:

9.1 payment of the Co-operative's debts and liabilities contracted before he/she/it ceases to be a member;

9.2 payment of the costs, charges and expenses of winding up; and

9.3 adjustment of the rights of the contributories among themselves.

Structure of the company

10 The structure of the Co-operative consists of:-

10.1 the MEMBERS - who have the right to attend the annual general meeting (and any other general meetings) and have important powers under the articles of association and the Companies Acts; in particular, the members appoint people to serve as directors and take decisions in relation to changes to the articles themselves;

10.2 the ASSOCIATE MEMBERS - who have the right to attend the annual general meeting (and any other general meetings) but have no voting rights; and

10.3 the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the Co-operative; in particular, the directors are responsible for monitoring the financial position of the Co-operative.

Membership

11 The subscribers to the memorandum of association and such other individuals and bodies as are admitted to membership under articles 14 to 20 shall (subject to article 12) be the members of the Co-operative.

12 A subscriber shall automatically cease to be a member of the Co-operative if he/she/it does not sign (in the case of a corporate body, via an authorised signatory) a members' agreement (in the terms prescribed by the directors) within 21 days after the members' agreement is presented to him/her/it for signing.

13 A member may not transfer his/her/its membership to any other individual or body.

Admission to membership / associate membership

14 Membership shall (subject to articles 11, 13 and 17) be open to individuals or bodies who/which are or may in future be either :

- 14.1 the effective managers of individual units of permanent self-catering accommodation; or
 - 14.2 the effective managers of agencies operating as specialist property management or letting agents for quality self-catering accommodation units.
- 15 Associate Membership shall (subject to articles 11, 13 and 17) be open to:
- 15.1 suppliers and contractors who derive business from Members such as suppliers and manufacturers of furniture and equipment and suppliers of services to Members; and
 - 15.2 organisations or individuals operating in any way in the field of, or with an interest in, self-catering.
- 16 An individual or body eligible for membership or associate membership under article 14 or 15 who/which wishes to become a member or associate member shall lodge with the Co-operative a written/electronic application (in such form as the directors require), accepting the co-operative members' agreement by signature or by electronic submission by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer of that body.
- 17 Each application for membership or associate membership shall be initially approved or declined by a suitably qualified person, appointed by the directors to act on their behalf, after receipt by the Co-operative of the written/electronic application required under article 16.
- 18 The applicant shall be notified in writing of that decision as soon as is reasonably practicable, but shall have the right to submit an appeal to the directors.
- 19 The directors shall be entitled at their discretion to decline to admit to membership or associate membership any individual or body applying for membership or associate membership under article 16.
- 20 Applicants for membership shall be required to enter into a members' agreement with the Co-operative (in such terms as the directors may prescribe from time to time) and on the basis that he/she/it shall not be admitted as a member until the members' agreement has been signed by him/her/it and the Co-operative and any subscription due under article 21 has been paid.

Annual subscription

- 21 An annual membership subscription shall be due as determined by the members in general meeting from time to time. The rate of subscription to be paid by associate members shall be determined by the directors. Failure to pay the annual membership subscription within three months of the invoice being issued by the Co-operative shall result in the termination of the member's right to membership.

Register of members

- 22 The directors shall maintain a register of members and associate members setting out the full name and address of each member or associate

member, the date on which he/she/it was admitted to membership or associate member and the date on which any individual or body ceased to be a member or associate member.

Members' agreement

- 23 Each of the members shall comply - and shall use all reasonable endeavours to ensure that where appropriate (and so far as applicable) all of its directors, partners, members, associate members and employees comply - with the members' agreement.

