

COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

HARRIS MUTUAL IMPROVEMENT ASSOCIATION

PRELIMINARY

1. (a) The Regulations contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008.3229) hereinafter referred to as ‘the Model Articles’ shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall constitute the Articles of Association of the Company.
- (b) Regulations 11(2), 17, 19, 21, 22, 33(1), 37, 38 and 39 of the Model Articles shall not apply to the Company.

OBJECTS AND POWERS

2. The objects of the Company are:-
 - (a) To promote the well-being of the community resident in the geographical area of Harris (hereinafter called “the area”) without distinction of sex or of political, religious or other opinions, by associating the Local Authorities, Voluntary Organisations and Residents in a common effort to further health, to advance education, to provide a meeting place and facilities for physical and mental training and recreation and social, moral and intellectual development and to foster a community spirit for the achievement of these and other such objects as may be by law deemed to be charitable;

- (b) to secure the establishment, maintenance and management of a Community Centre (hereinafter called “the Centre”) for activities promoted by the Company in furtherance of the above objects or any of them.

The Company shall be non-party in politics and non-sectarian in religion.

The Company shall have all legal powers necessary to achieve its objects including unlimited borrowing powers.

MEMBERSHIP

- 3. (a) Membership of the Company shall consist of three classes:-
 - (i) Ordinary Members who shall be individuals aged sixteen and over eligible to apply for membership in accordance with the Bye-Laws of the Company hereinafter referred to who shall apply to the Company for membership in such form as the Directors may require and who shall be admitted by the Board;
 - (ii) Nominated Members who shall consist of such individuals, institutions and organisations who support the objects of the Company whom the Board shall deem appropriate to be represented amongst the membership of the Company and shall so nominate for representation.
 - (iii) Junior Members who shall be individuals under the age of sixteen eligible to apply for membership in accordance with the Bye-Laws of the Company hereinafter referred to who shall apply to the Company for membership in such form as the Directors may require and who shall be admitted by the Board. Junior Members shall not be eligible to stand for election as Directors nor to vote at any General Meeting of the company but may elect from among themselves two representatives who shall each have full voting rights at General Meetings.

- (b) It shall be at the absolute discretion of the Board whether or not to admit any person or body to membership of the Company but the Board can only refuse membership if there is good cause or reason to do so.
 - (c) Applications for Ordinary and Junior Membership shall be in writing in such form as the Board shall from time to time prescribe. Each applicant for Ordinary and Junior Membership shall deliver an application form duly signed by him. An applicant shall be deemed to have been admitted as an Ordinary Member or Junior Member on the date on which the application has been approved by the Board or such other date as the Board may direct.
 - (d) Where the Board has decided that any body or association should be admitted as a Nominated Member, it shall give notice to that body or association of its decision. Such a body will be deemed to have been admitted as a Nominated Member with effect from the date on which that body has notified the Company of its acceptance of Membership. Each Nominated Member shall appoint a representative who shall be entitled to be present and speak at meetings of the Company and to exercise all voting and other rights to which that Nominated Member is entitled. Each Nominated Member shall notify the Company in writing of the name of its representative within twenty days of being admitted as a Nominated Member and shall notify the Company, in writing, of any change of representative.
4. Every Member of the Company shall if required by the Company pay an annual subscription fee. Until the first Annual General Meeting the scale of subscription fees and the dates of payment shall be fixed by the Board. Thereafter the scale of subscription fees and the date for payment shall be fixed annually at the Annual General Meeting of the Company. Different levels of subscription fees may be set for Ordinary, Nominated and Junior Members and for individuals and organisations.
5. Any Ordinary or Junior Member may resign from membership of the Company on giving not less than twenty eight clear days notice to the Company of his intention to do so. On the expiry of

twenty eight days from the date of receipt of such notice by the Company such Ordinary Member or Junior Member shall cease to be an Ordinary Member or Junior Member of the Company.

