

Company number SC 502410

## The Companies Act 2006

### Private Company Limited by Guarantee and not having a Share Capital

#### Articles of Association of Scottish Pentathlon Limited (the “Company”) (Updated 12 October 2017)

#### 1 Interpretation

1.1 In these Articles, unless the context otherwise requires:

“**Act**” means the Companies Act 2006;

“**Articles**” means the Company’s articles of association for the time being in force;

“**Board**” means the board of directors of the Company appointed pursuant to article 14 from time to time;

“**Business Day**” means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in Scotland are generally open for business;

“**Conflict**” means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;

“**Eligible Director**” means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to article 20, any director whose vote is not to be counted in respect of the particular matter);

“**Junior Member**” means a Member of the Company who has been admitted in accordance with article 8.1.2 who is less than 16 years old;

“**Interested Director**” has the meaning given in article 20.1;

“**Member**” means a member of the Company;

“**Model Articles**” means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered “Model Article” is a reference to that article of the Model Articles;

**“Pentathlon GB”** means Modern Pentathlon Association of Great Britain Limited (Company No. 04931041) being the governing body for the Sport in Great Britain;

**“Rules”** has the meaning given in article 24.1;

**“Senior Member”** means a Member of the Company who has been admitted in accordance with article 8.1.1 who is at least 16 years old including any Junior Member with effect from that person’s 16<sup>th</sup> birthday; and

**“Sport”** means the sport of Modern Pentathlon including any combination in any format of any of the five sporting disciplines comprising the sport of Modern Pentathlon.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **“article”** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless the context otherwise requires, a reference to one gender includes a reference to the other genders.
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.6.1 any subordinate legislation from time to time made under it; and
  - 1.6.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.7 Any phrase introduced by the terms **“including”**, **“include”**, **“in particular”** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.8 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.9 Model Articles 2, 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(1) and (2), 18, 21, 22, 27(5) and (6), 30(2), 35, 38 and 39 shall not apply to the Company.

- 1.10 Model Article 7 shall be amended by:
- 1.10.1 the insertion of the words “for the time being” at the end of article 7(2)(a); and
  - 1.10.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.11 Model Article 20 shall be amended by the insertion of the words “and the secretary” before the words “properly incur”.
- 1.12 Article 30(3) of the Model Articles shall be amended by the insertion of the words “A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made” as a new paragraph at the end of that article.
- 1.13 Article 31(1)(d) of the Model Articles shall be deleted and replaced with the words “is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate”.
- 1.14 Article 31(1) of the Model Articles shall be amended by the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid” as a new paragraph at the end of that article.

## **2 The Company**

- 2.1 The Company’s name shall be Scottish Pentathlon.
- 2.2 The registered office of the Company shall be situated in Scotland.
- 2.3 The liability of the Members of the Company is limited.

## **3 Objects**

- 3.1 The objects for which the Company is established are:
- 3.1.1 to act as the national governing body for the Sport in Scotland;
  - 3.1.2 to advance, foster, encourage, represent and promote the interests of the Sport in Scotland and to organise and provide facilities which will encourage participation in the Sport;
  - 3.1.3 to implement a vision and strategic plan for the Sport in Scotland;