Resignation from / termination of membership

- 24 Any individual or body who/which wishes to resign from membership or associate membership shall lodge with the Co-operative a written notice of retiral (in such form as the directors require) - giving at least two months' notice of withdrawal - signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer; he/she/it shall cease to be a member or (as the case may be) associate member with effect from the date stated in the notice.
- 25 Any member or associate member who fails to pay any subscription due under article 21 within three months shall be deemed to have resigned.
- 26 Any member or associate member ceasing to qualify under the terms of articles 14 or 15 shall be deemed to have resigned.
- 27 Subject to the following articles, the directors shall have the power to terminate the membership or associate membership of any individual or body:
- 27.1 in the case of a member, on the grounds that that member (or any individual who is a director, partner, member or employee of that member) is considered to have committed a material breach of the members' agreement (as referred to in article 23) to which he/she/it is a party;
- 27.2 on the grounds that that member or associate member (or any individual who is a director, partner, member or employee of that member or associate member) is considered to have acted in a manner which has caused, or may cause, significant prejudice to the interests of the Co-operative and/or all or a significant proportion of its members or associate members; or
- 27.3 on any other grounds which are considered to warrant termination of membership or associate membership.
- 28 The directors shall give at least 14 days' prior notice to any individual or body whose membership or associate membership it is proposed to terminate, and the member or associate member concerned shall be entitled to make written representations to the directors with regard to the notice.
- 29 Any individual or body whose membership is terminated shall have the right to submit an appeal to the Chief Executive within three weeks of receiving the notice of termination, and any such appeal shall be heard by

a panel of three members (one of whom may be nominated by the affected member, and none of whom shall be directors).

- 30 In the event that the panel upholds the decision to terminate membership, a final appeal may be made by the affected member to the annual general meeting.
- 31 Any individual or body whose membership or associate membership is terminated may have the balance of any subscription paid by them under article 21 returned at the discretion of the directors.

General meetings

- 32 All general meetings other than annual general meetings are to be called extraordinary general meetings.
- 33 The directors shall convene an annual general meeting in each year (but excluding the year in which the Co-operative is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the Co-operative.
- 34 Not more than 15 months shall elapse between one annual general meeting and the next.
- 35 The directors must convene an extraordinary general meeting if there is a valid requisition supported by one tenth of members or a requisition by a resigning auditor (under section 518 of the Act).
- 36 Subject to articles 33, 34 and 35, the directors may convene general meetings whenever they think fit.

Notice of general meetings

- 37 At least 14 clear days' notice of extraordinary general meetings and 30 clear days' notice of annual general meetings must be given to all the members, associate members and directors; and (if auditors are in office at the time) to the auditors.
- 38 The reference to "clear days" in article 37 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted (or, in the case of a notice sent by electronic means, the day after it was sent), and also the day of the meeting, should be excluded.
- 39 A notice calling a meeting shall specify the time, date and place of the meeting; it shall:
- 39.1 indicate the general nature of the business to be dealt with at the meeting;
 - 39.2 if a special resolution (see article 42) (or a resolution requiring special notice under the Act) is to be proposed, state that fact, giving the exact terms of the resolution; and
 - 39.3 contain a statement informing members of their right to appoint a proxy.

- 40 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 41 Notice of every general meeting shall be given:-
- 41.1 in hard copy form; or
 - 41.2 (where the individual or body to whom notice is given has notified the Co-operative of an address to be used for the purpose of electronic communication) in electronic form; or
 - 41.3 (subject to the Co-operative notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

Special resolutions and ordinary resolutions

- 42 For the purposes of these articles, a "special resolution" means a resolution of the members, which is either:
- 42.1 passed by 75% or more of the votes cast on the resolution by those present in person or by proxy at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 37 to 41 (for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting); or
 - 42.2 passed by members representing not less than 75% of the total voting rights of eligible members, when passed by way of a written resolution in accordance with articles 63 to 66.
- 43 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the Co-operative, by special resolution:
- 43.1 to alter its name; and / or
 - 43.2 to alter any provision of these articles or adopt new articles of association.
- 44 For the purposes of these articles, an "ordinary resolution" means a resolution, which is either:
- 44.1 passed by simple majority vote (taking account only of those votes cast in favour as compared with those votes cast against) by those present in person or by proxy at a general meeting, providing proper notice of the meeting has been given in accordance with articles 37 to 41; or
 - 44.2 passed by members representing a simple majority of the total voting rights of eligible members, where passed by way of written resolution in accordance with articles 63 to 66.

