

COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE
NOT HAVING A SHARE CAPITAL
AND HAVING CHARITABLE STATUS

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
THE COALFIELDS REGENERATION TRUST

as amended by a Special Resolution passed on 13th October 1999

by a Special Resolution passed on 30th March 2000

by a Special Resolution passed on 13th March 2002

by a Special Resolution passed on 30th April 2003

by a Special Resolution passed on 23rd May 2007

by a Special Resolution passed on 30th January 2008

by a Written Resolution passed on 31st March 2011 and

by a Special Resolution passed on the 7th March 2012

COMPANIES ACT 1985

Company Limited by Guarantee not having a Share Capital And having Charitable Status Memorandum of Association

of

THE COALFIELDS REGENERATION TRUST

as amended by a Special Resolution passed on 13th October 1999
by a Special Resolution passed on 30th March 2000
by a Special Resolution passed on 13th March 2002
by a Special Resolution passed on 30th April 2003 and
by a Special Resolution passed on 23rd May 2007.

1. **Name**

The name of the Company ("the Trust") is The Coalfields Regeneration Trust.

2. **Registered Office**

The registered office of the Trust will be situated in England.

3. **Objects**

The purposes of the Trust are:

3.1 The promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation in the Coalfields areas in England, Wales and Scotland (in this Memorandum and in these Articles of Association "Coalfield areas" shall mean any areas in England, Wales and Scotland where coal mining is or has in the past been carried out) by all or any of the following means:

3.1.1 The relief of poverty in such ways as may be thought fit.

3.1.2 The relief of unemployment in such ways as may be thought fit, including assistance to find employment.

3.1.3 The advancement of education, training or retraining, particularly among the unemployed and providing the unemployed with work experience.

3.1.4 The provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for the unemployed in cases of financial or other charitable need through help:

3.1.4.1 in setting up their own business; or

3.1.4.2 to existing businesses.

- 3.1.5 The creation of training and employment opportunities by the provision of workspace, buildings and/or lands for use on favourable terms.
 - 3.1.6 The provision of housing for those who are in condition of need and the improvement of housing in the public sector or charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing.
 - 3.1.7 The maintenance, improvement or provision of public amenities.
 - 3.1.8 The provision or assistance in the provision of recreational facilities for the public at large and/or those who by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities.
 - 3.1.9 The protection or conservation of the environment.
 - 3.1.10 The provision of public health facilities and childcare.
 - 3.1.11 The promotion of public safety and prevention of crime,
 - 3.1.12 Such other means as may from time to time be determined subject to the prior written consent of the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.
- 3.2 The relief of the aged and the sick for the public benefit.

4. **Powers**

In furtherance of these objects, but not further or otherwise, the Trust shall have power:

- 4.1 to act as trustee of any trust comprising real or personal estate and which, in the opinion of the Trust, is calculated to further the aims and objects of the Trust and as such trustee to carry out such trusts on the terms and conditions imposed in the instrument creating the same;
- 4.2 to cause to be written, and printed or otherwise reproduced and circulated, gratuitously or otherwise, periodicals, magazines, books, leaflets or other documents, films, recorded tapes or materials reproduced on electronic media;
- 4.3 to hold exhibitions, meetings, lectures, classes, conferences, seminars and courses either alone or with others;
- 4.4 to foster and undertake research into any aspect of the objects of the Trust and its work and to disseminate and exchange the results of any such research;
- 4.5 to co-operate and enter into arrangements with any authorities, national, regional, local or otherwise;