- 3.1.4 to advance, foster, encourage, promote and develop relevant education, knowledge, safety practices, skills and standards amongst those who participate in or afford support for the Sport;
- 3.1.5 to ensure equality of opportunity and fair treatment of all people involved with the Sport, regardless of gender, pregnancy and maternity, gender reassignment, disability, race (including ethnic background, nationality and colour), marital or civil partnership status, age, sexual orientation, religion or belief or social background;
- 3.1.6 to formulate, maintain and enforce national and international standards, discipline and the rules, regulations and bye laws of the Sport including, without limitation, the code of ethics and behaviour for participants of the Sport, disciplinary policy and procedures, health and safety policies, equality and equal opportunity policy, anti-doping policy and programmes, measures for the proper protection and safe guarding of children and young persons, anti-discrimination policies and procedures, risk management policies, data protection policies, ethical policies and social media guidelines, together with any other policies and procedures which are relevant to the Sport;
- 3.1.7 to affiliate, assist and co-operate with and support Pentathlon GB and any other national and international organisations having objects with elements in common with those of the Company;
- 3.1.8 to represent and advance the interests of its Members in dealings with the Scottish Government, local authorities in Scotland, **sportscotland** and other relevant parties;
- 3.1.9 to control, sanction and where necessary promote television, radio, any social media network or platforms and other forms of media in all their aspects in regard to the Sport in Scotland to permit leagues, tournament committees, clubs and other organisations to arrange for the televising or broadcasting of events taking place under their management or control on such terms as the Company may from time to time determine and to take such steps as may be open to the Company to retain and/or acquire any intellectual property in or relating to the Sport in Scotland which the law may provide;
- 3.1.10 to carry out commercial trading activities ancillary and incidental to the Sport; and
- 3.1.11 generally to advance and safeguard the interests of the Sport in Scotland and those of the Company and to do all such acts and things as may from time to time be deemed necessary or expedient for or in connection with the Sport in Scotland and the Company.

## **4 Powers**

- 4.1 In pursuance of the objects set out in article 3, the Company has the power to:
- 4.1.1 organise, control and supervise or co-operate with others engaged in the education, recreation and sports with activities that involve or contain all or any elements of the Sport;
  - 4.1.2 organise, control and supervise or co-operate with others engaged in any of the sporting disciplines comprising the Sport;
  - 4.1.3 sanction, facilitate and arrange the holding of competitions and events for the Sport in Scotland and to approve and regulate the dates and arrangements for the same;
  - 4.1.4 act as the nominating or selecting body, as the case may be, for Scottish teams at Commonwealth events and other events where Scotland is a competing nation in relation to the Sport;
  - 4.1.5 publish and promote educational material for the dissemination of knowledge regarding the Sport and their associated activities;
  - 4.1.6 establish, publish and enforce rules, regulations, bye-laws, policies and procedures and codes of conduct governing matters relating to Company administration and or the Sport that are required from time to time;
  - 4.1.7 where appropriate, insure the Company and its members against claims in respect of permitted and approved activities pursuant to the Company's objectives;
  - 4.1.8 draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts;
  - 4.1.9 purchase, lease, hire or otherwise acquire property, rights or privileges and to construct, maintain and alter buildings or erections;
  - 4.1.10 purchase or otherwise acquire assets including plant, machinery, furniture, fixture, fittings and other effects;
  - 4.1.11 take out or hold patents, proprietary rights, trademarks, copyrights, licences or the like;
  - 4.1.12 engage and pay with non cash emoluments where appropriate, any person either on a full or part time basis or as a consultant or employee and to make reasonable and necessary provision for the payment of pensions to or on the behalf of employees;

- 4.1.13 control, manage, finance, subsidise or levy any company or unincorporated association in which the Company has a direct or indirect financial interest and to provide services and facilities of all kinds which may seem desirable with respect to the business or operations of such bodies;
- 4.1.14 invest moneys of the Company not immediately required for its purposes in such investments, securities or property as may be thought fit within the objectives of the Company;
- 4.1.15 make payments to other associations, groups and individuals participating in activities that involve the Sport ;
- 4.1.16 make donations in cash, assets or in kind and to lend (with or without security) the same to other associations, groups and individuals involved in the Sport;
- 4.1.17 administer subsidies, grants and awards on behalf of the grant aiding or award making bodies to participants in the Sport or other associations, groups and individuals involved in the Sport;
- 4.1.18 raise money, accept gifts and receive grants, donations, cash or assets on such terms as may be thought fit;
- 4.1.19 borrow money on such terms and on such security as may be thought fit; and
- 4.1.20 do all such other things as are incidental to the attainment or furtherance of the said objectives.

## **5 Not for distribution**

- 5.1 The income and property of the Company shall be applied solely in promoting the objects of the Company as set out in article 3.
- 5.2 No dividends, bonus or profit share may be paid or capital otherwise returned to the Members, provided that nothing in these Articles shall prevent any payment in good faith by the Company of:
  - 5.2.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services or supplies rendered to the Company;
  - 5.2.2 any interest on money lent by any Member or any director at a reasonable and proper rate;
  - 5.2.3 reasonable and proper rent for premises demised or let by any Member or director; or
  - 5.2.4 reasonable out-of-pocket expenses properly incurred by any director.

## **6 Winding up**

6.1 On the winding-up or dissolution of the Company, any assets or property that remains available to be distributed or paid to the Members shall not be paid or distributed to such Members (unless any such Members each have objects similar to those of the Company and prohibit the distribution of its or their income to an extent at least as great as is imposed on the Company by virtue of this article 6) but shall be transferred to another body (charitable or otherwise):

6.1.1 with objects similar to those of the Company; and

6.1.2 which shall prohibit the distribution of its or their income to its or their members,

such body to be determined by the Members at the time of winding-up or dissolution.

## **7 Guarantee**

7.1 The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for

7.1.1 payment of the Company's debts and liabilities contracted before he ceases to be a Member;

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

7.1.3 adjustment of the rights of the contributories among themselves.

## **8 Membership**

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

8.1.1 Senior Member

8.1.1.1 This class of membership shall be open to any individual who is at least 16 years old with an interest in the Sport who wishes to support the objectives of the Company. An individual may apply to become a Senior Member by applying for membership in accordance with article 8.2. An individual who is a Junior Member shall become a Senior Member with effect from that person's 16<sup>th</sup> birthday;

8.1.1.2 Senior Members shall be entitled to attend, participate and vote at general meetings of the Company.

### 8.1.2 Junior Member

8.1.2.1 This class of membership shall be open to any individual who is less than 16 years old with an interest in the Sport who wishes to support the objectives of the Company. An individual may apply to become an Senior Member by applying for membership in accordance with article 8.2. An individual who is a Junior Member shall become a Senior Member with effect from that person's 16<sup>th</sup> birthday;

8.1.2.2 Junior Members shall be entitled to attend, participate but not vote at general meetings of the Company.

8.2 All applicants wishing to become a Senior Member or a Junior Member shall be required to complete the application form in the format(s) provided either (i) by the Company, as determined and published by the Board from time to time or, at the discretion of the Board, by Pentathlon GB as part of or in conjunction with any application for membership of Pentathlon GB and provide any relevant information in support of such application. In completing the application form, the applicant agrees to be bound by the Articles and Rules and accept the policies, rules and conditions in relation to membership.

8.3 Each application for membership shall be considered by the Board and shall be granted or refused at the Board's discretion. If the Board determines to refuse an application for membership, the Board shall inform the applicant in writing within 14 days of the Board's decision.

8.4 The Board shall arrange for the details of each successful applicant to be entered into the Register of Members.

## **9 Termination of membership**

9.1 Membership is not transferable and shall cease on any Member ceasing to be a Member for whatever reason.

9.2 A Member's membership shall cease upon death, resignation in accordance with article 9.3, failure to pay their subscription fees in accordance with the Company's rules on subscriptions and registration fees or expulsion in accordance with article 10.

9.3 Notice of resignation of membership from the Company should be intimated in writing to the Company. Where possible, the reasons for such resignation should be given and the date from which the resignation is to be effective, provided that no such notice shall be operative in the event of the Member being subject to any disciplinary or similar procedure involving the Company or Pentathlon GB until after the final determination of such procedure.



## **10 Expulsion of a Member**

- 10.1 The Board may terminate the membership of any Member without his/its consent by giving him/it written notice if, in the reasonable opinion of the directors:
- 10.1.1 he/she is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and directors into disrepute;
  - 10.1.2 he/she has acted or has threatened to act in a manner which is contrary to the interests of the Company as a whole; or
  - 10.1.3 he/she has failed to observe the terms of these Articles and the Rules.
- 10.2 The Board may, if at any time it shall be of the opinion that the interests of the Company so require, by notice in hard copy form sent by prepaid post to a Member's address, request that Member to withdraw from membership of the Company within a time specified in such notice. No such notice shall be sent except on a vote of the majority of the Eligible Directors present and voting, which majority shall include one half of the total number of the Board for the time being.
- 10.3 If, on the expiry of the time specified in such notice, the Member concerned has not withdrawn from membership by submitting written notice of his resignation, or if at any time after receipt of the notice requesting him to withdraw from membership the Member shall so request in hard copy form, the matter shall be submitted to a properly convened and constituted meeting of the Board or if the Board so directs to an appropriate sub-committee of the Board on its behalf. The Board and the Member whose expulsion is under consideration shall be given at least 14 clear days' notice of the meeting, and such notice shall specify the matter to be discussed. The Member concerned shall at the meeting be entitled to present a statement in his defence either verbally or in hard copy form, and he shall not be required to withdraw from membership unless half of the Eligible Directors present and voting (or if the matter is addressed by a sub-committee, a majority) shall, after receiving the statement in his defence, vote for his expulsion, or unless the Member fails to attend the meeting without sufficient reason being given. If such a vote is carried, or if the Member shall fail to attend the meeting without sufficient reason being given, he shall thereupon cease to be a Member and his name shall be erased from the register of members.
- 10.4 Following termination of a Member's membership, the Board shall arrange for such Member to be removed from the Register of Members.
- 10.5 A Member whose membership is terminated under this article 10 shall not be entitled to a refund of any subscription or membership fee and shall remain liable to pay to the Company any subscription or other sum owed by him/her.

## **11 General meetings**

- 11.1 The Company shall hold a general meeting in every calendar year as its Annual General Meeting. Such Annual General Meeting shall be held within seven months of the end of the Company's financial year, the date and time of such meeting to be determined by the Board.
- 11.2 All general meetings other than the Annual General Meeting shall be called general meetings.
- 11.3 The Company shall give preliminary notice of the date of the Annual General Meeting to all Senior Members not less than six weeks prior to the date of the Annual General Meeting, such preliminary notice inviting the Senior Members to submit any nomination and/or resolutions to be proposed by such Senior Member to the Company's registered office in writing not less than four weeks prior to the date of the Annual General Meeting.
- 11.4 Not less than 14 clear days' notice in writing shall be given to the Members in respect of all general meetings of the Company including the Annual General Meeting. Notice shall be issued in accordance with article 23. The accidental omission to give notice of a general meeting to or the non receipt of a notice of a general meeting by any person entitled to receive notice shall not invalidate the proceedings at that general meeting.
- 11.5 The Senior Members shall have the ability to:
- 11.5.1 require the directors to call a general meeting of the Company in accordance with section 303 of the Act; and
  - 11.5.2 require the Company to circulate a resolution that may properly be moved and is proposed to be moved as a written resolution in accordance with section 292 of the Act.
- 11.6 No business shall be transacted at a general meeting unless a quorum is present. The quorum for all general meetings shall be the lesser of ten per cent of all Senior Members and 10 Senior Members.
- 11.7 No business other than that specified in the notice of a general meeting shall be conducted at the said general meeting. The order of business at the Annual General Meeting shall include, without limitation:
- 11.7.1 apologies for absence;
  - 11.7.2 the approval of the minutes of the previous Annual General Meeting and of any subsequent general meetings of the Company;
  - 11.7.3 consideration of reports as the Board may consider appropriate to bring before the Annual General Meeting for approval or information;

- 11.7.4 the presentation of the Company's annual accounts;
  - 11.7.5 the fixing of annual membership fees, registration fees and any levies proposed by the Board;
  - 11.7.6 the election of any directors;
  - 11.7.7 the election of the Company's accountants / auditors (if required);
  - 11.7.8 consideration of any other resolutions; and
  - 11.7.9 any other competent business
- 11.8 The Chairperson of the Board shall chair general meetings and the Annual General Meeting. If the Chairperson of the Board is not present within 15 minutes of the time at which a general meeting was due to start, the Board shall appoint one of their number to chair the general meeting. If there is no Board member willing to chair the general meeting the Senior Members present may choose one of their number to chair the meeting.
- 11.9 The chair may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the Senior Members) adjourn a general meeting from time to time and from place to place, but no business shall be transacted at a re-convened general meeting other than business which might properly have been transacted at the general meeting had the adjournment not taken place. When a general meeting is adjourned for fourteen days or more at least seven clear days notice shall be given to the Members specifying the time and place of the re-convened meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

## **12 Votes of Senior Members**

- 12.1 The Senior Members shall be entitled to vote on business at general meetings of the Company and shall have one vote each.
- 12.2 Except where a person is appointed as a proxy on behalf of another Senior Member, each person present at a general meeting of the Company may only exercise a vote in one capacity.
- 12.3 Notwithstanding the terms of this article 12, the voting rights of a Senior Member shall be suspended at any general meeting of the Company or at a separate meeting of a class of members of the Company unless all subscription fees payable by that Senior Member to the Company have been paid.

## **13 Poll votes**

A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the general meeting.

## **14 The Board**

14.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be no less than five but no more than eight.

14.2 Subject to article 14.13, the Board shall comprise of the following:

14.2.1 independent Chairperson, appointed in accordance with article 14.3;

14.2.2 at the discretion of the Board a director, appointed in accordance with article 14.4;

14.2.3 at the discretion of the Board up to two directors, appointed in accordance with article 14.5

14.2.4 two directors, elected in accordance with article 14.6 and 14.7; and

14.2.5 two directors, elected in accordance with article 14.6 and 14.8; and

14.3 The office of Chairperson shall be filled in accordance with the Company's policy on Board appointments. The person appointed as Chairperson shall, subject to article 15, not hold office for a continuous period extending beyond the end of the sixth Annual General Meeting held after he was first appointed as follows:

14.3.1 the initial term shall, subject to article 15, be until close of the third Annual General Meeting held after he was first appointed; and

14.3.2 the Chairperson may, if willing to act, be re-appointed in accordance with the Company's policy on Board appointments and shall, subject to article 15, retire at the close of the sixth Annual General Meeting held after he was first appointed.

14.4 An individual with appropriate skills and qualifications as may be determined by the Board may be appointed as a director as provided for in article 14.2.2 by a majority vote of the Board. The person appointed as a director in accordance with this article 14.4 shall, subject to article 15, not hold office for a continuous period extending beyond the end of the seventh Annual General Meeting held after he was first appointed as follows:

14.4.1 the initial term shall, subject to article 15, be until close of the first Annual General Meeting held after he was first appointed;

14.4.2 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the first Annual General Meeting held after he was first appointed and shall, subject to article 15, be appointed until close of the fourth Annual General Meeting held after he was first appointed; and

- 14.4.3 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the fourth Annual General Meeting held after he was first appointed and shall, subject to article 15, retire at the close of the seventh Annual General Meeting held after he was first appointed.
- 14.5 An individual with appropriate skills and qualifications as may be determined by the Board may be appointed as a director as provided for in article 14.2.3 by a majority vote of the Board. Any person appointed as a director in accordance with this article 14.5 shall, subject to article 15, not hold office for a continuous period extending beyond the end of the eighth Annual General Meeting held after he was first appointed as follows:
- 14.5.1 the initial term shall, subject to article 15, be until close of the second Annual General Meeting held after he was first appointed;
- 14.5.2 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the second Annual General Meeting held after he was first appointed and shall, subject to article 15, be appointed until close of the fifth Annual General Meeting held after he was first appointed; and
- 14.5.3 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the fifth Annual General Meeting held after he was first appointed and shall, subject to article 15, retire at the close of the eighth Annual General Meeting held after he was first appointed
- 14.6 The directors referred to in articles 14.2.4 and 14.2.5 shall be Senior Members or persons registered with the Company in accordance with the Company's rules of registration and shall be appointed as follows:
- 14.6.1 nominations for election may be made by a Senior Member to the Company in writing not less than four weeks prior to the date of the Annual General Meeting, such nomination stating the Board position for which that person is being nominated and having been signed by that person to confirm his willingness to be appointed. All nominations must be seconded by another Senior Member in writing not less than four weeks prior to the date of the Annual General Meeting;
- 14.6.2 following close of the nomination period, in the event of only one nomination being received for a vacant position on the Board that nominee shall be elected if at least a majority of the Senior Members' properly recorded votes are in favour of that nominee's election at the Annual General Meeting. If there are two or more candidates for one position on the Board, the Board shall issue with the notice of Annual

General Meeting the list of nominees and provide details of each nominee's curriculum vitae; and

- 14.6.3 at the Annual General Meeting the person for whom the highest number of properly recorded votes is cast by the Senior Members shall be declared elected and in the event of an equality of votes the Chairperson shall have a casting vote.
- 14.7 Each of the persons appointed to the office of director in accordance provided for in article 14.2.4 shall, subject to article 15, not hold such office for a continuous period extending beyond the end of the sixth Annual General Meeting after the general meeting at which he was first appointed as follows:
- 14.7.1 the initial term shall, subject to article 15, be until close of the third Annual General Meeting after the general meeting at which he was first appointed; and
  - 14.7.2 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the third Annual General Meeting after the general meeting at which he was first appointed and shall, subject to article 15, retire at the close of the sixth Annual General Meeting held after the general meeting at which he was first appointed.
- 14.8 Each of the persons appointed to the offices of director as accordance provided for in article 14.2.5 shall, subject to article 15, not hold such office for a continuous period extending beyond the end of the seventh Annual General Meeting after the general meeting at which he was first appointed as follows:
- 14.8.1 the initial term, subject to article 15, shall be until close of the first Annual General Meeting after the general meeting at which he was first appointed;
  - 14.8.2 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the first Annual General Meeting after the general meeting at which he was first appointed and shall, subject to article 15, be appointed until close of the fourth Annual General Meeting after the general meeting at which he was first appointed; and
  - 14.8.3 such director may, if willing to act, be re-appointed if approved by the Senior Members by ordinary resolution at the fourth Annual General Meeting after the general meeting at which he was first appointed and shall, subject to article 15, retire at the close of the seventh Annual General Meeting held after the general meeting at which he was first appointed.

- 14.9 The Board shall have the power to co-opt one further Board director to fulfil a specific role. The co-opted director will be appointed for a period of one year and may be re-appointed annually for a further two years.
- 14.10 A director serving the maximum continuous term in accordance with article 14.3, 14.4, 14.5, 14.6 or 14.7 shall not be eligible to be appointed, elected or co-opted as a director until a time falling on or after the close of the next Annual General Meeting after their retirement.
- 14.11 Subject to the terms of these Articles, it shall be competent for the Board at any time to appoint any person who is willing to act as a director to fill a vacancy arising by virtue of a director ceasing to hold office for whatever reason or by reason of no person being nominated for election for a particular portfolio, but such director shall only hold office until such vacancy has been filled in accordance with the Articles.
- 14.12 **sportscotland** have the right to appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board. To exercise such right **sportscotland** must give written notice to the Board at least twenty four hours prior to the meeting that their observer will attend such meeting.
- 14.13 The Board shall have power to:
- 14.13.1 manage the business of the Company and exercise all the powers of the Company, whether relating to the management of the business or not;
  - 14.13.2 determine the strategy and policy to be followed in carrying out the objectives of the Company;
  - 14.13.3 subject to article 24, establish, make, maintain, publish and enforce all necessary policy statements and Rules in connection with the said objectives of the Company and the Sport in Scotland, including a policy and procedure for the appointment of the Chairperson;
  - 14.13.4 delegate any of its powers to a committee, or a duly appointed sub-committee, panel, working group or individuals whether or not the persons to whom the powers are delegated are directors;
  - 14.13.5 carry out the objects of the Company excepting such of them as are under these Articles only capable of being dealt with by the Company in general meeting; and
  - 14.13.6 nominate representatives to other bodies to represent the Company.
- 14.13 Subject to article 14.10 and article 15 until the first Annual General Meeting of the Company the Board shall be comprised of those individuals appointed to the Board at incorporation.