Proceedings at general meetings

- 45 No business shall be transacted at any meeting unless a quorum is present; the quorum shall be 5% of members, present in person (in the case of a member which is a corporate body, present via its authorised representative) or represented by proxy. A member is deemed to be present when that person is in a position to communicate with all those attending the meeting, including by electronic means. For the avoidance of doubt, associate members shall not be counted in determining whether a quorum is present at any general meeting.
- 46 If the quorum required under article 45 is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 47 The Chair of the Co-operative shall (if present and willing to act) preside as chairperson of the meeting; if the Chair of the Co-operative is not present and willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting, or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
- 48 A director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting.
- 49 The chairperson of the meeting may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.
- 50 A resolution put to the vote of a meeting shall be decided on a show of hands unless before the show of hands, or immediately after the result of the show of hands is declared, a secret ballot is demanded by the chairperson of the meeting or by any person present at the meeting and entitled to vote (whether as a member, as the authorised representative of a member which is a corporate body or as the proxy for a member).
- 51 If a secret ballot is demanded in accordance with the preceding article, it shall be taken at once and shall be conducted in such manner as the chairperson of the meeting may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

Votes of members

- 52 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally (in the case of a corporate body, via its duly authorised representative present at the meeting) or by proxy.
- 53 A member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting:
- 53.1 shall lodge with the Co-operative, at the Co-operative's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her or (in the case of a corporate body) signed on its behalf by an appropriate officer; or

53.2 shall send by electronic means to the Co-operative at such electronic address as may have been notified to the members by the Co-operative for that purpose, an instrument of proxy (in such form as the directors require); and

53.3 providing (in either case) the instrument of proxy is received by the Co-operative at the relevant address not less than 48 hours before the time for holding the meeting.

For the avoidance of doubt, in calculating the 48-hour period referred to in the preceding provisions of this article 53, no account shall be taken of any day that is not a working day.

54 An instrument of proxy, or electronic communication containing the appointment of a proxy, which does not conform with the provisions of article 53, or which is not lodged or sent in accordance with such provisions, shall be invalid.

55 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

56 A proxy shall not be entitled to cast more than five votes in his/her capacity as a proxy (in addition to his/her own vote, if he/she is a member of the Co-operative or the authorised representative of a member in the case of a member which is a corporate body), notwithstanding that he/she may have been appointed as proxy by more than five members.

57 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who/which appointed him/her to speak at the meeting and need not be a member of the Co-operative.

58 A member which is a corporate body may, by resolution of its board of directors or other governing body, authorise an individual to act as its representative at any general meeting of the Co-operative.

59 The chairperson of a general meeting may require an individual who claims that he/she is authorised to act as the representative of a corporate body at that meeting to give such evidence of that authority as the chairperson may reasonably direct.

60 An individual authorised in pursuance of article 58 shall be entitled to exercise the same powers on behalf of the member which he/she represents as that corporate body could exercise if it were an individual member.

61 A vote given, or ballot demanded, by proxy or by the authorised representative of a member which is a corporate body shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot unless notice of such termination was received by the Co-operative at the Co-operative's registered office (or, where sent by electronic means, was received by the Co-operative at the address notified by the Co-operative to the members for the purpose of electronic communication) before the commencement of the meeting at which the vote was given or the ballot demanded.

- 62 The chairperson of a meeting shall be entitled to a casting vote if an equality of votes arises in relation to any resolution.

Written resolutions

- 63 A written resolution can be passed by the members of the Co-operative (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the members of the Co-operative in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the Co-operative (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it (which agreement cannot thereafter be revoked).
- 64 For the purposes of the preceding article:-
- 64.1 the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);
- 64.2 the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Act, as follows:-
- 64.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 63) by members representing a simple majority of the total voting rights of eligible members;
- 64.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 63) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.
- 65 For the avoidance of doubt, a resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 63.
- 66 For the purposes of article 63, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 64), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Categories of director

- 67 For the purposes of these articles:
- "Member Director"** means a director elected/appointed or re-elected under articles 71 to 79;

"Co-opted Director" means a director appointed or re-appointed under articles 80 to 82.

