

**ANNUAL GENERAL MEETING 2019
14 NOVEMBER 2019
LOCH FYNE SPA HOTEL, INVERARAY**

RESOLUTION

At the ARGYLL AND THE ISLES TOURISM COOPERATIVE LTD Annual General Meeting on 14 November 2019, the Co-operative passed a Written resolution under clauses 62-65 to amend the Articles of Association as per the version now dated 14 November 2019.

Signed for and on behalf of the Board



**Iain Jurgensen
Director and Chairperson**



**Gavin David John Dick
Director**

TUESDAY



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COMPANIES HOUSE

AITC Ltd – Co No SC419216 - VAT REG NO 145 0830 32
c/o Ainsley Smith Co Ltd, Argyll Square, Oban, PA34 4AT
Argyll & the Isles Tourism co-operative is supported by:



DATE: 14/11/19 (revised)

THE COMPANIES ACT 2006

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

MEMORANDUM of ASSOCIATION

of

ARGYLL AND THE ISLES TOURISM CO-OPERATIVE LIMITED

THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION
of
ARGYLL AND THE ISLES TOURISM CO-OPERATIVE LIMITED

Each subscriber to this memorandum of association wished to form a company under the Companies Act 2006 and agreed to become a member of the company by signing this document. The company was then formally set up on 12 March 2012 and registered at Companies House - SC Registered Number SC419216.

Name of each subscriber
Mr Calum Ross For <i>Oban and Lorn Tourism Association</i>
Mr David Currie For Holiday Mull and Iona
Gavin Dick For Inveraray Marketing Group

Subscribers to this version of the memorandum of association dated 14 November 2019, as a current Director of AITC confirm their agreement to the revisions contained herein as presented to and adopted at the AGM of that date.

Name of each subscriber	Signature of each subscriber
Mr Gavin David John Dick	
Mr Andrew Henry Mathew Roger	
Mr Iain Jurgensen	
Mrs Emma Louise Clark	
Mr Neil Morrison Mackay	
Mr Calum James Ross	
Mrs Fiona MacPhail	

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

ARTICLES OF ASSOCIATION

of

ARGYLL AND THE ISLES TOURISM CO-OPERATIVE 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 "Co-operative" means this company;
 - 2.3 "electronic form" has the meaning given in section 1168 of the Act;

- 2.4 “property” means any property, heritable or moveable, real or personal, wherever situated; and
- 2.5 “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 objects of the Co-operative are: -
- (1) To promote and encourage the development of the tourism industry in Argyll and the Isles through activities of benefit to the members and community at large and in particular through
 - (a) Fostering cooperation between member businesses and organisations, public bodies and individuals interested in promoting tourism in Argyll and the Isles
 - (b) Representing the views of member businesses and organisations with a view to influencing the development of tourism policy and practice relating to Argyll among European, UK, Scottish and local government authorities and agencies and other public sector bodies;
 - (c) Providing Tourism related initiatives for the benefit of member businesses and organisations and the community at large in Argyll and the Isles; including but not restricted to the Visit Scotland travel trade expo, and the Argyll and the Isles Tourism annual summit.
 - (d) Developing and Promoting the “Argyll and the Isles” Brand, initially for, but not limited to tourism.
 - (2) To supply to member organisations of the Co-operative such goods, services and/or facilities as may be deemed appropriate with a view to facilitating the conduct of their activities;
- in a manner which is consistent with the ethos and principles of the co-operative business model; and to seek to promote the wider adoption of that business model.
- 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 In pursuance of those aims, but not otherwise, 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 transfer funds 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.

Restrictions on use of the company's assets

- 8 The income and property of the Co-operative shall (subject to article 10) be applied solely towards promoting the Co-operative's objects.
- 9 No part of the income or property of the Co-operative shall (subject to article 10) be paid or transferred (directly or indirectly) to the members of the Co-operative, whether by way of dividend, bonus or otherwise.
- 10 The company may, notwithstanding the provisions of articles 8 and 9,
- 10.1 pay reasonable remuneration (which may include bonuses linked to the financial performance of the Co-operative) and provide reasonable pension and/or other benefits to any member of the Co-operative in his/her capacity as an employee of the Co-operative;
- 10.2 reimburse any member in respect of any out-of-pocket expenses incurred by him/her in the course of his/her duties as a director or employee of the Co-operative as long as this has been agreed by the board in advance.

