

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**  
**MEMORANDUM and ARTICLES of ASSOCIATION**  
**of**  
**SCOTTISH FAMILIES AFFECTED BY ALCOHOL AND DRUGS**


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## Constitution of company

The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

## Defined terms

- 1 In these articles of association, unless the context requires otherwise:-
  - (a) "Act" means the Companies Act 2006;
  - (b) "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its aim are limited to charitable purposes;
  - (c) "charitable purpose" means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
  - (d) "electronic form" has the meaning given in section 1168 of the Act;
  - (e) "OSCR" means the Office of the Scottish Charity Regulator;
  - (f) "property" means any property, heritable or moveable, real or personal, wherever situated; and
  - (g) "subsidiary" has the meaning given in section 1159 of the Act.
  - (h) "director" shall incorporate a reference to the charity's "trustee" and the terms "director", "trustee" and "charity trustee" shall be construed accordingly on an interchangeable basis.
- 2 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

## Charitable purpose

- 3 The charitable purpose of the company is to provide a range of support to families across Scotland who are affected by misuse of alcohol and drugs, and to influence policy and practice.
  - 3.1 The company's charitable purpose is restricted to that set out in article 3 (but subject to article 3.2).
  - 3.2 The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company's charitable purpose in article 3; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

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## Powers

- 4 In pursuance of this charitable purpose (but not otherwise) the company shall have the following powers.
  - 4.1 To develop a range of family support which aims to promote the welfare of families and carers of people who have problems with alcohol and drug abuse.
  - 4.2 To seek to ensure that the experiences of family members are brought to bear in local and national policy making within the field of alcohol and drug abuse and other relevant areas.
  - 4.3 To advise in relation to, prepare, organise, conduct and/or present educational and training courses, programmes and events of all kinds.
  - 4.4 To initiate, promote, conduct, participate in, co-ordinate, monitor and/or assist (whether financially or otherwise) operations, projects, initiatives and events of all kinds which further the charitable purpose of the company.
  - 4.5 To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multi-media products and display materials, and to create and maintain a website, and a database or databases.
  - 4.6 To provide information, advisory, support, consultancy and/or other services which further the charitable purpose of the company.
  - 4.7 To commission and/or conduct research, and to publish and promote the results of such research.
  - 4.8 To liaise with European, UK, Scottish and local government authorities and agencies, statutory agencies, voluntary sector bodies and others.
  - 4.9 To carry on any other activity which may be appropriately carried on in connection with, or as ancillary to the charitable purpose of the company.
  - 4.10 To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for the charitable purpose of the company.
  - 4.11 To purchase, take on lease, hire, take in exchange and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the company.
  - 4.12 To improve, manage, enhance, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
  - 4.13 To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
  - 4.14 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.

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- 4.15 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments.
- 4.16 To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund.
- 4.17 To oppose or object to any application or proceedings which may prejudice the company's interests.
- 4.18 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 right, privilege or concession.
- 4.19 To enter into any arrangement for cooperation or mutual assistance with any body, whether incorporated or unincorporated.
- 4.20 To effect insurance against risks of all kinds.
- 4.21 To invest funds not immediately required for the purposes of the company's activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous, and to dispose of and vary such investments and securities.
- 4.22 To support any association or other unincorporated body which is a charity having objects altogether or in part similar to those of the company and to promote any company or other incorporated body which is a charity formed for the purpose of carrying on any activity which the company is authorised to carry on.
- 4.23 To subscribe and make contributions to or otherwise support charities, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the company or with the furtherance of its charitable purpose.
- 4.24 To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust, for the charitable purpose of the company.
- 4.25 To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.
- 4.26 To carry the charitable purpose of the company in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- 4.27 To do anything which may be incidental or conducive to the attainment of the charitable purpose of the company.

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## Restrictions on the use of company's assets

5 Restrictions as below.

- 5.1 The income and property of the company shall be applied solely towards promoting the company's charitable purpose (as set out in clause 3 of these articles of association).
- 5.2 No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise.
- 5.3 No director of the company shall be appointed as a paid employee of the company, no director shall hold any office under the company for which a salary or fee is payable.
- 5.4 No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out of pocket expenses or (ii) reasonable payment in return for particular services (outwith the ordinary duties of a director) actually rendered to the company.