Number of directors

- 68 The maximum number of directors shall be 15; out of that number, no more than 12 directors may be Member Directors and no more than 3 directors may be Co-opted Directors.
- 69 At any given time, no more than 25% of the total number of directors may be Co-opted Directors.
- 70 The minimum number of directors shall be five.

Election, retiral, re-election: Member Directors

- 71 Any member who wishes to be considered for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that he/she is willing to be appointed; the notice must be signed by him/her and must be lodged with the company at least 21 days before the date of the annual general meeting.
- 72 At an annual general meeting, or by means of a postal ballot or equivalent electronic mechanism, the members may (subject to article 68) elect as a director any member who has confirmed his/her willingness to be appointed in accordance with article 71.
- 73 The directors may at any time appoint any member (providing he/she is willing to act) to be a director, either to fill a vacancy or (subject to article 68) as an additional director.
- 74 A member which is a corporate body may (subject to article 75) nominate any individual for election/appointment as a director; he/she will then be deemed to be a member for the purposes of articles 71 to 73.
- 75 No more than one individual nominated by each member under article 74 may be a director at any given time.
- 76 At the first annual general meeting, one third (to the nearest round number) of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by agreement among the board or in the absence of agreement by drawing lots.
- 77 At each annual general meeting (other than the first)
 - 77.1 any Member Director who was appointed by the directors (under article 73) in the period from the date of the last annual general meeting shall retire from office; and
 - 77.2 out of the remaining Member Directors, one third (rounded downwards if necessary) shall retire from office.
- 78 The Member Directors to retire under paragraph 77.2 shall be those who have been longest in office since they were last appointed or re-appointed; as between two or more directors who were appointed or re-appointed on the same date, the question of which of them is to retire under article 77.2

shall be decided by agreement among the board or in the absence of agreement by drawing lots.

- 79 The members may (subject to article 68) at any annual general meeting re-elect any Member Director who retires from office at the meeting under article 76 or 77 (providing he/she is willing to act); if any such Member Director is not re-appointed, he/she shall retain office until the meeting appoints someone in his/her place or, if it does not do so, until the end of the meeting.

Appointment, vacating of office, re-appointment: Co-opted Directors

- 80 Subject to article 68, the directors may at any time appoint any individual to be a director (a "Co-opted Director") providing he/she is willing so to act.
- 81 At the conclusion of each annual general meeting, all of the Co-opted Directors shall vacate office.
- 82 Immediately following each annual general meeting, the directors may (subject to article 68) re-appoint any person who, as a Co-opted Director, vacated office under the preceding article at the conclusion of the annual general meeting; the directors may alternatively appoint someone in his/her place or resolve not to fill the vacancy.

Disqualification and removal of directors

- 83 A director shall vacate office if:
- 83.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;
 - 83.2 he/she is sequestered;
 - 83.3 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity has continued, or is expected to continue, for a period of more than six months;
 - 83.4 he/she becomes an employee of the Co-operative;
 - 83.5 (in the case of a Member Director) he/she, or (as the case may be) the body which nominated him/her for election/appointment, ceases to be a member;
 - 83.6 he/she resigns office by notice to the Co-operative;
 - 83.7 he/she is absent (without permission of the directors) from more than three consecutive meetings of directors and the directors resolve to remove him/her from office;
 - 83.8 he/she is removed from office by resolution of the directors on the grounds that he/she is 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 93); or
 - 83.9 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

- 84 A resolution under paragraph 83.8 shall be valid only if:-
- 84.1 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 his/her removal is to be proposed;
 - 84.2 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;
 - 84.3 the director concerned is also allowed to bring along a person of their choice who shall be entitled to speak in their support; and
 - 84.4 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Appointments to offices

- 85 The directors shall elect from among themselves a Chair, and such other office bearers (if any) as they consider appropriate.
- 86 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 87 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Directors' interests

