

COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL

M E M O R A N D U M

and

ARTICLES OF ASSOCIATION

of

THE CRICHTON TRUST

SC 164601

1996
RMM/KCM/D722/01
KCM-CRICHTON-TRUST-MEM
(DK.ADMIN)
KCM-CRICHTON-TRUST-ARTS
(DM.ADMIN)

TODS MURRAY WS
66 Queen Street
Edinburgh EH2 4NE

SATURDAY



S30BMEWW
SCT 25/01/2014 #161
COMPANIES HOUSE

COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE AND
NOT HAVING SHARE CAPITAL

MEMORANDUM

Of

THE CRICHTON TRUST

1. The Company's name is "The Crichton Trust".
2. The Company's registered office is to be situated in Scotland.
3. The Company is established for charitable objects and purposes only.
4. The objects for which the Company is established are:-
 - (1) To protect, preserve, manage and develop and assist in the protection, preservation, management and development of, buildings, lands and sites of architectural, scenic or historic interest in the geographical area of Dumfries and Galloway for the benefit of the public; to protect, preserve, manage and develop and assist in the protection, preservation, management and development of the landscape and the countryside of Dumfries and Galloway and to encourage and enable the public to enjoy the same; to protect, preserve, manage and develop and assist in the protection, preservation, management and development of the historical and architectural heritage of Dumfries and Galloway; to act in a consultative capacity to assist others in achieving objectives related to those of the Company; to promote and organise co-operation in the achievement of the objects of the Company by the bringing together of individuals, societies, clubs, institutions, local authorities and other organisations and any person, firm or corporation engaged in business or commerce interested in the objects of the Company.
 - (2) To advance and assist in the advancement of education including, without prejudice to the foregoing generally, the establishment of a university or other centre of learning and the holding of exhibitions, meetings, lectures, classes, seminars or courses either alone or with others.
 - (3) In furtherance of the said objects but not otherwise, the Company shall have power
 - (i) to enter into any partnership or into any arrangement for joint, shared or mutual promotion, investment or development, union of

interests, reciprocal concession or co-operation with any person, partnership or company, carrying on, engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business capable of being conducted so as directly or indirectly to further the objects of the Company and to take or otherwise acquire and hold shares or stock in or securities of, and to make grants to or otherwise assist any person, partnership or company and to sell, hold, re-issue with or without guarantee, or otherwise deal with such shares, stock or securities.

- (ii) to receive, allocate and administer subscriptions, donations, grants, contributions, gifts or bequests made available to the Company for any or all of its objects, whether from public funds or from private sources under the terms and conditions referable to such subscriptions, donations, grants, contributions, gifts or bequests and generally to manage, invest and expand all monies belonging to the Company;
- (iii) to organise, promote and manage or cause to be organised, promoted or managed fundraising activities, to issue appeals, hold public meetings and take such steps as may be deemed necessary or desirable for the purposes of procuring contributions to the funds of the Company by way of donations or otherwise;
- (iv) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any heritable or moveable, real or personal property and to maintain and alter any of the same as are necessary for any of the objects of the Company and (subject to such consents as may be required by law) to sell, lease or otherwise dispose of or mortgage any such heritable or moveable, real or personal property and to issue or grant any mortgage, charge, standard security, lien or other security upon all or any part of its property or assets whether present or future;
- (v) to erect, construct, lay down, enlarge, alter and maintain and from time to time renew any buildings and other works necessary or convenient for the objects of the Company and to repair, renovate, restore, rebuild and generally promote the preservation of any buildings or land vested in the Company or any other body and also to act as restoring agents for the preservation, repair, renovation and restoration of any buildings or land vested in the Company or belonging to any other body and to impose on any such other body such conditions regarding the future maintenance or preservation of such buildings or land as the Company shall consider necessary or desirable.

- (vi) to invest the monies of the Company not immediately required for its objects in or upon such investments, securities or properties as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- (vii) to provide grants or financial assistance to other charities, voluntary bodies and statutory authorities who, in pursuit of charitable objects similar or related to the objects of the Company are acquiring, leasing, managing, adapting, developing, equipping, furnishing or doing any other thing to preserve, manage or develop land or buildings even though such land or buildings might not belong to the recipient of such grants or financial assistance. Without prejudice to the foregoing generality the Company, in pursuit of the objects of the Company, or any of them, is empowered to assist, financially or otherwise, with the preservation, management, equipment, furnishing and development of the land and buildings comprising the site on which the former Crichton Hospital, Dumfries and relative buildings is erected;
- (viii) to borrow or raise money for the objects of the Company on such terms and (with such consents as are required by law) on such security as may be thought fit and to issue any debentures or debenture stock, whether perpetual, irredeemable or otherwise;
- (ix) to raise funds for and to make donations to charity (including a member of the Company who qualifies under this paragraph) which donations may represent the whole or any part of the income of the Company for any accounting period or be made out of any other monies of the Company and generally to establish, promote, form and support or aid in the establishment, promotion and formation and support of any charitable association or body and to subscribe or guarantee money for charitable purposes in any way connected with or calculated to further the objects of the Company;
- (x) to cause to be written, published and printed or reproduced and circulated, gratuitously or otherwise, books, magazines, leaflets or other documents or films or recorded tapes;
- (xi) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts;
- (xii) to enter into any arrangement with any institution, corporation, company, association, firm or person or with any government or public authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any

of them, and to obtain from any such government or public authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges and concessions;