## Liability of members

6 The liability of the members is limited.

- 6.1 Each 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 they are a member or within one year after they cease to be a member, for payment of the company's debts and liabilities contracted before he/she/it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves.
- 6.2 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 instead be transferred to some other charity or charities (whether incorporated or unincorporated) whose aims are altogether or in part similar to the charitable purpose of the company.
- 6.3 The charity or charities to which property is transferred under 6.2 shall be determined by the members of the company at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at that time.
- 6.4 To the extent that effect cannot be given to the provisions of clauses 6.1 and 6.2, the relevant property shall be applied to some other charitable purpose or purposes

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## General structure

7 The structure of the company consists of:

- 7.1 The Members who have the right to attend general meetings and have important powers under the articles of association and the Companies Acts, in particular, the members elect/appoint people to serve as directors and take decisions in relation to changes to the articles themselves.
- 7.2 The Directors who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

## Membership

8 The members of the company shall consist of the subscribers to the memorandum of association and such other individuals and bodies as are admitted to membership under articles 9 - 10.

## Categories of membership

9 For the purposes of these articles:-

"Member" means an individual or organisation admitted under article 10.1;

## Qualifications for membership

10 Subject to articles 8, 11 and 15 membership shall be open to the following:-

10.1 any individual or organisation who supports the charitable purpose of Scottish Families Affected by Alcohol and Drugs (as set out in clause 3 of these articles of association).

11 No employee of the company may become a member of the company; a person admitted as a member shall automatically cease to be a member if they become an employee of the company.

## Register of members

12 The directors shall maintain a register of members, setting out the full name and contact details of each member, the date on which they were admitted to membership, and the date on which they ceased to be a member.

## Expulsion

13 The directors shall be entitled to expel any individual from membership for good and sufficient reason by way of a resolution to that effect passed at a board meeting, provided written notice is lodged with the company (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than 28 days before the date of the board meeting.

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- 14 The company shall, on receipt of a notice under article 13, send a copy of the notice to the member concerned, and the member concerned shall be entitled to be heard on the resolution at the board meeting at which the resolution is proposed.
- 15 An individual or body expelled from membership under the provisions of article 13 shall have the right to appeal to a general meeting of the company, and in the event that the member concerned intimates to the directors that they wish to exercise that right, the directors shall make such arrangements with regard to the convening of the general meeting, the circulation of any representations which the member concerned may wish to make, and other relevant matters as the directors may reasonably consider appropriate, at the general meeting convened under the preceding provisions of this article, the company may, by ordinary resolution, direct that the expulsion should cease to have effect and that the member concerned should be re-admitted to membership.

### **Termination/Transfer of Membership**

- 16 Any member wishing to withdraw from membership can unsubscribe from the register of membership. On receipt of the notice by the company they shall cease to be a member.
- 17 A member may not transfer their membership to any other individual or body.

### **General meetings (meetings of members)**

- 18 The directors shall convene an annual general meeting where possible in each year but with no more than 15 months between one AGM and the next.
- 19 The business of each annual general meeting shall include:-
- 19.1 a report by the Chair on the activities of the company;
  - 19.2 presentation of the annual accounts of the company;
  - 19.3 the election/re-election of directors, as referred to in articles 54 to 56.
- 20 The directors shall notify the members of the date proposed for a forthcoming annual general meeting at least eight weeks prior to the date of the annual general meeting, and shall invite the Members to suggest any items of business which they feel it would be appropriate to consider at the annual general meeting.
- 21 The directors must convene a general meeting if there is a valid requisition by the members (under section 303 of the 2006 Act) or a requisition by a resigning auditor of the company (under section 518 of the 2006 Act)
- 22 Subject to the provisions of articles 18 and 20 the directors may convene general meetings whenever they think fit.

### **Notice of general meeting**

- 23 At least 14 clear days' notice of each general meeting must be given to all the members and directors, and (if auditors are in office at the time) to the auditors of the company.



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- 24 The reference to "clear days" in article 23 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.
- 25 A notice calling a meeting shall specify the time, date and place of the meeting. The notice shall indicate the general nature of any business to be dealt with at the meeting. If a special resolution (see article 43) (or a resolution requiring special notice under the Companies Acts) is to be proposed, the notice shall also state that fact and state the exact terms of the proposed resolution. The notice shall contain a statement informing members of their right to appoint a proxy to vote on their behalf at the meeting.
- 26 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 27 Notice of every general meeting shall be given:-
- 27.1 in hard copy form; or
- 27.2 (where the individual or body to whom/which notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
- 27.3 (subject to the company notifying members of the presence of the notice on the website and complying with the other requirements of section 309 of the 2006 Act) by means of publication on the company's website.