## **15 Termination of a director's appointment**

- 15.1 The office of director shall be vacated if:
- 15.1.1 he is removed from his office by an ordinary resolution passed by the Senior Members of the Company in accordance with section 168 of the Act;
  - 15.1.2 he ceases to be a director by any other provision of the Act or he becomes prohibited by law from being a director;
  - 15.1.3 he becomes bankrupt, is sequestrated or makes any arrangement or composition with his creditors generally;
  - 15.1.4 he dies or he is or maybe suffering from mental disorder and is incapable by reason of illness or injury of managing and administering his property and affairs;
  - 15.1.5 he resigns his office by notice to the Company;
  - 15.1.6 the Board resolve that his office be vacated;
  - 15.1.7 he fails to observe the terms of the Rules; or
  - 15.1.8 he shall for more than six consecutive months have been absent (without permission of the Board or with reasonable excuse) from meetings of the Board held during that period and the Board resolve that his office be vacated.
- 15.2 For the Board to resolve that a director's office be vacated, a minimum of eighty percent of all Eligible Directors must be present at the directors' meeting and a motion to that effect has been proposed, seconded and carried by a majority of those present. It shall be open to the member of the Board who is removed by the Board to appeal to a general meeting of the Company. Notice of appeal may be made by the removed director to the Chairperson within four weeks of the relevant decision and only the Board shall then proceed to convene a general meeting for a date not later than eight weeks after the receipt of the notice of appeal.

## **16 Unanimous decisions**

- 16.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 16.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.



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

16.4 Where there is only one director that director shall take decisions in the form of resolutions in writing.

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

17.1 Any director may call a directors' meeting by giving not less than five Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors and **sportscotland** (**sportscotland** having a right to appoint a representative to attend as an observer at each and any meeting of the Board in accordance with article 14.12) or by authorising the company secretary (if any) to give such notice.

17.2 Notice of a directors' meeting shall be given to each director in writing.

17.3 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

17.4 The Board shall meet as often as is deemed necessary by the Chairperson but shall meet a minimum of four times a year.

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

18.1 The quorum for the transaction of business at a meeting of directors is fifty percent of all Eligible Directors from time to time, and where such number of Eligible Director is an odd number, the quorum shall be the smallest whole number of Eligible Directors representing at least 50% of the Eligible Directors. In the event that there is only one Eligible Director then the quorum shall be that one Eligible Director.

18.2 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

18.2.1 to appoint further directors; or

18.2.2 to call a general meeting so as to enable the Senior Members to appoint further directors.

## **19 Casting vote**

19.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chairperson or other director chairing the meeting has a casting vote.

19.2 Article 19.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chairperson or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

## 20 Directors' conflicts of interest

- 20.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an “**Interested Director**”) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 20.2 Any authorisation under this article 20 shall be effective only if:
- 20.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - 20.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 20.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director’s vote had not been counted.
- 20.3 Any authorisation of a Conflict under this article 20 may (whether at the time of giving the authorisation or subsequently):
- 20.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 20.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 20.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 20.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 20.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company’s affairs where to do so would amount to a breach of that confidence; and

- 20.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 20.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 20.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 20.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 20.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 20.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 20.7.2 shall be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the existing or proposed transaction or arrangement;
- 20.7.3 shall absent himself from the discussion of matters relating to the existing or proposed transaction or arrangement at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters;
- 20.7.4 shall not be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

- 20.7.5 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 20.7.6 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 20.7.7 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

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

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

## **22 Company Secretary**

The directors may appoint any person who is willing to act as the Company Secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

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

- 23.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 23.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
  - 23.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 23.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

23.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a Business Day.

23.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **24 Rules**

24.1 The directors may establish, publish and enforce rules, regulations, bye-laws, policies and procedures and codes of conduct governing matters relating to Company administration and the Sport in Scotland that are required from time to time for the effective operation of the Company (the “**Rules**”).

24.2 All Rules, other than those relating to the appointment of the Technical Panels, may be amended by the Board from time to time. The Rules relating to the appointment of the Technical Panels may only be amended if approved by the Senior Members by ordinary resolution.

24.3 If there is a conflict between the terms of these Articles and the Rules, the terms of these Articles shall prevail.

## **25 Indemnity and insurance**

25.1 Subject to article 25.1, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

25.1.1 each relevant officer shall be indemnified out of the Company’s assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company’s (or any associated company’s) affairs; and

25.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1.1 and otherwise

may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 25.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 25.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 25.4 In this article:
- 25.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 25.4.2 a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company; and
- 25.4.3 a “**relevant officer**” means any director or other officer or former director or other officer of the Company or an associated company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.