- 88 Subject to the provisions of the Act and provided that he/she has disclosed to the directors the nature and extent of any personal interest which he/she has (unless immaterial), and has complied with the code of conduct (as referred to in article 93), a director (notwithstanding his/her office):-
- 88.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the Co-operative or any associated company;
 - 88.2 may be a party to, or have some other personal interest in, any transaction or arrangement in which the Co-operative or any associated company has an interest;
 - 88.3 may be a director or secretary of, or have some other personal interest in, the Co-operative and/or may be a director or secretary of, or employed by or have some other personal interest in any associated company; and
 - 88.4 shall not, because of his/her office, be accountable to the Co-operative for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such company,

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

- 89 For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers; the references to "associated company" shall be interpreted as references to any subsidiary of the Co-operative or any other company in which the Co-operative has a direct or indirect interest.
- 90 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any Conflict Situation that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 91 For the purposes of article 90, a "Conflict Situation" means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the Co-operative; and such that:-
- 91.1 the situations and matters which fall within this definition may include (without limitation) (a) a situation where a director of the Co-operative becomes an employee, director, member of the management committee, officer or elected representative of a body which is a party to a significant contract with the Co-operative (or which is competing with the Co-operative in the context of any grant application) and (b) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the Co-operative could take advantage of the property, information or opportunity);
- 91.2 "conflict of interest" for this purpose includes a conflict of interest and duty, and a conflict of duties.
- 92 For the avoidance of doubt, article 90 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the Co-operative; any conflict of interest of that nature shall be governed by the provisions of articles 88 and 89, articles 118 to 122 and the code of conduct referred to in article 93.

Conduct of directors

- 93 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Directors' remuneration and expenses

- 94 A director may be entitled to remuneration in respect of carrying out his/her duties as a director or as holder of any office under article 80 as determined by a majority of the directors.
- 95 The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings, meetings of committees of directors or otherwise in connection with the carrying-out of their duties.

Powers of directors

- 96 Subject to the provisions of the Act and these articles and to any directions given by special resolution, the business of the Co-operative shall be managed by the directors who may exercise all the powers of the Co-operative.
- 97 No alteration of these articles given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 98 The directors shall not be entitled to sell or otherwise dispose of any asset or assets which represent 25% or more of the open market value of the total assets of the Co-operative (through a single transaction or series of transactions), or enter into any agreement or issue any undertaking (conditional or unconditional) to do so, without (in any such case) the prior sanction of a special resolution.
- 99 The powers conferred by article 96 shall not be limited by any special power conferred on the directors by these articles.
- 100 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

Proceedings of directors

- 101 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 102 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors, provided that the purpose of calling the meeting is stated at the same time.
- 103 The board of directors must meet not less than three times in each financial year.
- 104 At least five working days' notice shall be given in relation to each meeting of the directors, unless the Chair (or as the case may be, the other director who is calling the meeting) is of the view (acting reasonably) that the delay associated with giving five working days' notice would be likely to cause significant prejudice to the interests of the Co-operative, in which case he/she shall give such notice of the meeting as is reasonable in the circumstances.
- 105 Notice of every directors' meeting (including a short agenda in relation to the business to be conducted at the meeting) shall be issued to each

- director at the address, fax number or e-mail address which was last notified by him/her to the Co-operative for that purpose.
- 106 Only the business detailed in the agenda circulated to the directors may be considered at the meeting, subject to the qualification that any item of additional business may be considered if all of the directors present at the meeting consent to the consideration of that item of business.
- 107 Questions arising at a meeting of directors shall be decided by a majority of votes, and on the basis that every director shall have one vote.
- 108 In the case of an equality of votes, the chairperson of a meeting of directors shall have a second or casting vote.
- 109 The quorum for the transaction of the business of the directors, shall (subject to article 110) be 50% (rounded upwards if necessary) of the total number of directors in office at the time.
- 110 A quorum shall not be deemed to be constituted at any meeting of the directors unless the number of Member Directors attending the meeting exceeds the number of Co-opted Directors in attendance.
- 111 If the quorum required under article 109 (as read with article 110) is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 112 The continuing directors or a sole continuing director may act notwithstanding vacancies, but if the number of remaining directors is less than the number fixed as the quorum they may act only for the purpose of filling vacancies or of calling a general meeting.
- 113 Unless he/she is unwilling to do so, the Chair of the Co-operative shall preside as chairperson at every meeting of directors at which he/she is present.
- 114 If the Chair of the Co-operative is unwilling to act as chairperson of a meeting of directors or is not present within 15 minutes after the time appointed for the meeting, the directors may appoint one of their number to be chairperson of the meeting.
- 115 The directors shall be entitled to allow any person to attend and speak (but not vote) at any meeting of the directors; a person invited to attend a meeting of the directors under the preceding provisions of this article shall not be entitled to exercise any of the powers of a director, and shall not be deemed to constitute a director for the purposes of the Act or any provision of these articles.
- 116 All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