### **Procedure at general meetings**

- 28 No business shall be transacted at any general meeting unless a quorum is present; 15 members who are Members (in the case of a member which is an organisation, represented by its authorised representative) or represented by proxy, shall be a quorum.
- 29 If the quorum required under article 28 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.
- 30 The Chair shall (if present and willing to act) preside as chairperson of the meeting. If the Chair is not present or not willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the Vice Chair shall (if present and willing to act) preside as chairperson of the meeting.
- 31 If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting or, if there is only one director present and willing to act, they shall be chairperson of the meeting.

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- 32 A director shall, notwithstanding that they are not a member, be entitled to attend and speak at any general meeting.
- 33 The chairperson of the meeting may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests that they do so), adjourn the meeting, but not for a period in excess of thirty days. No notice need be given of an adjourned meeting.

### Voting at general meetings

- 34 Every Member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 35 A member who/which wishes to appoint a proxy to vote on their behalf at any meeting:-
- 35.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require) signed by the member (or, in the case of an organisation, signed on its behalf by an appropriate officer); or
- 35.2 shall send by electronic means to the company at such address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);
- providing (in either case) the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or as the case may be, adjourned meeting), for the avoidance of doubt, in calculating the 48 hour period referred to in the preceding provisions of this article, no account shall be taken of any part of a day that is not a working day.
- 36 An instrument of proxy which does not conform with the provisions of article 35, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 37 A proxy need not be a member of the company but a member can only appoint one proxy to attend the same meeting.
- 38 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed them to speak at the meeting.
- 39 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present at the meeting and entitled to vote, whether as members or as proxies for members). A secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
- 40 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such manner as the chairperson may determine. The result of the ballot shall be declared at the meeting at which the ballot was demanded.
- 41 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote, or demanding of such ballot, unless notice of such termination was

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received by the company at the company's registered office, or, was sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic means, before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

- 42 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.

### Special resolutions and ordinary resolutions

- 43 For the purposes of these articles (but subject to the provisions of articles 46 to 49, a "special resolution" means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 23 to 27 for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

- 44 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Companies Acts allow the company, by special resolution:-

44.1 to alter its name;

44.2 to alter its memorandum of association with respect to the company's aim;  
and

44.3 to alter any provision of these articles or to adopt new articles of association.

- 45 For the purposes of these articles (but subject to the provisions of articles 46 to 49, an "ordinary resolution" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes cast against) at a general meeting, providing proper notice of the meeting has been given in accordance with articles 23 to 27.

### Written resolutions

- 46 A written resolution can be passed by the members of the company (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the 2006 Act) and will have effect as if passed by the members of the company at a general meeting, a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it (which agreement cannot thereafter be revoked).

- 47 For the purposes of the preceding article:-

47.1 the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or

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submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the 2006 Act, or (b) if copies are sent or submitted to members on different days, the first of those dates);

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

47.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 46) by members representing a simple majority of the total voting rights of eligible members;

47.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 46) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution.

48 For the avoidance of doubt, a resolution to remove a director (under section 168 of the 2006 Act) or a resolution to remove an auditor of the company (under section 510 of the 2006 Act) cannot be proposed as a written resolution under article 46.

49 For the purposes of article 46, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the circulation date (as defined in article 47.1), and the agreement of any member to a written resolution will be ineffective if signified after the expiry of that period.

## Categories of director

50 For the purposes of these articles:-

"Member Director" means a director appointed or re-appointed under articles 54 to 56; and

"Co-opted Director" means a director appointed or re-appointed under articles 57 to 59.

## Number of directors

51 The maximum number of directors shall be 12, with a mix of Member Directors and Co-opted Directors

## Eligibility

52 An individual appointed as a Co-opted Director need not be a member of the company.

53 An individual shall not be eligible for election/appointment as a director if they are an employee of the company.

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## **Election, retirement, re-election: Member Directors**

- 54 At each annual general meeting of the company, the Members may (subject to article 51) elect as a director (a "Member Director") any individual (other than an employee of the company), provided they are willing so to act.
- 55 The directors may at any time appoint an individual eligible under articles 52 to 53 (providing they are willing to act) to be a director either to fill a vacancy or (subject to article 51) as an additional director;
- 56 A director who has held office for two consecutive terms (a term defined as 3 years) shall not be eligible for re-appointment under article 54 until a further period of one year has elapsed.