6. Any Nominated Member may resign from membership of the Company on giving not less than three months' notice in writing to the Company of its intention to do so. On the expiry of three months from the date of receipt of such notice by the Company such Nominated Member shall cease to be a Nominated Member of the Company.
7. Membership of the Company shall not be transferable and a Member shall cease to be a Member in the event of that Member dying, becoming bankrupt or becoming of unsound mind or, if a company, on the passing of a resolution for its winding up or in the event of a Nominated Member ceasing to be so designated. The Board shall have the right for good and sufficient reason to terminate the membership of any Member providing that the Member concerned shall have the right to be heard by the Board before a final decision is made and thereafter the right of appeal to the next general meeting of the Company.

VOTING RIGHTS

8. Ordinary and Nominated Members shall have equal voting rights at any General Meeting of the Company, each member of both Classes having one vote. Junior Members shall have no voting rights other than as provided in clause 4.(a)(ii) hereof

ASSOCIATES

9. (a) The Board shall have power to admit Associates who shall be individuals, non-profit making or charitable bodies, commercial or other organisations who wish to be associated with the Company and who in the opinion of the Board should be admitted as Associates.
- (b) Associates shall not be Members of the Company.

- (c) Associates may attend General Meetings of the Company but may not vote at such meetings.
- (d) Associates shall not be eligible for election as Directors.

BOARD OF DIRECTORS

10. The minimum number of Directors for the purposes of incorporation and admitting the first Members other than the subscribers shall be two; thereafter the minimum number of Directors shall be three. Unless otherwise determined by Ordinary Resolution of the Company the Board shall consist of not more than six Directors (subject as after mentioned) all of whom shall be elected by the Members in accordance with Regulation 11 hereof and who are hereinafter referred to as “Elected Directors”, and such further number of Nominated Directors as may from time to time be appointed Directors in accordance with Regulation 12 hereof.
11. The Elected Directors of the Company shall be elected by the Members at the Annual General Meeting. One third of the Elected Directors shall be subject to retirement annually at every General Meeting but shall be eligible for re-election.
12. The Board may at any time invite any Nominated Member of the Company to nominate one or more representatives to be appointed Directors (hereinafter referred to as “Nominated Directors”) for such period and on such conditions as the Board may determine and if any such invitation is extended and accepted such representatives shall be appointed Directors accordingly. Nominated Directors shall not be subject to retirement by rotation.
13. If the Company, at the meeting at which an Elected Director retires, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.
14. The Directors may from time to time at their discretion by unanimous agreement appoint any person up to a maximum of two who is willing to act to be a Director of the Company whose Directorship

they deem will be beneficial to the Company to hold office until the next General Meeting of the Company in which case the total number of Directors may increase above that otherwise specified.

PROCEEDINGS OF DIRECTORS

15. The business of the Company shall be managed by the Board who may pay all such expenses of and preliminary and incidental to, the promotion, formation, establishment and registration of the Company as it thinks fit and may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by Statute or by these presents required to be exercised or done by the Company in general meeting subject nevertheless to paragraph (b) hereof and any other regulation of these Articles, the provisions of the Statutes for the time being in force and affecting the Company and to such regulation or provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
16. Unless otherwise determined by Ordinary Resolution of the Company the quorum for the transaction of the business of the Directors shall be not less than three Directors in office at the time present in person or otherwise able to confer together in accordance with the Model Articles.

PROPERTY AND INCOME

17. The income and property of the Company shall be applied solely towards the promotion of the objects as set forth herein and no part shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to Members and no Director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or benefit in kind (other than a benefit in his capacity as a beneficiary of the Company); provided that nothing herein shall prevent any payment in good faith by the Company:-
 - (a) of the usual professional charges for business done by any Director who is a solicitor, accountant or other person engaged in a profession, or by any partner of his, when instructed by the Company to act in a professional capacity on its behalf: provided that at no time shall

a majority of the Board benefit under this provision and that a Director shall withdraw from any meeting at which his appointment or remuneration, or that of his partner, is under discussion.