- 117 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held; it may consist of several documents in the same form, each signed by one or more directors.
- 118 A director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly, a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the Co-operative.
- 119 For the purposes of the preceding article:-
- 119.1 an interest of a person who is taken to be connected with a director for any purpose of the Act shall be treated as a personal interest of the director;
- 119.2 a director shall be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter; and
- 119.3 an interest which is common to 75% or more of the members of the Co-operative shall not be deemed to be a personal interest or duty which conflicts or may conflict with the interests of the Co-operative.
- 120 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 121 The Co-operative may by special resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of articles 118 to 120.
- 122 If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; his/her ruling in relation to any director other than himself/herself shall be final and conclusive.

Delegation to committees of directors and holders of offices

- 123 The directors may delegate any of their powers to any committee consisting of two or more directors; they may also delegate to the Chair of the Co-operative or a director holding any other office such of their powers as they consider appropriate.
- 124 Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

- 125 Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.
- 126 In addition to their powers under article 123, the directors may delegate their powers to any committee consisting of one or more directors and such other individuals (who need not be directors or employees of the Co-operative) as the directors may consider appropriate; the provisions of articles 124 and 125 shall apply in relation to any such committee, subject to the qualification that the role of any committee formed under the preceding provisions of this article shall be limited (except to the extent that the directors otherwise determine) to the issue of reports and recommendations for consideration by the board of directors.

Secretary

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

Minutes

- 128 The directors shall ensure that minutes are made (in books or electronic files kept for the purpose) of all proceedings at general meetings, meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present, and the minutes of each meeting shall be signed in writing or electronically by the chairperson of that meeting.

Accounts

- 129 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the Co-operative and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the Co-operative; such accounting records shall be open to inspection at all times by any director of the Co-operative.
- 130 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Co-operative except as conferred by statute or as authorised by the directors or by ordinary resolution of the Co-operative.

Notices

- 131 Any notice to be given in pursuance of these articles shall be in writing, including in electronic written form.
- 132 The Co-operative may give any notice to a member in pursuance of these articles either personally **or** by sending it by post in a pre-paid envelope addressed to the member at the address last intimated by him/her/it to the Co-operative **or** by leaving it at that address; alternatively, in the case of a member who/which has notified the Co-operative of an electronic

address to be used for this purpose, the Co-operative may give any notice to that member by electronic means.

- 133 A member may give any notice to the Co-operative either by sending it by post in a pre-paid envelope addressed to the Co-operative at its registered office or by leaving it, addressed to the company secretary, at the Co-operative's registered office.
- 134 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four 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.
- 135 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 Institute of Chartered Secretaries and Administrators.
- 136 A member present or represented at any meeting of the Co-operative shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

Winding-up

- 137 On a winding up of the Co-operative, a portion of the net assets of the Co-operative remaining after settlement of its debts and liabilities may be distributed among the members, or some or all of such net assets may be paid over, or transferred to, some other body or bodies which is/are providing similar services on a similar basis
- 138 The distribution of net assets amongst members and the identity of the body or bodies to which net assets are to be transferred in pursuance of article 137, and (if there are two or more) the proportions in which they are to receive such net assets, shall be determined at the time by ordinary resolution.

Indemnity

- 139 Every director or other officer or auditor of the Co-operative shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the Co-operative against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office including, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Co-operative.
- 140 For the avoidance of doubt, the Co-operative shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the Co-operative may sustain or incur in connection with the execution of the duties of his/her 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).