## **Appointment/vacating of office/re-appointment: Co-opted directors**

- 57 Subject to article 51, the directors may at any time appoint any individual (other than an employee of the company) to be a director (a "Co-opted Director") providing they are willing so to act, on the basis that they have specialist expertise which is likely to be of assistance to the board.
- 58 At the conclusion of each annual general meeting, each of the Co-opted Directors shall vacate office.
- 59 Immediately following each annual general meeting, the directors may re-appoint any person who, as a Co-opted Director, vacated office under the preceding article at the conclusion of the annual general meeting. The directors may alternatively appoint a new Co-opted Director or resolve not to fill the vacancy.

## **Termination of office**

- 60 A director shall automatically vacate office if:-
- 60.1 they cease to be a director by virtue of any provision of the Companies Acts or they become prohibited by law from being a director or a charity trustee (within the meaning of the Charities and Trustee Investment (Scotland) Act 2005)
- 60.2 they become sequestrated;
- 60.3 they become incapable for medical reasons of fulfilling the duties of their office and such incapacity has continued, or is expected to continue, for a period of more than six months;
- 60.4 they become an employee of the company;
- 60.5 they resign office by giving notice to the company;
- 60.6 they are absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove them from office;

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- 60.7 they are removed from office by resolution of the directors on the grounds that they are considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 74) ;
- 60.8 they are removed from office by resolution of the directors on the grounds that they are considered to have been in serious or persistent breach of his/her duties under Section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- 60.9 they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the 2006 Act.

### **Register of directors**

- 61 The directors shall maintain a register of directors, setting out full details of each director, including the date on which they became a director, and also specifying the date on which any person ceased to hold office as a director.

### **Appointments to offices**

- 62 The Directors shall elect from among themselves a Chair, Vice Chair, and such other office bearers (if any) as they consider appropriate.
- 63 The appointments under article 62 shall be made at the annual general meeting.
- 64 Each office shall be held (subject to article 65) until the conclusion of the annual general meeting which next follows appointment, a director whose period of office expires under this article may (subject to 65) be re-appointed to that office under article 62 (providing they are willing to act).
- 65 The appointment of any director to an office under article 62 shall terminate if they cease to be a director or if they resign from that office by notice to the company.
- 66 If the appointment of a director to any office under article 62 terminates, the directors shall appoint another director to hold the office in their place.

### **Directors' personal interests**

- 67 Subject to the provisions of the Companies Acts and of the Charities and Trustee Investment (Scotland) Act 2005 and of clause 5.3 and 5.4 of the memorandum of association and provided that they have disclosed to the directors the nature and extent of any personal interest which they have (unless immaterial) and has complied with the code of conduct (as referred to article 74), a director (notwithstanding their office):-
  - 67.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;
  - 67.2 may be a party to, or have some other personal interest in, any transaction or arrangement in which the company or any associated company has an interest;

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67.3 may be a director or secretary of, or employed by, or have some other personal interest in, any associated company; and

67.4 shall not, because of their office, be accountable to the company for any benefit which they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such company;

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit

68 For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect them to have knowledge shall not be treated as an interest of theirs. The references to "associated company" shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.

69 The directors shall procure that a register of directors' interests is maintained in accordance with the provisions in this regard contained in the code of conduct for directors referred to in article 74.

### **Directors' remuneration and expenses**

70 No director shall be entitled to any remuneration, whether in respect of their office as director or as holder of any office under article 62.

71 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, and meetings of committees of directors or otherwise in connection with the carrying out of their duties.

### **Conduct of directors**

72 It is the duty of each director of the company to take decisions (and exercise their other powers and responsibilities as a director) in such a way as they consider, in good faith, will be most likely to promote the success of the company in achieving its charitable purpose (as set out in article 3) and will be in the best interests of the company, and irrespective of any office, post, engagement or other connection which they may have with any other body which may have an interest in the matter in question.