Liability of members

- 11 Each member undertakes that if the Co-operative is wound up while it is a member (or within one year after he/she ceases to be a member), it will contribute - up to a maximum of £1 - to the assets of the Co-operative, to be applied towards:
- 11.1 payment of the Co-operative's debts and liabilities contracted before it ceases to be a member;
- 11.2 payment of the costs, charges and expenses of winding up; and
- 11.3 adjustment of the rights of the contributories among themselves.

General structure

- 12 The structure of the Co-operative consists of MEMBERS and DIRECTORS as defined in 12.1 and 12.2. AITC also works with STRATEGIC PARTNERS who fund/contribute to AITC activity and receive benefits as a consequence, but for the avoidance of doubt these partners (whether public bodies or corporate businesses) do not have a formal status within the AITC general structure. The general structure of the Co-operative consists of

- 12.1 the MEMBERS – local destination marketing groups or tourism associations, sectoral organisations, tourism businesses and support service businesses as approved by directors, 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 Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves;
- 12.2 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

- 13 The subscribers to the memorandum of association and such other bodies as are admitted to membership under articles 15 to 19 shall be the members of the Co-operative.
- 14 A member may not transfer its membership to any other body or to any individual.

Admission to membership

- 15 Membership shall (subject to articles 13 and 18) be open to corporate bodies, organisations and businesses who operate within the Argyll & Bute council area and which sign up as subscribers to this memorandum of association or who sign the Membership Agreement.
- 16 A body eligible for membership under article 15 which wishes to become a member shall lodge with the Co-operative a written application for membership (in such form as the directors require), signed on its behalf by an appropriate officer/representative of that body.
- 17 A body applying for membership shall lodge with its application a remittance to meet the annual membership subscription; an applicant shall also lodge with the company such information and evidence (if any) in support of its application as determined by the directors.
- 18 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application and remittance (and, if required by the directors, supporting information and evidence) required under articles 16 and 17; the directors shall be entitled at their discretion to refuse to admit any applicant to membership.

- 19 The directors shall, within a reasonable period after the meeting at which an application for membership is considered, notify the applicant in writing of the directors' decision as to whether or not to admit the applicant to membership; if the decision was to refuse admission, the directors shall return to the applicant the remittance lodged by the applicant under article 17.

Annual membership subscription

- 20 An annual membership subscription shall be payable in such amount as the directors shall decide upon once per-annum.
- 21 Failure to pay the annual membership subscription within twenty-eight days of the fee note being issued by the Co-operative shall result in the termination of the member's right to membership.
- 22 The directors may vary the amounts of the annual membership subscription and/or the date on which the new membership subscription falls due in each year, by way of a resolution to that effect passed at a meeting of the directors.
- 23 If the membership subscription payable by any member remains outstanding more than six weeks after the date on which it fell due (and providing the member has been given at least one written reminder) the directors may, by resolution to that effect, expel that body from membership.
- 24 A body which ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

Register of members

- 25 The directors shall maintain a register of members setting out the full name and address of each member, the date on which it was admitted to membership, and the date on which any body ceased to be a member.

Withdrawal from membership

- 26 Any body which wishes to withdraw from membership shall lodge with the Co-operative a written notice of retiral (in such form as the directors require), signed on its behalf by an appropriate officer; on receipt of the notice by the Co-operative, it shall cease to be a member.

Termination of membership

- 27 Membership shall cease on dissolution, liquidation or striking-off.

Expulsion from membership

- 28 Subject to articles 29 to 31, the directors shall be entitled to expel any body from membership for good and sufficient reason by way of a resolution to that effect passed at a board meeting, providing the procedure specified in articles 29 and 30 is followed.

- 29 Any director who wishes to propose at any board meeting a resolution for the expulsion of any body from membership shall lodge with the company written notice of his/her intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than 28 days before the date of the board meeting.
- 30 The company shall, on receipt of a notice under article 29, send a copy of the notice to the member concerned, and the member concerned shall be entitled to be heard on the resolution at the board meeting at which the resolution is proposed.
- 31 A body expelled from membership under the provisions of articles 29 and 30 shall have the right to appeal to a general meeting of the company, and in the event that the member concerned intimates to the directors that it wishes to exercise that right, the directors shall make such arrangements with regard to the convening of the general meeting, the circulation of any representations which the member concerned may wish to make, and other relevant matters as the directors may reasonably consider appropriate; at the general meeting convened under the preceding provisions of this article, the company may, by ordinary resolution, direct that the expulsion should cease to have effect and that the member concerned should be re-admitted to membership.