- 4.6 to accept subscriptions, donations, devises and bequests of, and to purchase, take on lease or in exchange, hire or otherwise acquire and hold, any real or personal estate, maintain and alter any of the same as are necessary for any of the objects of the Trust and (subject to such consents as may be required by law) sell, lease or otherwise dispose of or mortgage any such real or personal estate;
- 4.7 to erect, maintain, improve, or alter any buildings for the time being belonging to the Trust with a view to furthering its objects;
- 4.8 to issue appeals, hold public meetings, establish subscription arrangements and support groups and take such other steps as may be required for the purpose of procuring contributions to the funds of the Trust in the shape of donations, grants, subscriptions or otherwise;
- 4.9 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts;
- 4.10 to borrow or raise money for the purposes of the Trust on such terms and (with such consents as are required by law) on such security as may be thought fit including making reasonable charges for any services it may provide;
- 4.11 to take and accept any gift of money, property or other assets, whether subject to any special trust or not, for any purpose of the Trust;
- 4.12 to lend money and give credit to take security for such loans or credit and to guarantee and become or give security for the performance of contracts by any person or persons as may be necessary for the work of the Trust upon such terms as the Board of Trust shall decide;
- 4.13 to undertake and execute and act as trustee of any charitable trusts which may be incidental to and likely to contribute to the attainment of the objects of the Trust;
- 4.14 to establish or promote any other company (not constituted for purposes of profit) having objects similar, wholly or partially, to those of the Trust, or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects of the Trust;
- 4.15 subject to any consents that may be required to purchase or form trading companies alone or jointly with others;
- 4.16 to carry on trade insofar as either the trade is exercised in the course of effecting one or more of the objects of the Trust or the trade is temporary and ancillary to the carrying out of the objects or any of them;
- 4.17 to establish develop and maintain links and to exchange information with other bodies at local, regional, national and international level in order to promote the objects of the Trust;
- 4.18 to invest the money of the Trust not immediately required for its objects in or on such investments, securities or property as may be thought fit and with all the powers of a beneficial owner, and subject as provided below;

- 4.19 subject to clause 4.18 of this Memorandum to invest and deal with the monies of the Trust not immediately required for its purposes on such terms as the Board may think fit;
- 4.20 to make any charitable donation, endow or make grants either in cash or assets for the furtherance of the objects of the Trust;
- 4.21 to set aside funds for special purposes or as reserves against future expenditure;
- 4.22 to delegate the management of investments to a financial expert but only on terms that the investment policy is set down in writing for the financial expert by the Board; that every transaction is reported promptly to the Board; that the performance of the investments is reviewed regularly with the Board; that the board shall be entitled to cancel the delegation arrangement at any time; that the investment policy and the delegation arrangement are reviewed at least once a year; that all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Board on receipt; and that the financial expert must not do anything outside the powers of the Board;
- 4.23 to arrange for investments or other property of the Trust to be held in the name of a nominee ((being a corporate body registered or having an established place of business in the United Kingdom) under the control of the Directors or of a financial expert acting under their instructions and to pay any reasonable fee required;
- 4.24 to invest the funds of the Trust in the purchase of or at interest on the security of such stocks funds shares securities or other investments or property of whatever nature and wherever situated as the directors in their absolute discretion think fit to the intent that the directors shall have the same full and unrestricted powers of investing and transposing investments as if they were beneficially entitled to the Trust's funds but the directors shall at all times seek appropriate professional advice;
- 4.25 to affiliate to or accept affiliation from any body;
- 4.26 to enter into arrangements with any body of persons whether corporate or unincorporated formed for all or any of the objects of the Trust or for any purpose analogous thereto with a view to the promotion of the objects of the Trust and to contribute to or receive contributions from the funds of any such body upon such terms and conditions as the Trust may think proper, subject nevertheless to the provisions of this Memorandum of Association;
- 4.27 to obtain any act of Parliament or other order or authority which will assist the Trust to carry its objects into effect or to promote support or oppose legislative or other measures or proceedings or to petition the Crown Parliament, the Scottish Parliament, the Welsh Assembly or other public persons or bodies in the United Kingdom in respect of any matter affecting the interests of the Trust;
- 4.28 to employ and remunerate any person or persons to supervise, organise carry on the work of and advise the Trust;

- 4.29 to insure and arrange insurance cover of every kind and nature in respect of the Trust its property and assets and in respect of and for the purpose of providing indemnity for itself, its Directors, officers, servants, and voluntary workers and its members from and against all risks directly or indirectly incurred in the course of the Trust's activities and in the performance of their duties by such Directors, officers, servants, voluntary workers and members as may be thought fit; and to provide indemnity insurance to cover the liability of the Directors (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors (or any of them) knew to be a breach of trust or breach of duty or which was committed by the Directors (or any of them) in reckless disregard of whether it was a breach of trust or breach of duty or not;
- 4.30 subject to the provisions of clause 5 of this Memorandum to pay reasonable annual sums or premiums for or towards the provision of pensions for officers or servants for the time being of the Trust or their dependants;
- 4.31 to amalgamate with any companies, institutions, societies or associations which are charitable at law and have objects altogether or mainly similar to those of the Trust and prohibit the payment of any dividend or profit to, and the distribution of any of their assets amongst, their members at least to the same extent as such payments or distributions are prohibited in the case of members of the Trust by this Memorandum of Association;
- 4.32 to make such articles of association, rules, regulations and bye-laws as are necessary in the opinion of the Board of the Trust, to the efficient running of the Trust;
- 4.33 to pay out of the funds of the Trust the costs, charges and expenses of and incidental to the formation and registration of the Trust;
- 4.34 to do all such other lawful things as are incidental to or conducive to the attainment of the above objects or any of them;

PROVIDED that:

- 4.35 in case the Trust shall take or hold any property which may be subject to any trusts, the Trust shall deal with or invest the same only in such manner as allowed by law, having regard to such trusts;
- 4.36 the objects of the Trust shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers;

4.37 in case the Trust shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Trust shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property that may come into its hands and shall be answerable and accountable for its own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as it or such Board would have been if no incorporation had been effected, and the incorporation of the Trust shall not diminish or impair any control or authority exercisable by the chancery Division of the High Court of Justice or the Charity Commissioners over the board but it shall as regards any such property be subject jointly and separately to such control or authority as if the Trust were not incorporated.

5. **Application of income and property**

The income and property of the Trust shall be applied solely towards the promotion of its objects and as set forth in this Memorandum of Association and no portion of such income and property shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Trust provided that nothing shall prevent any payment in good faith by the Trust:

- 5.1 of reasonable and proper remuneration to any member, officer or servant of the Trust for any services rendered to the Trust;
- 5.2 of interest on money lent by any member of the Trust or of the Board at a rate per year not exceeding 2% less than the base lending rate prescribed for the time being by a clearing bank in London selected by the Board or 3% whichever is the greater;
- 5.3 of reasonable and proper rent for premises demised or let by any member of the Trust or of the Board;
- 5.4 of fees, remuneration or other benefit in money or money's worth a company of which a member of the Board may be a member holding not more than a one per cent shareholding in that company; and to any member of the Board of out-of-pocket expenses;
- 5.5 of any premium in respect of any indemnity insurance to cover the liability of the Directors (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors (or any of them) knew to be a breach of trust or breach of duty or which was committed by the Directors (or any of them) in reckless disregard of whether it was a breach of trust or breach of duty or not; and provided also that such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as directors of the Trust.

6. **Payments and other benefits to Directors**

- 6.1 Having regard to the objects of the Trust and the degree of professional and technical expertise which will be required from the Board, any Director or Directors may be remunerated by salary pension contributions or fees or receive other benefits in money or moneys-worth from the Trust but only if:
- 6.1.1 the duties carried out or services provided by the remunerated Director are actually required by the Trust for the attainment of its objects;
 - 6.1.2 that the nature and level of the fees or remuneration paid to a Director is reasonable in relation to the services he has provided and the resources of the Trust;
 - 6.1.3 that prior to any payment being made to him an appropriate written contract is concluded between the Directors and the Trust containing to full details of his duties and obligations to the Trust the amount of remuneration payable to him and all other relevant terms and conditions and that copies of all such contracts are retained by the Trust for inspection by the Auditors of the Trust and the Charity Commission; and
 - 6.1.4 that provisions of the sub-clause 6.2 of this Memorandum, are observed in relation to the conduct of a remunerated Director in relation to any discussions of the Board concerning that Director's interest, his remuneration or any variation of his remuneration.
- 6.2 Whenever a Director has a personal interest directly or indirectly in a matter to be discussed at a meeting of the Board or a committee of the Board the Director concerned must:
- 6.2.1 declare an interest at or before discussion begins on the matter;
 - 6.2.2 withdraw from the meeting for that item unless expressly invited to remain in order to give information;
 - 6.2.3 not be counted in the quorum for the part of the meeting devoted to that item;
 - 6.2.4 withdraw during the vote and have no vote on the matter.
- 6.3 Clause 6 of this Memorandum may not be exercised or amended without the prior written consent of the Charity Commission.

7. **Charging Clause**

Subject to clause 6 of this Memorandum any firm, company or organisation which possess specialist skills or knowledge required by the Trust for its proper administration may charge and be paid reasonable charge for work of that nature done by it notwithstanding that a Director or Directors of the Trust is a director or other senior officer or employee of that firm, company or organisation. Whenever such a firm, company or organisation charges and is to be paid by the Trust for work done by it any Director of the Trust who is a director or other senior officer or employee of that firm, company or organisation must:

- 7.1 declare his position as an officer or employee;
- 7.2 withdraw from any meeting for the item discussing the matter unless expressly invited to remain in order to give information;
- 7.3 not be counted in the quorum for the part of any meeting devoted to that item; and
- 7.4 withdraw during the vote and have no vote on the matter;

Provided that at no time shall a majority of the directors benefit under this Directors provision.

8. **Limited Liability**

The liability of the members is limited.

9. **Contribution to assets of the Trust**

Every member of the Trust undertakes to contribute to the assets of the Trust, in the event of the same being wound up while he is a member, or within one year after he ceases to be member, for payment of the debts and liabilities of the Trust contracted before 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, such amount as may be required not exceeding one pound.

10. **Surplus Assets**

If on the winding up or dissolution of the Trust there remains, after the satisfaction of all its debts and liabilities any property whatever, the same shall not be paid to or distributed amount the members of the Trust, but shall be applied in one or more of the following ways:

- 10.1 by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the objects of the Trust;
- 10.2 directly for charitable purposes within or similar to the objects of the Trust;
- 10.3 directly for charitable purposes within the Coalfields areas;
- 10.4 in such other manner consistent with the charitable status as the Charity Commission and the Office of the Scottish Charity Regulator approve in writing in advance;

and a final report and statement of account shall be sent to the Charity Commission.

COMPANIES ACT 1985

Company Limited by Guarantee not having a Share Capital And having Charitable Status Articles of Association

of

THE COALFIELDS REGENERATION TRUST

as amended by a Special Resolution passed on 13th October 1999
by a Special Resolution passed on 30th March 2000
by a Special Resolution passed on 13th March 2002
by a Special Resolution passed on 30th January 2008
by a Written Resolution passed on 31st March 2011 and
by a Special Resolution a passed on 7th March 2012

1. Definitions

In these Articles:

- 1.1 "the Act" means the Companies Act 1985 as amended;
- 1.2 "Board" means the Board of Directors of the Trust;
- 1.3 "Director" means a member of the Board;
- 1.4 "Elected Directors" means the Directors elected in accordance with Article 9;
- 1.5 "Nominated Directors" means the Directors nominated in accordance with Article 10;
- 1.6 "the Trust" means The Coalfields Regeneration Trust;
- 1.7 "the seal" means the common seal of the Trust;
- 1.8 "Secretary" means any person appointed to perform the duties of the secretary of the Trust;
- 1.9 "the United Kingdom" means Great Britain and Northern Ireland;
- 1.10 "Secretary of State for Communities and Local Government" means the person appointed to such office from time to time or any person which succeeds to the functions of the Secretary of State for Communities and Local Government;
- 1.11 "Minister for Housing and Communities in the Scottish Government" means the person appointed to such office from time to time or any person which succeeds to the functions of the Minister for Housing and Communities;

- 1.12 "Minister for Local Government and Communities in the Welsh Assembly Government" means the person appointed to such office from time to time or any person which succeeds to the functions of the Minister for Local Government and Communities;
- 1.13 Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, electronic and other modes of representing or reproducing words in a visible form of whatsoever kind;
- 1.14 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification of the Act in force at the date at which these Articles become binding on the Trust.
- 1.15 All words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine.

2. Objects

The Trust is established for the objects expressed in the Memorandum of Association.

3. Members

The Directors shall be the members of the Trust.

4. General Meetings

- 4.1 The Trust shall each year hold a general meeting as its Annual General Meeting in addition to any meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General meeting of the Trust and that of the next provided that so long as the Trust holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Board shall appoint. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings;
- 4.2 The Board may, whenever it thinks fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisitions, or, in default, may be convened by such requisitionists, as provided by the Act. If at any time there are not within the United Kingdom sufficient Directors to form a quorum, any Director, or any two members of the Trust may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

5. **Notice of General Meetings**

- 5.1 An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by at least twenty-one days' notice in writing. Other meetings shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day of the meeting and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner mentioned below or in such other manner, if any, as may be prescribed by the Trust in general meeting, to such persons as are entitled to receive such notices provided that a meeting of the Trust shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to be have been duly called if it so agreed:
- 5.1.1 in the case of the Annual General Meeting, by all the members entitled to attend and vote; and
- 5.1.2 in the case of any other meeting, by a majority of the members having a right to attend and vote at the meeting, being a majority together representing not less than 95 per cent of the total voting rights of all the members.
- 5.2 The accidental omission 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.

6. **Proceedings at General Meetings**

- 6.1 The business to be transacted at an Annual General Meeting shall include the consideration of the accounts, balance sheets, and the reports of the Board and auditors and the appointment of, and the fixing of the remuneration of the auditors;
- 6.2 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; 5 members present in person shall be a quorum. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved; in any other case it shall be adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine;
- 6.3 The chairman, if any, of the Board shall chair every general meeting of the Trust. In his absence the vice-chairman, if any, of the Board shall act as chairman. If at any meeting neither the chairman nor the vice-chairman is present within ten minutes after the time appointed for the holding of the meeting, or if there is no chairman or vice-chairman, or if neither the chairman nor the vice-chairman is willing to act, the Directors present shall elect one of their number to chair the meeting;

- 6.4 If at any meeting no Director is willing to act as chairman or if no Director is present within ten minutes after the time appointed for the holding of the meeting, the members present shall choose one of their number to chair the meeting;
- 6.5 The chairman may, with the consent of any 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, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting;
- 6.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands;
- 6.7 A declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and on entry to that effect in the minutes of proceedings of the Trust shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution;
- 6.8 In the case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote;
- 6.9 Subject to the provisions of the Act, a resolution in writing signed by all the members entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if it had been passed at a general meeting of the Trust duly convened and held. Any such resolution in writing may consist of 2 or more documents in like form each signed by one or more members.

7. **Votes of Members**

- 7.1 Every member shall have one vote.

8. **Board**

- 8.1 The Directors shall be the directors of the Trust for the purpose of the Companies Act 1985;
- 8.2 Each Director shall have expertise or experience in two or more of the following fields:
- 8.2.1 regeneration issues;
 - 8.2.2 industrial and community relations;
 - 8.2.3 marketing and public relations;
 - 8.2.4 health and safety;
 - 8.2.5 legal and finance;

8.2.6 working with the public or private sector; and

8.2.7 the charitable and voluntary sector.

8.3 The following provisions shall apply to the composition of the Board:

8.3.1 the number of Directors shall be not less than six (this figure may not be amended without the prior written consent of the Charity Commission) and not more than sixteen unless otherwise determined by the Trust in general meeting;

8.3.2 the Board shall include Directors with proven management ability at a senior level and of substantial standing and stature in their chosen field;

8.3.3 there shall be thirteen Elected Directors or any greater number elected in accordance with the provisions of Article 9 so as to replace any failure to nominate any one of the Nominated Directors;

8.3.4 there shall be not more than three Nominated Directors nominated in accordance with the provisions of Article 10;

9. **Elected Directors**

9.1 The Elected Directors shall be elected by a simple majority of all the Directors entitled to attend and vote at any meeting of the Board. An Elected Director shall hold office for a fixed term of not more than three years and may be re-elected for further terms of three years.

10. **Nominated Directors**

10.1 One Nominated Director may be appointed by the Secretary of State for Communities and Local Government, one by the Minister for Housing and Communities in the Scottish Government and one by the Minister for Local Government and Communities in the Welsh Assembly Government (The Nominating Authorities).

10.2 The Nominated Directors may be appointed by the respective nominating authority by notice given in writing to the Secretary. Each Nominated Director shall hold office for not more than three years. A Nominated Director may be re-appointed for four further terms of not more than three years and one final term of not more than one year.

10.3 If a vacancy occurs in the office of Nominated Director the Secretary shall give notice to the Nominating Authority who may appoint another person to be a Nominated Director in place of the person whom he appointed. The Nominated Director shall hold office for not more than three years and may be re-appointed for four further terms of not more than three years.

11. **Removal of Directors**

11.1 The Trust may by ordinary resolution, of which special notice has been given in accordance with Section 303 of the Act, remove any Elected Director before the

expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Trust and such Director.

- 11.2 Subject to Article 9.1 the Board may elect another person in place of a Director removed under Article 11.1.

12. Disqualification or vacation office of Directors

- 12.1 The office of Director shall be vacated if the Director:

12.1.1 becomes bankrupt or makes any arrangement or composition with his creditors generally; or

12.1.2 becomes prohibited from being a Director by reason of any order made under Section 1 of the Company Directors Disqualification Act 1986; or

12.1.3 becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs; or

12.1.4 is guilty of gross misconduct; or

12.1.5 resigns his office by written notice to the Trust; or

12.1.6 is absent from all Board meetings without leave for one year and the Board resolve that the office be vacated; or

12.1.7 is directly or indirectly interested in any contract with the Trust and fails to declare the nature of his interest as required by Section 317 of the Act;

12.1.8 is disqualified under the Charities Act 1993 from acting as a charity trustee; or

12.1.9 is disqualified under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 from being concerned in the management and control of a recognised body.

- 12.2 In the event that:

12.2.1 an Elected Director shall vacate his office for any of the reasons in Article 12.1 above, the Board may elect another person in his place in accordance with Article 9 above;

12.2.2 a Nominated Director shall vacate his office for any of the reasons in Article 12.1 above the Nominating Authority may appoint another person in his place in accordance with Article 10 above.

- 12.3 A Director shall not vote in respect of any contract in which he is interested or any matter arising out of it, and, if he does so vote, his vote shall not be counted save in respect of a policy of insurance which indemnifies him from and against all such risks incurred in the course of performance of his duties, provided such policy of insurance is appropriate on reasonable terms and complies with the requirements of paragraph 4.29 of the Memorandum of Association of the Trust.

13. Powers and Duties of the Board

- 13.1 The business of the Trust shall be managed by the Board who may pay all expenses incurred in the formation of the Trust, and may exercise all such powers of the Trust as are not required to be exercised by the Trust in general meeting including (but not by way of limitation) the powers to borrow money, and to mortgage or charge the whole or any part of its undertaking and property, and to issue debentures debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Trust or of any third party. Any such requirement may be imposed either by the Act or by these Articles or by any regulation made by the Trust in general meeting; but no such requirement shall invalidate any prior act of the Board which would have been valid if that requirement had not been made;
- 13.2 All cheques and other negotiable instruments, and all receipts of money paid to the Trust, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time determine.
- 13.3 The Board shall cause minutes to be made and records (with copies where appropriate) to be kept:
- 13.3.1 of all appointments of officers made by the Board;
 - 13.3.2 of the names of the Directors present at each Board meeting;
 - 13.3.3 of all resolutions and proceedings at all meetings of the Trust, and of the Board;
 - 13.3.4 a Register of the Directors' interests.

14. Proceedings of the Board

- 14.1 The Board shall meet at least 4 times a year;
- 14.2 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes of Directors present and voting on the question. In the case of an equality of votes the chairman shall have a second or casting vote whether he has or has not voted previously on the same question but no Director in any other circumstances shall have more than one vote. The chairman may, and the Secretary on request of any two Directors shall, at any time summon a Board meeting upon not less than four days' notice being given to the other Directors of the matters to be discussed Provided that no notice need be given by the chairman or the Secretary if all the Directors agree that no notice is required;
- 14.3 The quorum necessary for the transaction of the business of the Board shall be 5 Directors of whom one must be the chairman or vice-chairman;

- 14.4 The Board may act notwithstanding any vacancy in its body, but, if and so long as its number is reduced below the number fixed by or pursuant to the Articles of Association of the Trust as the quorum the Board may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Trust, but for no other purpose;
- 14.5 At its first meeting the Board shall
- 14.5.1 elect a chairman and vice-chairman from among their number and shall determine the period for which they are to hold office, although they shall always be eligible for re-election;
- 14.6 The Chairman shall have a casting vote in the case of an equality of votes.
- 14.7 The Board may delegate any of its powers to committees consisting of such of its number as it thinks fit; any committee so formed shall conform to any regulations that may be imposed on it by the Board and in particular (but without limitation) no such committee shall have authority to incur expenditure save in accordance with a budget previously agreed with the Board;
- 14.8 Either the chairman or the vice-chairman shall be an ex-officio member of every committee appointed by the Board;
- 14.9 The members of each committee may, with the approval of the Board, appoint such persons, not being Directors, as they think fit to be members of that committee;
- 14.10 The Chairman of the Board will Chair any Committee Meeting at which he is present. In the absence of the Chairman, the Vice Chairman, if present, will Chair the Committee Meeting. In the absence of the Chairman and Vice Chairman the members present may choose one of their number to Chair the meeting provided that the Chairman shall always be a director of the Committee.
- 14.11 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote;
- 14.12 All acts and proceedings of committees shall be reported to the Board fully and promptly;
- 14.13 All acts done by any meeting of the Board or of a committee, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as a Director, or that they or any of them were disqualified, be as valid if every such person had been duly appointed and was qualified to be a Director;
- 14.14 A resolution in writing, signed by all the Directors entitled to receive notice of a Board meeting shall be as valid and effectual as if it had been passed at a Board meeting duly convened and held, and may consist of several documents in like form each signed by one or more Directors;

14.15 All members of the Board shall be entitled to be interested in and benefit from all or any of the contracts of insurance in respect of and for the purpose of providing indemnity for the Trust's Directors referred to in clause 4.29 of the Memorandum of Association of the Trust and no member of the Board shall be prevented from acting in that capacity merely by reason of that interest.

15. Secretary

15.1 Subject to Section 283 of the Act, the Secretary of the Trust shall be appointed by the Board for such term at such remuneration and on such conditions as the Board may think fit; and any Secretary so appointed may be removed by it;

15.2 A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in the place of, the Secretary.

16. The Seal

The Board shall provide for the safe custody of the seal, which shall be used only by the authority of the Board or of a committee authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for that purpose.

17. Accounts

17.1 The Board shall comply with the requirements of the Act and of the Charities Act 1993 as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies and the Commission of:

17.1.1 annual reports

17.1.2 annual returns

17.1.3 annual statements of account.

17.2 The Board shall keep proper records of

17.2.1 all proceedings at general meetings

17.2.2 all proceedings at meetings of the board

17.2.3 all reports of committees and

17.2.4 all professional advice obtained.

17.3 Accounting records relating to the Trust shall be made available for inspection by any Director at any reasonable time during normal office hours.

17.4 A copy of the Trust's latest available statement of account shall be supplied on request to any Director, or to any other person who makes a written request and pays the Trust's reasonable costs, within two months.

18. Audit

Auditors shall be appointed and their duties regulated in accordance with the Act.

19. Notices

19.1 A notice may be given by the Trust to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Trust for the giving of notice to him. Proof that an envelope containing a notice was properly addressed, prepared and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

19.2 Notice of every general meeting shall be given in any manner authorised by these Articles to:

19.2.1 every member except those members who have not supplied to the Trust an address within the United Kingdom for the giving of notices to them; and

19.2.2 the auditor for the time being of the Trust.

No other person shall be entitled to receive notices of general meetings.

20. Dissolution

Clause 10 of the Memorandum of Association relating to the winding-up and dissolution of the Trust shall have effect as if its provisions were repeated in these Articles.

21. Rules and byelaws

21.1 The Board may from time to time make such rules or byelaws as it may deem necessary or convenient for the proper conduct and management of the Trust and for the purpose of prescribing classes of and conditions of member or either the Trust or any group established to support the Trust, and in particular but without prejudice to the generality of the above, it may be such rules or byelaws regulate:

21.1.1 the admission and classification of membership of the Trust and the rights and privileges of such members, and the conditions of membership and the terms on which members may resign or have their membership terminated;

21.1.2 the conduct of members in relation to one another, and to the Trust's employees;

21.1.3 the setting aside of the whole or any part or parts of the Trust's premises at any particular time or times or for any particular purpose or purposes;

21.1.4 the procedure at general meetings and meetings of the Board and committees in so far as such procedure is not regulated by these Articles; and

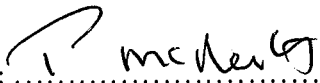
21.1.5 generally ass such matters as are commonly the subject matter of such rules.

21.2 The Trust in general meeting shall have power by special resolution to alter or repeal the rules or byelaws and to make additions to them, and the Board shall adopt such means as it deems sufficient to bring to the notice of members of the Trust or support group all such rules or byelaws, which so long as they shall be in force, shall be binding on all members of the Trust or such support groups provided nevertheless that no rule or byelaw shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or Articles of Association of the Trust.

22. **Headings**

The headings in these Articles shall not be taken as part of them or in any manner affect the interpretation or construction of the same.

Authorised signatory name: PETER McNESTRY

Signature: 

Witness name: GARY ELLIS

Witness signature: 