73 Without prejudice to the principle set out in article 72, each of the directors shall have a duty, in exercising their functions as a charity trustee, to act in the interests of the company; and, in particular, must:

73.1 seek, in good faith, to ensure that the company acts in a manner that is in accordance with its purposes and aim

73.2 act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person;

73.3 in circumstances giving rise to the possibility of a conflict of interest between the company and any party responsible for the appointment of that director, put the interests of the company before that of the other party;

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- 73.4 where any other duty prevents them from doing so, disclose the conflicting interest to the company and refrain from participating in any deliberation or decision of the other directors with regard to the matter in question; and
- 73.5 ensure that the company complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.
- 74 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time. For the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time

### **Powers of directors**

- 75 Subject to the provisions of the Companies Acts, the memorandum of association and these 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.
- 76 No alteration of the memorandum of association 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.
- 77 The powers conferred by article 75 shall not be limited by any special power conferred on the directors by these articles.
- 78 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Procedure at directors' meetings**

- 79 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 80 Any director may call a meeting of the directors.
- 81 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 of a meeting of directors shall have a second or casting vote.
- 82 The quorum for the transaction of the business of the directors shall be four, of whom at least three shall be Member Directors
- 83 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting



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- 84 Unless they are unwilling to do so, the Chair shall preside as chairperson at every meeting of directors at which they are present, if the Chair is unwilling to act as chairperson of a meeting of directors or is not present within 15 minutes after the time when the meeting was due to commence, the Vice Chair shall preside as chairperson.
- 85 If neither the Chair nor the Vice Chair is willing to act as chairperson of a meeting of directors or if neither is present within 15 minutes after the time appointed for the meeting, the directors may appoint one of their number to be chairperson of the meeting.
- 86 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors. For the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
- 87 A person invited to attend a meeting of the directors under article 86 shall not be entitled to exercise any of the powers of a director, and shall not be deemed to constitute a director for the purposes of the Companies Acts or any provision of these articles.
- 88 A director may participate in a meeting of the directors or a meeting of a committee of directors by means of conference telephone, video conferencing facility or similar communications equipment whereby all the directors participating in the meeting can hear each other, a director participating in a meeting in this manner shall be deemed to be present in person at the meeting.
- 89 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.
- 90 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. Such a resolution may consist of several documents in the same form, each signed by one or more directors
- 91 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 they have, directly or indirectly, a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the company. If a director is debarred by the preceding provisions of this article from voting in relation to any matter, they shall absent themselves from the meeting while the voting is being conducted in relation to that matter.
- 92 For the purposes of the preceding article:-

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- 92.1 an interest of a person who is taken to be connected with a director under section 252 of the 2006 Act, shall be treated as a personal interest of the director; and
- 92.2 a director shall be deemed to have a personal interest in relation to a particular matter if a body in relation to which they are an employee, director, member of the management committee, officer or elected representative has a personal interest in that matter;
- 93 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 94 The company may (subject to the Charities and Trustee Investment (Scotland) Act 2005) by ordinary resolution, suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of articles 91 to 93.
- 95 If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting. The ruling of the chairperson in relation to any director, other than themselves shall be final and conclusive.

### **Delegation to sub-committees**

- 96 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine. The directors may also delegate to the Chair of the company (or the holder of any other post) such of their powers, as the directors may consider appropriate.
- 97 Any delegation of powers under article 96 may be made subject to such conditions as the directors may impose and may be revoked or altered at any time.
- 98 The rules of procedure for any sub-committee shall be as prescribed by the directors.
- 99 For the avoidance of doubt, neither a sub-committee nor any office to which the directors have delegated any of their powers shall be entitled to issue directions or instructions to the board of directors.

### **Operation of Bank Accounts**

- 100 The signatures of any two of the directors or authorised signatories shall be sufficient in relation to all operations (other than lodgment of funds) on the bank and building society accounts held by the company.

### **Minutes**

- 101 The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees, a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

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## Accounting records and annual accounts

- 102 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 103 The directors shall prepare annual accounts, complying with all relevant statutory requirements.
- 104 No member shall (unless they are a director) have any right to inspect any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company.

## Notices

- 105 Any notice to be given in pursuance of these articles shall be given either in writing or by way of an electronic means.

## Winding up



- 106 If the company is wound up, the liquidator shall give effect to the provisions of clauses 6.2, 6.3 and 6.4 of the memorandum and articles of association.

## Indemnity

- 107 Every director or other officer or auditor of the company shall be indemnified out of the assets of the company (to the extent permitted by sections 232, 234, 235, 532 and 533 of the 2006 Act) against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office, including, without prejudice to that generality (but only to the extent permitted by those sections of the 2006 Act), any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted or any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
- 108 For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the 2006 Act (negligence etc. of a director).

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## Signatories

 Isabel McNab, Chair	Date: 10 November 2018.
 Colin Hutcheon, Vice Chair	Date: 10 November 2018