- (b) of reasonable and proper remuneration to any Member, officer or servant of the Company who is not a Director for any services rendered to the Company.
- (c) of reasonable and proper remuneration for any services rendered to the Company by any Director for which the prior written approval of the Office of the Scottish Charity Regulator has been obtained.
- (d) of interest on money lent by any Member or Director at a rate not exceeding 2% less than the published base lending rate of a clearing bank to be selected by the Directors.
- (e) of reasonable and proper rent for premises demised or let by any Member or a Director.
- (f) to any Director of reasonable out-of-pocket expenses.
- (g) to a company of which a Director may be a member holding not more than one per cent of the issued capital of that company.
- (h) of reasonable and proper premiums in respect of Directors' indemnity insurance, effected to cover the liability of the Board or any Director which, by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of Company law of which they may be guilty in relation to the Company; provided that any such insurance or indemnity shall not extend to any claim arising from criminal or wilful or deliberate act, omission, neglect or default on the part of the Board (or any Director) and provided that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Board in their capacity as Directors of the Company.

- (i) to any trust or other organisation having charitable objects of which a Director is a trustee (or, in the case of a company limited by guarantee, a director).

STAFF

- 18. The Board shall have power to appoint and dismiss a Secretary and a Treasurer (who may be salaried officials) and such other employees of the Company as it may from time to time determine. The office of Secretary and Treasurer may be combined. Subject to Regulation 17 hereof any person so employed may not be a Director of the Company.

GENERAL MEETINGS

- 19. The Board may call general meetings of the company and the Secretary shall within 28 days of receiving a written request so to do signed by not less than eight members having the power to vote and giving reasons for the request, call an Extraordinary General Meeting of the Company for the purpose requested.
- 20. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at any Annual General Meeting with the exception of the consideration of the Annual Accounts and Directors' Report, the election of Directors, and the appointment of Auditor(s) or Independent Examiner(s) if required by law or otherwise at the Company's discretion.
- 21. No business shall be transacted at any general meeting unless a quorum is present. A quorum shall not be present unless at least eight Ordinary Members are present in person or by proxy except at any time when the total membership is less than ten in which case a majority of all the members shall be required to be present in person or by proxy. A corporation, firm or unincorporated association being a Member shall be deemed to be present if represented by its representative.
- 22. If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting if convened on the requisition of Members shall be dissolved. In any other case or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in

the next week at the same time and place or to such other time and place as the Board determine. If at the adjourned meeting a quorum is not present within half an hour of the time appointed the meeting shall proceed to business.

RULES OR BYE LAWS

23. The Directors may from time to time make such Rules or Bye Laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing the conditions of membership and in particular but without prejudice to the generality of the foregoing they shall by such Rules or Bye Laws regulate:-
- (a) The admission of Members of the Company, and the rights and privileges of such Members, and the conditions of membership and terms on which Members may have their membership terminated.
 - (b) The procedures for nominating (but not electing) persons to serve as Directors of the Company.
 - (c) The conduct of Members of the Company in relation to one another and to the Company's servants.
 - (d) The setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes.
 - (e) The procedure at General Meetings and meetings of the Directors and Committees of the Company in so far as such procedure is not regulated by these presents.
 - (f) And, generally, all such matters as are commonly the subject matter of Company rules but at all times only in so far as such matters are not regulated by these presents.

24. The Company in General Meeting shall have power to alter or repeal the Rules or Bye Laws and to make additions thereto and the Directors shall adopt such means as they deem sufficient to bring to the notice of Members of the Company all such Rules or Bye Laws, which so long as they shall be in force, shall be binding on all Members of the Company. Provided, nevertheless, that no Rule or Bye Law shall be inconsistent with, or shall affect or repeal anything contained in, the Articles of Association of the Company.

DISSOLUTION

25. In the event of a proposal for the winding-up or dissolution of the Company a Special General Meeting shall be held to consider and if thought fit formally dissolve the Company. At least twenty one days clear notice of the meeting and the purpose for which it is called shall be given to all Members.
26. (1) The Members of the Company may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:-
- (a) directly for the objects.
 - (b) by transfer to any charity or charities, for purposes similar to the objects.
 - (c) to any charity for use for particular purposes that fall within the objects.
- (2) In no circumstances shall the net assets of the Company be paid to or distributed among the Members of the Company and if no such resolution is passed by the Members or the Directors the net assets of the Company shall be applied for charitable purposes as directed by the Office of the Scottish Charity Regulator.

“*Charitable purpose*” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as charitable purpose in relation to the application of the Taxes Acts.

“*Charity*” shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts.