

THE COMPANIES ACTS 1985 to 1989  
(COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL)

COMPANY NO. SC251864

CHARITY NO. SC034657

THE KILMACOLM NEW COMMUNITY CENTRE COMPANY

Incorporated the 26th June 2003  
Amended 8th December 2005

MEMORANDUM and ARTICLES Of ASSOCIATION

Messrs Kingsley Wood & Co  
Solicitors  
Burnside Chambers  
KILMACOLM PA13 4ET

Tel: 01505 874114  
Fax: 01505 874009  
Email: kw@kingsleywood.co.uk.

THE COMPANIES ACTS 1985 to 1989

A COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

of

THE KILMACOLM NEW COMMUNITY CENTRE COMPANY

1. The name of the Company is “THE KILMACOLM NEW COMMUNITY CENTRE COMPANY”

2. The Company’s registered office is to be situated in Scotland

3. This clause shall be interpreted as if it incorporates an over-riding qualification to the effect that in any case in which an activity permitted under this clause is in its nature capable of being carried on for purposes which are not charitable or only partially as well as for purposes which are wholly charitable, (the word “charitable” having the meaning ascribed to it for the purposes of section 505 of the Income and Corporation Taxes Act 1988, including any statutory amendment or re-enactment for the time being in force (which meaning shall be assigned to the word “charitable” wherever it appears in this memorandum of association)), the powers of the company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the varying on of such activity in such manner as will not prejudice the charitable status of the company under the statutory provisions referred to above. Subject to that over-riding qualification, the company’s objects are:-

3.1.1. To provide in the interests of social welfare facilities for recreation and other leisure time occupations the inhabitants of Kilmacolm and Quarriers Village and the environs (hereinafter referred to as “the operating area” without distinction as to sex, sexuality, ethnic origin, political, religious or other opinions so that their conditions of life may be improved.

3.1.2 To advance education.

3.1.3. To promote, establish, operate and/or support other schemes of a charitable nature for the benefit of all sections of the community within the Operating Area.

3.2. In furtherance of the above objects ( and without prejudice to the generality thereof) but not

otherwise the Company shall have power:-

3.2.1. To purchase, take on lease, excamb or exchange or otherwise acquire and hold The New Community Centre at Kilmacolm and other land, buildings, ground annuals, ground rents and other real or heritable and leasehold property in the United Kingdom of any tenure or description whatsoever, and any estate, right or interest pertaining thereto or connected therewith and to development, cultivate, utilise and turn to account any subjects so acquired in such manner as may seem most expedient and by consolidating, connecting or sub-dividing properties or buildings and to sell, feu, excamb or exchange, let on lease or hire and otherwise dispose of or deal or traffic in the said Community Centre or other land, buildings, feu duty, ground annuals, ground rent and other real or heritable property or rights or interests pertaining thereto or connected therewith and manage, maintain, uphold, improve, alter, add to, develop resources of and turn to account the said Community Centre and the other heritable properties belonging to the company and to acquire such other rights of property and otherwise as may be beneficial to or acquired for the properties of the company.

3.2.2. To manage the premises and facilities of said Community Centre for the benefit of residents within the operating area without distinction as to age, sex, sexuality, ethnic origin, nationality or political, religious or other opinions.

3.2.3. To promote and facilitate the use of said Community Centre in ways conducive to the advancement of education, health, social welfare, recreation leisure activities and like purposes and improve community care for all including the disabled, the disadvantaged, children, the elderly and foster youth development, the relief of poverty and the promotion of charitable objects of all kinds.

3.2.4. To foster a community spirit and encourage the association, participation and co-operation of the local community, voluntary organisations, the relevant bodies and associations in promoting and facilitating the use of said Community Centre as aforesaid.

3.2.5. To maintain keep in good order and repair the furnishings, plenishings and equipment of said Community Centre, where appropriate and within the resources available to the company, to upgrade and improve the Community Centre.

3.3. To acquire and take over the whole or part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the company.

3.4. To purchase, take on feu, lease, hire, take in exchange and otherwise acquire any property and rights, which may be advantageous for the purposes of the activities of the company.

3.5. To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.

3.6. To sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.

3.7. 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.

3.8. To borrow money and give security for the payment of money by, or the performance of

other obligations of, the company or any other person.

3.9. To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange warrants, debentures and other negotiable or transferable instruments.

3.10. To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual, who is or was at any time in the employment of the Company and the wife, widow, relatives and dependents of any such individual; and to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.

3.11. To promote any Act of Parliament, Provisional Order and other authority to enable the company to carry out its objects, alter its constitution, and achieve any other purpose which may promote the company's interests and to oppose or object to any application or proceedings which may prejudice the company's interests.

3.12. To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company and to obtain from any such organisation, government or authority any charter, right, privilege or concession.

3.13. To enter into partnership or any other arrangement for sharing profit, cooperation or mutual assistance with any charitable or benevolent body, whether incorporated or unincorporated.

3.14. To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of.

3.15. To effect insurance against risks of all kinds.

3.16. To invest moneys of the Company not immediately required for the purposes of its activities in such investments and securities (including Land in any part of the world) and that in such a manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments and securities.

3.17. To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the company and to promote any company or other incorporated body formed for the purpose of varying on any activity, which the Company is authorised to carry on.

3.18. To amalgamate with any charitable body incorporated or unincorporated, having objects altogether or in part similar to those of the Company.

3.19. To subscribe for, take, purchase and otherwise acquired and hold shares, stocks, debentures and other interests in any company with which the Company is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the Company is authorised to amalgamate.

3.20. To transfer all or any part of the undertaking, property and rights of the company to any body, incorporated or unincorporated, with which the company is authorised to amalgamate.

3.21. To subscribe and make contributions to or otherwise support charitable or benevolent bodies, whether incorporated or unincorporated, and to make donations for any public purpose connected with the activities of the Company or with the furtherance of its objects.

3.22. 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 Company.

3.23. To take such steps ( by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient of the purpose of procuring contributions to the funds of the Company, whether by way of subscriptions, grants, loans, donations or otherwise.

3.24. 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, subcontractor, trustee or any person acting in any other capacity and either along or in conjunction with others.

3.25. To do anything, which may be deemed incidental or conducive to the attainment of any of the objects of the company.

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

4. 4.1. Subject to clause 4.2.:-

(a) The income and property of the Company shall be applied solely towards the promotion of its objects as set out in clause 3 of this memorandum of association;

(b) No part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to the members of the company;

(c) No director of the company shall be appointed to any office under the company in respect of which a salary or fee is payable; and

(d) No benefit in money or money’s worth shall be given by the company to any director except repayment of out-of-pocket expenses.

4.2 The Company shall, notwithstanding the provisions of clause 4.1 be entitled:-

- (a) To pay reasonable and proper remuneration to any director or member of the Company in return for services actually rendered to the Company
- (b) To pay interest at a rate not exceeding the commercial rate on money lent to the Company by any director or member of the Company.
- (c) To pay rent at a rate not exceeding the open market rent for premises let to the Company by any director or member of the Company and
- (d) To purchase assets from, or sell assets to, any director or member of the Company providing such purchase or sale is at market value.

5. The liability of the members is limited.

6. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

7. 7.1 If on the winding-up of the Company any property remains after satisfaction of all the Company's debts and liabilities, such property shall not be paid to or distributed among the members of the Company but shall be transferred to some other charitable body or bodies (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the Company and whose constitution restricts the distribution of income and assets among members to an extent at least as great as does clause 4.1 of this Memorandum of Association.

7.2. The body or bodies to which property is transferred under clause 7.1 shall be determined by the members of the Company at or before the time of dissolution or, failing such determination and approval, by such court as may have or may acquire jurisdiction. Subject to compliance with clause 7.1 such determination shall comply with any undertakings properly by or on behalf of the Company in respect of funding received by the Company.

7.3. To the extent that effect cannot be given to the provisions of clauses 7.1 and 7.2 the relevant property shall be applied to some other charitable object or objects.

8. 8.1. 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.

8.2 The Company's auditors shall make a report to the Members on the accounts examined by the auditors on every balance sheet and income and expenditure account in accordance with the provisions of the Companies Act 1985 and any re-enactment or amendment thereof in force for the time being and otherwise as required by law as directed by Directors and at every Annual General Meeting every said report and said account so examined shall be laid before the Company as required by the Companies Act 1985 and any re-enactment or amendment thereof in force for the time being and otherwise as required by law as directed by the Directors and at every Annual General meeting of the Company.

WE, the subscribers to the memorandum of association, wish to be formed into a company pursuant to this memorandum.

Name and Address of subscribers

1. JAMES ALEXANDER WOOD Esq.  
2 LODGE PARK  
KILMACOLM PA13 4PY

Chartered Accountant,  
Fellow of the Institute of Management Consultants  
Certified Management Consultant

2. COLIN CHRISTY ESQ  
"AVONMORE"  
WEST GLEN ROAD  
KILMACOLM PA13 4PN

Chartered Surveyor

3. COLIN SAMUEL McGINN ESQ  
"ARDGOUR"  
WOODROW AVENUE  
KILMACOLM PA13 4QF

Graduate in Electrical & Electronic Engineering

Dated: ..... 2003

Witness to above signatures:-

THE COMPANIES ACTS 1985 to 1989

(COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL)

ARTICLES OF ASSOCIATION

OF

THE KILMACOLM NEW COMMUNITY CENTRE COMPANY.

### Interpretation

1. In these articles: -

“the Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

“the Articles” means the articles of the Company.

“clear days” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

“executed” includes any mode of execution.

“the Community Centre” means the Kilmacolm New Community Centre.

“office” means the registered office of the Company.

“operating area” means Kilmacolm and Quarriers Village and the environs.

“the seal” means the common seal of the Company.

“Secretary” means the secretary of the Company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

“the United Kingdom” means Great Britain and Northern Ireland.

Unless the context otherwise requires words or expressions contained in these articles bear the same meaning as in the

Act but excluding any statutory modification thereof not in force when these articles become binding on the Company.

## Membership

2. The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the articles shall be members of the Company.

Membership shall cease on death. A member may not transfer his/her membership to any other person.

## Categories of Member

3. There shall be three categories of membership, nominated membership, ordinary membership and group membership. Nominated and ordinary members shall have all the rights of members in terms of the Memorandum and Articles of Association of the Company except such rights as are expressly reserved to group members only. Group members shall have the rights of members in terms of the Memorandum of Association of the Company but only such rights of members in terms of the Articles of Association of the Company as are ascribed to group members either expressly or by necessary implication. In particular, and without prejudice to the foregoing generality, group members shall not have any vote at general meetings of the company except only for the purpose of electing group directors. Nominated members, ordinary members and group members shall have all of the obligations of members in terms of the Memorandum of Association of the Company.

## Qualification for Membership

4. 4.1 Ordinary membership shall be open to any person who has attained the age of 16 and who has his or her ordinary or principal place of residence within the operating area.

4.2 Ordinary membership shall also be open to any person who has attained the age of 16 years and whose ordinary or principal place of residence lies outwith the boundary of the operating area but is nevertheless so located as in the opinion of the directors to have a significant link with the community of Kilmacolm and Quarriers Village.

4.3 Group membership shall be open to any entity, voluntary organisation or association, club or other group which (in the opinion of the directors, acting reasonably) uses the Community Centre as a principal venue for its activities and/or regularly and/or to a significant extent.

4.4 Nominated membership shall be limited to three nominated members. Of these, two Nominated Members shall be nominated by Inverclyde Council and its statutory successors and one Nominated Member shall be nominated by Kilmacolm and Quarriers Village Community Council or such other body as Inverclyde Council and its aforesaid shall nominate as the equiva-

lent organisation constituted, inter alia, to represent persons residing in Kilmacolm.

### Restrictions on Membership

5. No employee of the Company may become a member.
6. The directors shall be entitled at their discretion to refuse to admit any person or group to membership notwithstanding that he or it fulfils one or more of the qualifications under article 4 and is not debarred from membership by article 5.

### Application for Membership

7. Any person or group (other than the subscribers to the Memorandum of Association of Company) who wishes to become a member shall lodge with the Company a written application for membership ( in such form as the directors require) signed by him or (in the case of application for group membership) signed by two authorised representatives of the proposed group member. An application for group membership shall give particulars of the person who ( until some other person is nominated for the purpose) is nominated by the group to exercise the membership rights of the group and to receive any communications on behalf of the group, and shall be accompanied by the constitution or equivalent document of the group, evidence of the current office-bearers thereof, a list of the current membership and such other information as the directors may require. An application shall indicate which type of membership under clause 3 the applicant wishes to be considered for.
8. A person applying for admission, as a member shall lodge such evidence in support of his application as the directors require.
9. 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, if appropriate, supporting evidence) required under the preceding two articles.
10. The directors shall notify each applicant in writing of their decision as to whether or not to admit him or it to membership within seven days after the meeting at which the application is considered.

### Cessation of Membership

11. A member of the Company shall cease to be a member of the company on his death or if he becomes of unsound mind or resigns his membership by notice in writing sent to or left with the Secretary at the Registered Office or in the case of a group member the entity, voluntary organisation or association, club or other group concerned is dissolved or wound up or, in the opinion of the Director become inactive, or ceases to fulfil the qualifications for group membership expressed in Clause 4.3. of these articles or resigns membership by notice in writing sent to or left with the Secretary at the Registered Office.
12. A person admitted to membership shall automatically cease to be a member if he or in the

case of a group member, it becomes an employee of the Company.

13. The directors shall have power to terminate the membership of any member for good and sufficient reason. Where the directors become aware of any matter or allegation against a member, which, if established, would be good and sufficient reason to terminate the membership of the member concerned, the directors shall direct the Secretary to give the member concerned written notice of the issue, matter or allegations in question, that if the issue, matter or allegations in question are established there may be good and sufficient reason to terminate the membership of the member concerned, a time and place of a meeting of the directors, not less than six weeks hence, at which the issue, matter or allegations will be considered and that the member has a right to make written representation to the directors and to be heard on their representations at the meeting. At the meeting the directors shall consider the member's written representations (if any) and hear the member on the representations and shall thereafter consider whether the issue, matter or allegations concerned have been established and, if so established, determine whether the member concerned should be expelled from membership of the Company. If the directors determine that the issue, matter or allegations have been established and that membership should be terminated, the directors shall pass a resolution to that effect and shall cause the Secretary to give the member concerned written notice of the directors' determination and a copy of the resolution concerned. Failure to comply with any of the provisions of this article shall render any expulsion from membership invalid. A person or group expelled from membership under this article shall cease to be a member with effect from the time at which the relevant resolution of the directors is passed.

#### Withdrawal of Membership

14. Any person who or organisation which wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors require), signed by him or on behalf of the organisation, on receipt of such notice by the company he or it shall cease to be a member.

#### Expulsion from Membership

15. Subject to articles 16 to 20 the company may, by special resolution, expel any member from membership.

16. Any member who wishes to propose at any meeting a resolution for the expulsion of any member from membership shall lodge with the Company written notice of his intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than six weeks before the date of the meeting.

17. The company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned and the member concerned shall be entitled to make written representations to the company with regard to the notice.

18. If representations are made to the company in pursuance of the preceding article, the company shall ( unless such representations are received by the company too late for it to do so):-

(a) state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed and

(b) send a copy of the representations to every person to whom notice of the meeting is or was given.

19. Whether or not a copy of written representations has been given to each of the persons entitled to receive notice of the meeting, the member concerned shall be entitled to be heard on their representations at the meeting.

20. Failure to comply with any of the provisions of articles 15 to 19 shall render any resolution for the expulsion of a member from membership invalid.

21. A member expelled from membership under articles 15 to 20 shall cease to be a member with effect from the time at which the relevant resolution is passed.

### General Meetings

22. All general meetings other than annual general meetings shall be called extraordinary general meetings.

23. An extraordinary general meeting shall be convened by the directors on requisition by members ( under section 368 of the Act) or on requisition by a resigning auditor ( under section 391 of the Act).

24. Subject to the preceding article and to the requirements under section 366 of the Act as to the holding of annual general meetings, the directors may convene general meetings whenever they think fit.

### Notice to General Meetings

25. An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution requiring special notice shall be called on at least twenty one clear days' notice; all other extraordinary general meetings shall be called on at least fourteen clear days' notice.

26. A notice convening a meeting shall specify the time and place of the meeting; it shall also state the terms of any resolution which is to be proposed as a special resolution or extraordinary resolution or which constitutes a resolution requiring special notice and shall indicate the general nature of any other business to be transaction at the meeting.

27. A notice convening an annual general meeting shall specify the meeting as an annual general meeting.

28. Notice of every general meeting shall be given to all directors , members, and to the auditors, and shall be posted upon such notice board or notice boards within the Community Centre Kilmacolm, and Quarriers' Village as the directors shall from time to time determine (but shall be posted on at least one notice board within the Community Centre and at least one public notice board within Kilmacolm and Quarriers' Village and in a newspaper circulating within the operating area. Further notice may be given in such manner and to such persons as the directors may determine.

29. The accidental failure to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### Proceedings at General Meetings.

30. No business shall be transacted at any meeting unless a quorum is present; five members entitled to vote upon the business to be transacted, each being a member or a proxy for a member, shall be a quorum, except that there shall be no requirement for any persons entitled to vote on behalf of group members to be present in order to form a quorum.

31. If the quorum required under the preceding article 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.

32. The Chairperson (or, in his absence the Vice Chairperson) shall (if present and willing to act as Chairman) preside as Chairperson of the meeting; if neither the Chairperson nor the Vice Chairperson is present and willing to act as chairperson 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 or, if there is only one director present and willing to act, he shall be chairperson.

33. If no director willing to act as Chairperson is present within half an hour after the time appointed for holding the meeting, the ordinary members present shall elect one of their number to be chairperson.

34. The Chairperson may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place.

35. No business shall be transacted at an adjourned meeting other than business, which could properly have been transacted at the meeting, which was adjourned.

36. Where a meeting is adjourned for thirty days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of the business to be transacted; in any other case, it shall not be necessary to give any notice of an adjourned meeting.

37. A resolution put to the vote of a meeting shall be decided on a show of hands of members entitled to vote unless before, or on the declaration of the result of, the show of hands a poll is demanded by the chairman or by at least two members, having the right to vote at the meeting and a demand by a person as proxy for a member shall be deemed to be a demand by such member.

38. Unless a poll is demanded in accordance with the preceding article, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

39. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairperson; a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made nor the result of a show of hands declared after the demand is so withdrawn.

40. If a poll is demanded in accordance with article 37, it shall be taken at once by means of a secret ballot of all the members present and entitled to vote (whether as members or as proxies for members) conducted in such manner as the chairperson may direct; the result of such poll shall be declared at the meeting at which the poll was demanded.

41. A resolution in writing signed by all the members entitled to vote shall be as effectual as if it had been passed at a general meeting duly convened and held; it may consist of several documents in the same form each signed by one or more members.

#### Votes of Members

42. Every ordinary member shall have one vote, which may be given either personally or (whether on a shown of hands or on a poll) by proxy on any matter other than the election of group directors. Group members shall have a vote only upon the election of group directors, for which purpose every group member shall have one vote which may be given by such person as may have been nominated in writing by that group member to the secretary of the Company to vote for that group member at that meeting.

43. A member who wishes to appoint a proxy to vote on his behalf at any meeting (or adjourned meeting) shall lodge with the company, at the Registered Office, not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting), a written instrument of proxy (in such form as the directors require) signed by him; any instrument of proxy which does not conform with the preceding provisions or which is not lodged in accordance with such provisions shall be invalid.

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

45. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him to speak at the meeting and need not be a member of the Company.

46. A vote given, or poll demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a poll had terminated prior to the giving of such vote or demanding such poll unless notice of such termination was received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the vote was given or the poll demanded.

47. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting shall be entitled to a casting vote in addition to any other vote he may have.

48. No objection may be raised as to the validity of any vote except at the meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid; any such

objection shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

#### Maximum and Minimum Number of Directors

49. The maximum number of Directors (other than alternate directors) shall, unless otherwise determined by Special Resolution) be nine, of whom not more than four shall be ordinary directors as defined and elected in accordance with the following provisions as these regulations and who have lodged Notice of Willingness to accept such appointment and not more than three shall be Nominated Directors as so defined and elected, and have lodged Notices of Willingness to accept such appointment and (unless otherwise determined by Special Resolution) the minimum number of Directors shall be three.

50. Any member who wishes to be considered for appointment as a director at an Annual General Meeting shall lodge with the Company a written notice of his willingness to be appointed (in such form as the directors require) signed by him at any time up to announcement of the Annual General Meeting. Unless the member specifies in the said notice that he is willing to serve only as an ordinary director or as a group director he will be deemed willing to serve as either an ordinary director or as a group director.

51. At an annual general meeting the ordinary members of the Company may by ordinary resolution of the ordinary members appoint as an ordinary director any member in respect of whom a written notice of willingness to accept such an appointment has been received in compliance with the preceding article. At an annual general meeting the group members of the Company may by ordinary resolution of the group members appoint as a group director any member in respect of whom a written notice of willingness to accept such an appointment has been received in compliance with the preceding article. Except as specifically provided in articles 49, 50, 51, 52, 54, 58 and 110 and 111 of these articles, there shall be no differentiation between ordinary directors and group directors. All references in these regulations to directors shall mean both ordinary directors and group directors without differentiation, and there shall be no differentiation between the statutory and other powers and duties of ordinary directors and group directors.

52. The directors may at any time appoint a ordinary member (providing he is willing to act) to be a director either to fill a vacancy or as an additional director. A director appointed to fill a vacancy in respect of an ordinary director shall be deemed to be an ordinary director, and a director appointed to fill a vacancy in respect of a group director shall be deemed to be a group director. An additional director shall be an ordinary director or a group director as the directors when making the appointment shall determine.

53. At the first annual general meeting all the directors shall retire from office.

54. At each annual general meeting (other than the first)

(a) all directors who have been appointed by the directors since the date of the last annual general meeting shall retire from office and

(b) of the remaining directors, one third (to the nearest round number) of the ordinary directors and one third (to the nearest round number) of the group directors shall retire from office.

(c) This Article shall not apply to the Nominated Directors described in Article 52. The term of office of a Nominated Director shall be the period during which he/she remains nominated by Inverclyde Council or Kilmacolm and Quarriers Community Council (or their successors), as the case may be.

55. The directors to retire under paragraph (b) of article 54 shall be those who have been longest in office since they were last appointed or re-appointed; the question of who is to retire as between directors appointed or re-appointed on the same date shall be determined by lot.

56. The Company may at any annual general meeting by ordinary resolution re-appoint any director who retires from office at the meeting under articles 53 or 54 (providing he is willing to act) if any such director is not re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

#### Disqualification and Removal of Directors.

57. A director shall vacate office if:-

(a) he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;

(b) he becomes bankrupt or apparently insolvent;

(c) he becomes incapable for medical reasons of fulfilling the duties of his office and such incapacity is expected to continue for a period of more than six months;

(d) he becomes an employee of the Company;

(e) he ceases to be a member of the Company;

(f) he resigns office by notice to the Company or

(g) In the case of a Nominated Director, if the Company receives written notice from Inverclyde Council or Kilmacolm and Quarriers Village Community Council (or their successors), as the case may be, that the Director concerned no longer represents the nominating body.

(h) in the case of any other group director he ceases to be a member of any of the group members or all of the group members are dissolved or wound up or become inactive.

(i) he is absent (without permission of the directors) from more than three successive meetings of directors held in any period of six months or more and the directors resolve to remove him from office.

#### Appointments to Executive Office

58. Directors shall be appointed to hold the offices of Chairperson, Vice Chairperson, Finance Director, User Group Liaison Director and such other executive offices as the directors may consider appropriate; each such office shall be held, subject to article 61, until the conclusion

of the Annual General Meeting, which next follows appointment. The User Group Liaison Director shall be a group director unless no group director is available and willing to serve as such.

59. The appointments to executive office under the preceding article shall, subject to article 62, be made at a meeting of directors held as soon as reasonably practicable after the incorporation of the company and thereafter at a meeting of directors held immediately after each annual general meeting.

60. A director whose period of executive office expires under article 58 may be reappointed to such office providing he is willing to act.

61. The appointment of any director to any executive office shall terminate if he ceases to be a director or if he resigns from such executive office by notice to the company.

62. If the appointment of any director to any executive office terminates under the preceding article, the directors shall, at a meeting of directors held as soon as reasonably practicable after such termination, appoint another director to hold such office ; a director so appointed shall (subject to article 61) hold such executive office until the conclusion of the first annual general meeting which follows such appointment.

#### Directors' Interests

63. Subject to the provisions of the Act and of clause 4 of the Memorandum of Association and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office.

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the company is otherwise interested.

(b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the company is otherwise interested and

(c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

64. For the purposes of the preceding article:

(a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified and

(b) an interest of which a director has no knowledge and of which it is unreasonable to expect

him to have knowledge shall not be treated as an interest of his.

(c) without prejudice to the generality of references in these articles to a material interest, a director shall be deemed to have a material interest in any matter concerning or in any way arising from the employment by the Company of, or the candidature for employment by the Company of, the spouse of that director or any person who (or whose spouse) is an ascendant, descendant or sibling of that director or that director's spouse.

#### Directors' Remuneration and Expenses

65. No director shall be entitled to any remuneration, whether in respect of his office as director or as holder of any executive office under the Company.

66. 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 meetings of general committees (as defined in article 102) or otherwise in connection with the discharge of their duties.

#### Powers of Directors.

67. Subject to the provisions of the Act, the Memorandum of Association and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the Company.

68. No alteration of the Memorandum or 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.

69. The powers conferred by article 67 shall not be limited by any special power conferred on the directors by these Articles.

70. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

71. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purpose and on such conditions as they may determine, including authority for the agent to delegate all or any of his powers.

#### Proceedings of Directors:

72. Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit.

73. Any director may call a meeting of the directors or request the Secretary to call a meeting of the directors.

74. No notice of a meeting of directors need be given to a director who is absent from the United Kingdom.

75. Questions arising at a meeting of directors shall be decided by a majority of votes; in the case of an equality of votes, the chairperson shall have a second or casting vote.
76. A director who is also an alternate director shall be entitled in the absence of his appointer to a separate vote on behalf of his appointer in addition to his own vote.
77. The quorum for the transaction of the business of the Directors may, subject to the proviso aftermentioned and, subject to the said proviso, unless so fixed at any other number, shall be the nearest whole numbering representing one-third of the total number of Directors provided that in all circumstances the quorum shall be not less than two. A person, other than a Director acting as an alternative Director shall, if his appointment is not at present, be counted in the quorum.
78. 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 or he may act only for the purpose of filling vacancies or of calling a general meeting.
79. Unless he is unwilling to do so, the Chairperson shall preside as chairperson at every meeting of directors at which he is present.
80. If the Chairperson is unwilling to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the Vice Chairperson shall act as chairperson; if the Vice Chairperson is not willing to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.
81. 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.
82. 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.
83. A resolution signed by an alternate director need not also be signed by his appointer; a resolution signed by a director who has appointed an alternate director need not be signed by the alternate director in that capacity.
84. Except as otherwise provided by the articles, 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 has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within either or both of the following paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent to, or any obligation incurred by him for the benefit of, the company or any of its

subsidiaries.

(b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part (and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security.

85. For the purposes of the preceding article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the company), connected with a director shall be treated as an interest of the director; an interest of the appointer of an alternate director shall be treated as an interest of the alternate director.

86. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

87. The company may by special resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of the directors or at a meeting of a committee of directors.

88. Where proposals are under consideration concerning the appointment of two or more directors to executive offices with the company the proposals may be divided and considered in relation to each director separately; provided he is not for another reason precluded from voting, each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

89. 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 chairman of the meeting; his ruling in relation to any director other than himself shall be final and conclusive.

90. The directors may invite or allow any person to attend and speak, but not to vote, at any meeting or meetings of the directors or of any committee of the directors.

#### Alternate Directors

91. A director (other than an alternate director) may, if so permitted by resolution of the directors, appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

92. An alternate director shall, subject to the following articles, be entitled to be given notice of all meetings of directors and of all meetings of committees of directors and meetings of general committees of which his appointer is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointer as a director in his absence.

93. No notice of a meeting of directors, a meeting of a committee of directors or a meeting of a general committee need be given to an alternate director who is absent from the United Kingdom.

94. An alternate director shall not be entitled to receive any remuneration from the company for his services as an alternate director.
95. An alternate director shall, subject to the following article, cease to be an alternate director if his appointer ceases to be a director.
96. If a director retires (by rotation or otherwise) but is re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to retirement shall continue after his re-appointment.
97. An appointment or removal of an alternate director may be effected by notice given to the company at the office signed by the director making or revoking the appointment or may be effected in any other manner approved by the directors.
98. An alternate director shall alone be responsible for his own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing him.
99. References in the articles to directors shall, unless the context otherwise requires, be construed as including alternate directors.

#### Delegation to Committees of Directors and Holders of Executive Office

100. The directors may delegate any of their powers to any committee consisting of one or more directors; they may also delegate to the chairperson or any director holding any other executive office such of their powers as they consider desirable to be exercised by him.
101. Any delegation of powers under the preceding article may be 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.
102. 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.

#### Delegation to the User Council

103. For the purposes of the articles, the “User Council” means the User Council constituted in accordance with articles 110 and 111.
104. The directors may, subject to articles 110 and 111 (as regards the User Council), and any regulations made in terms of article 112, delegate to User Council all such powers as the directors may think fit; any such delegation shall be made collaterally with, and not to the exclusion of, the directors powers and may be revoked or altered
105. Unless otherwise determined by special resolution, the following matters shall be excluded from delegation to the User Council.
- (a) any introduction of a new policy or any change in policy, which could have a significant impact on the company.

(b) any matter involving expenditure not in accordance with the financial regulations of the company.

( c ) any capital building project.

(d) the appointment or dismissal of any employee of the company.

106. All contracts with third parties in connection with the discharge of the functions of the User Council shall be entered into by two Directors or a Director and Secretary of the Company, on behalf of the Company and no member of the User Council shall contract or shall hold himself out as contracting on behalf of the company.

107. All acts done by the User Council shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member of the User Council or that any member of the User Council was not qualified to act as such, be as valid as if every such person had been duly appointed and was so qualified.

108. A resolution in writing signed by all the members of a User Council shall be as valid and effectual as if it had been passed at a meeting of the User Council duly convened and held; it may consist of several documents in the same form each signed by one or more members of the User Council.

109. A resolution signed by an alternate director appointed by a director who is a member of a User Council need not also be signed by his appointer; a resolution signed by a member of a User Council who has appointed an alternate director need not be signed by the alternate director in that capacity.

#### User Council

110. There shall be a User Council, which shall consist of two (or such other number as the directors may from time to time determine) nominated representatives of each group member and the group directors of the company. Each such representative and each group director shall have one vote at meetings of the User Council. The User Council shall meet at least four times in each calendar year and at least two of those meetings shall be joint meetings with the board of directors. Without prejudice to the powers and responsibilities of the directors, the functions of the User Council shall include acting as a forum for discussing and endeavouring to propose agreed solutions to issues regarding the use and management of the Community Centre.

111. The User Group Liaison Director (whom failing any other group director appointed by the directors, whom failing any other director appointed by the directors) shall hold office as Chairperson of the User Council and (except in the case of joint meetings of the User Council and the board of directors ) shall report the decisions, views and proposals of the User Council to the directors. The chairman of joint meetings of the User Council and the directors shall be determined in accordance with articles 80 and 81. The convener of the User Council shall be chairman at all other meetings of the User Council.

#### Regulations

112. The directors shall have power (subject to these articles of association) to make regulations as regards all aspect of the use and management of the Community Centre; as regards the constitution, procedures and functions of the User Council and as regards such other matters as the directors may deem appropriate and expedient.

#### Secretary

113. Subject to the provisions of the Act, the secretary shall be a solicitor or chartered accountant and shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

#### Minutes

114. The directors shall ensure that minutes are made ( in books kept for the purpose) of all proceedings at general meetings, meetings of the directors, meetings of committees of directors and meetings of general committees; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present.

#### Accounts

115. The directors shall cause accounting records to be kept by the company in accordance with Section 221 of the Act.

116. The accounting records shall be kept at the office or, subject to section 222 of the Act, at such other place or places as the directors may think fit, and the accounting records shall always be open to the inspection of any director.

117. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorised by the directors or by ordinary resolution of the company.

#### Auditors

118. Auditors of the company shall be appointed if required in terms of the Act and their duties regulated in accordance with the Act. The auditor or auditors so appointed, in the case of an individual, be a member of the Institute of Chartered Accountants in Scotland or in the case of a firm be a firm of Chartered Accountants practising in Scotland and at least one of the partners shall be a member of the Institute of Chartered Accountants in Scotland.

#### Notices

119. Subject to article 28 any notice to be given in pursuance of these articles shall be in writing, the company may give any such notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his registered address or by leaving it at that address.

120. 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.

121. A member present at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

#### Winding-up

122. If the company is wound up, the liquidator shall transfer the assets of the company to an appropriate body in accordance with the provisions of the memorandum of association.

#### Indemnity

123. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any loss or liability which he may sustain or incur in connection with the execution of the duties of his office including without prejudice to that generality, any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

#### Names and Addresses of Subscribers

1. JAMES ALEXANDER WOOD ESQ  
2 LODGE PARK  
KILMACOLM PA13 4PY

Chartered Accountant  
Fellow of the Institute of Management Consultants  
Certified Management Consultant

2. COLIN CHRISTY ESQ  
"AVONMORE"  
WEST GLEN ROAD  
KILMACOLM PA13 4PN

Chartered Surveyor

2. COLIN SAMUEL McGINN ESQ  
"ARDGOUR"  
WOODROW AVENUE  
KILMACOLM PA13 4QF

Graduate in Electrical & Electronic Engineering

Dated: ..... 2003

Witness to above signatures:-