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 by members (under section 303 of the Act) 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 general meetings must be given to all the members, 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 (a) indicate the general nature of the business to be dealt with at the meeting; (b) if a special resolution (see article 42) (or a resolution requiring special notice under the Companies Act) is to be proposed, state that fact, giving the exact terms of the resolution; and (c) 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;
 - 41.2 (where the 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 (a) passed by 75% or more of the votes cast on the resolution 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 number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting); or (b) 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 62 to 65.
- 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;
 - 43.2 (subject to article 52) 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 (a) passed by majority vote (taking account only of those votes cast in favour as compared with those votes cast against) at a general meeting, providing proper notice of the meeting has been given in accordance with articles 37 to 41; or (b) 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 62 to 65.

Proceedings at general meetings

- 45 No business shall be transacted at any meeting unless a quorum is present; the quorum shall be fifty percent plus one members, in each case present via a duly authorised representative or represented by proxy.
- 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 requested by the chairperson of the meeting or by any person present at the meeting and entitled to vote (whether as the duly authorised representative of a member 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.

Entrenchment of certain articles

- 52 None of the provisions of articles 8, 9, 10, 133 or 134, or of this article 52 shall be capable of being altered otherwise than with the unanimous written agreement of all members of the company at the time.

Votes of members

- 53 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either through a duly authorised representative present at the meeting or by proxy.
- 54 A member which wishes to appoint a proxy to vote on its behalf at any meeting

54.1 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 on its behalf by an appropriate officer; or

54.2 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);

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 54, no account shall be taken of any day that is not a working day.

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

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

57 A proxy shall not be entitled to cast more than one vote in his/her capacity as a proxy (in addition to his/her own vote, if he/she is a member of the company), notwithstanding that he/she may have been appointed as proxy by more than one member.

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

59 A member may authorise an individual to act as its representative at any general meeting of the company providing particulars of the individual so authorised and of the body which he/she is to represent are received by the company prior to the commencement of the relevant general meeting; the individual so authorised shall be entitled to exercise the same powers on behalf of the member which he/she represents as that incorporated body could exercise if it were an individual member.

60 A vote given, or ballot demanded, by proxy or by the representative of a member 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.

- 61 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution. In such case the status quo should continue.

Written resolutions

- 62 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).

- 63 For the purposes of the preceding article:-

- 63.1 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);

- 63.2 the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Act, as follows:-

63.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 62) by members representing a simple majority of the total voting rights of eligible members;

63.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 62) 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.

- 64 For the avoidance of doubt, a resolution to remove a director (under section 168 of the 2006 Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 62.

- 65 For the purposes of article 62, 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 63), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

Categories of director

66 For the purposes of these articles

“Elected Director” means a director elected, re-elected or appointed under articles 69 to 75;

“Co-opted Director” means a director appointed or re-appointed under articles 76 to 78.

Number of directors

67 The maximum number of directors shall be 8, of whom no more than 6 may be Elected Directors nominated by member bodies and no more than 2 may be Co-opted Directors; the minimum number of directors shall be 3.

68 No more than one individual nominated for membership by a given member organisation/business may be a director of the company at any given time.

Election, retiral, re-election: Elected Directors

69 Any individual who wishes to be considered for election as a director at an annual general meeting must lodge with the Co-operative 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 also by an appropriate officer/owner of the member body which is nominating him/her for election, and must be lodged with the Co-operative at least seven days before the date of the annual general meeting.

70 At an annual general meeting the members may (subject to article 67) elect as a director any individual in relation to whom written notice has been lodged with the Co-operative in accordance with article 69.

71 The directors may at any time appoint any individual (providing he/she has been nominated by an member body for appointment, and is willing to act) to be a director, either to fill a vacancy or (subject to article 67) as an additional director.

72 At the first annual general meeting, one third (to the nearest round number) of the Elected Directors shall retire from office; the question of which of them are to retire shall be determined by some random method

73 At each annual general meeting (other than the first)

73.1 any director who was appointed by the directors (under article 71) in the period from the date of the last annual general meeting shall retire from office; and

73.2 out of the remaining directors, one third (rounded downwards if necessary) shall retire from office.

74 The directors to retire under article 73.2 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 73.2 shall be decided by some random method.

- 75 The members may (subject to article 67) at any annual general meeting re-elect any director who retires from office at the meeting under article 72 or 73 (providing he/she is willing to act); if any such 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

- 76 Subject to article 67, the directors may at any time appoint any individual to be a director (a "Co-opted Director") who has a specific skill(s), experience or sectoral interest of relevance to AITC providing he/she is willing so to act.
- 77 At the conclusion of each annual general meeting, all of the Co-opted Directors shall vacate office.
- 78 Immediately following each annual general meeting, the directors may (subject to article 67) 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

- 79 A director shall vacate office if
- 79.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;
 - 79.2 he/she is sequestered;
 - 79.3 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;
 - 79.4 he/she becomes an employee of the Co-operative;
 - 79.5 in the case of an Elected Director, the body which nominated him/her ceases to be a member of the Co-operative;
 - 79.6 he/she resigns office by notice to the Co-operative;
 - 79.7 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;
 - 79.8 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 89); or

- 79.9 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 80 A resolution under paragraph 79.8 shall be valid only if:-
- 80.1 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;
- 80.2 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; and
- 80.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Appointments to offices

- 81 The directors shall elect from among themselves a Chair, a Vice Chair and such other office bearers (if any) as they consider appropriate.
- 82 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.
- 83 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

- 84 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 89), a director (notwithstanding his/her office):-
- 84.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the Co-operative or any associated company;
- 84.2 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;
- 84.3 may be a director or secretary of, or employed by, or have some other personal interest in, the Co-operative and/or any associated company; and
- 84.4 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.

- 85 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.
- 86 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.
- 87 For the purposes of article 86, 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 company; and such that:-
- 87.1 the situations and matters which fall within this definition may include (without limitation) (a) a situation where a director of the company 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 company (or which is competing with the company 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 company could take advantage of the property, information or opportunity);
- 87.2 “conflict of interest” for this purpose includes a conflict of interest and duty, and a conflict of duties.
- 88 For the avoidance of doubt, article 86 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any conflict of interest of that nature shall be governed by the provisions of articles 84 and 85, articles 114 to 118 and the code of conduct referred to in article 89.

Conduct of directors

- 89 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

- 90 A director shall not be entitled to any remuneration in respect of carrying out his/her duties as a director or as holder of any office under article 81.
- 91 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

- 92 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.
- 93 No alteration of these articles and no direction 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.
- 94 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 company (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.
- 95 The powers conferred by article 92 shall not be limited by any special power conferred on the directors by these articles.
- 96 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

Proceedings of directors

- 97 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 98 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 99 The board of directors must meet not less than four times in each financial year.
- 100 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.

- 101 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.
- 102 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.
- 103 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.
- 104 In the case of an equality of votes, the chairperson of a meeting of directors shall not have a second or casting vote and the status quo will remain until a majority is achieved.
- 105 The quorum for the transaction of the business of the directors, shall (subject to article 106) be one half (rounded upwards if necessary) of the total number of directors in office at the time.
- 106 A quorum shall not be deemed to be constituted at any meeting of the directors unless the number of Elected Directors attending the meeting exceeds the number of Co-opted Directors in attendance
- 107 If the quorum required under article 105 (as read with article 106) 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.
- 108 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.
- 109 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.
- 110 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.
- 111 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.

- 112 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.
- 113 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.
- 114 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.
- 115 For the purposes of the preceding article:-
- 115.1 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;
- 115.2 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
- 115.3 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.
- 116 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.
- 117 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 114 to 116.
- 118 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

- 119 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.
- 120 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.
- 121 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.*
- 122 In addition to their powers under article 119, 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 120 and 121 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

- 123 The directors shall (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

- 124 The directors shall ensure that minutes are made (in books 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 by the chairperson of that meeting.

Accounts

- 125 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 company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting

records shall be open to inspection at all times by any director of the company.

- 126 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

- 127 Any notice to be given in pursuance of these articles shall be in writing.
- 128 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 to the Co-operative or by leaving it at that address; alternatively, in the case of a member who 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.
- 129 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.
- 130 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.
- 131 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.
- 132 A member present 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

- 133 On a winding-up of the company, the net assets of the company remaining after settlement of its debts and liabilities shall not be distributed among the members; instead, such net assets shall be paid over, or transferred to, some other body or bodies which is/are carrying on business using a co-operative model or to a body or bodies which provide support (financial or non-financial) to businesses using that model.
- 134 The identity of the body or bodies to which net assets are to be transferred in pursuance of article 133, 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

- 135 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.
- 136 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).