- (xiii) to employ and remunerate any person or persons to supervise, organise, carry on the work of and advise the Company and to remunerate any person(s) or company for any services provided by them to the Company;
- (xiv) to insure and arrange insurance cover for and to indemnify the Company's officers, employees, and voluntary workers and those of its members from and against all risks incurred in the course of the performance of their duties as may be thought fit;
- (xv) to establish and support pension and superannuation schemes for the benefit of persons employed by the Company and to grant pensions or retiring allowances to persons who have been employed by the Company or to their dependants;
- (xvi) to transfer all or any part of the undertaking, assets and liabilities of the Company to or to take over, federate or amalgamate with, or to affiliate or become affiliated to any other institution, company or association having charitable objects similar in whole or in part to those of the Company provided that any such institution, company or association is prohibited from the payment of dividend, bonus or profit to its members at least to as great an extent as such payment is prohibited to members of the Company and further provided that this paragraph shall not authorise anything which shall prevent the Company from properly and usefully carrying out its functions as contemplated by this Memorandum of Association;
- (xvii) to form any subsidiary to further or to assist in carrying out the objects of the Company, whether directly or indirectly;
- (xviii) to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company and/or any subsidiary company formed to further or to assist in carrying out the objects of the Company;
- (xix) to apply for, promote and obtain any private Act of Parliament, instrument or order or licence of any authority for enabling the Company to carry any of its objects into effect or effecting any modification of the Company's constitution calculated directly or indirectly to promote the Company's interest and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest;

- (xx) to offer to co-operate and enter into arrangements with authorities, national, local or otherwise;
- (xxi) to do all or any of the above in any part of the world, either alone or in conjunction with others and either as principals, agents, contractors, trustees or otherwise and either by or through agents, sub-contractors, trustees or otherwise;
- (xxii) to do all such other things as may be incidental or conducive to the Company's objects or any of them.

PROVIDED that:

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

5. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly howsoever by way of profit or otherwise to members of the Company.

Provided that where a member of the Company is also a charitable organisation, association or other charitable body such member shall not be prohibited from receiving any part or whole of the income and property of the Company where this would be calculated to further the objects of the Company and the Company shall not be prohibited from making any donation or subscription or from giving other assistance in furtherance of Clause 4(3) (vii) to such a member.

Further Provided that nothing herein shall prevent any payment in good faith by the Company:-

- (a) of reasonable and proper remuneration to any member, officer or servant of the Company for any services rendered to the Company;
- (b) of interest on money lent by any member of the Company or its directors at a rate per annum not exceeding 2 per cent less than the base lending rate prescribed for the time being by a clearing bank selected by the directors or 3 per cent whichever is the greater;
- (c) of reasonable and proper rent for premises or other heritable

property hired or let by any member of the Company or its directors;

- (d) of fees, remuneration or other benefit in money or money's worth to a company of which a director may be a member holding not more than 1/100th part of the issued share capital of that company (provided that any shares held by a director as nominee or trustee for the Company shall be left out of account for this purpose); and
- (e) to any director of out of pocket expenses.

6. The liability of the members is limited.
7. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1.00) 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 for payment of the Company's debts and liabilities 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.
8. If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not, subject to the further provisions of this Clause, be paid to or distributed among the members of the Company. Notwithstanding the foregoing, any such property shall (unless the members otherwise unanimously resolve) be given or transferred to such charitable organisation or organisations, whether or not having objects which are the same or similar in whole or in part to those of the Company, as shall be nominated by Dumfries and Galloway Council (established under the Local Government etc. (Scotland) Act 1994 as statutory successor to the Dumfries and Galloway Regional Council) and any successor thereto, provided that any such nominated organisation is (at the time any such property is to be paid or distributed to it) operating for charitable objects and purposes only and is prohibited from distributing its income and property to an extent at least as great as is imposed on the Company under or by virtue of Clause 5.

We, the subscribers to this Memorandum of Association, wish to be formed into a company pursuant to this Memorandum.

NAME AND ADDRESS
OF SUBSCRIBER

For and on behalf of
Dumfries and Galloway
Regional Council
Regional Council Offices
English Street
Dumfries
DG1 2DD

Dated _____

Witness to the above signature:

Name:
Address:

Designation:

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

THE CRICHTON TRUST

INTERPRETATION

1. In these Articles:-

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment;

"Articles" means the articles of association of the Company;

"the directors" or "the board" means the directors of the Company for the time being as a body or (as the context may require) the board of directors of the Company or the directors present at a meeting of the directors at which a quorum is present;

"clear days" in relation to the period of 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;

"the Council" means Dumfries and Galloway Regional Council established under the Local Government (Scotland) Act 1973 and its statutory successor to be established under the Local Government etc. (Scotland) Act 1994 and to be known as Dumfries and Galloway Council and any successor thereto;

"Nominated Director" means a director appointed under Article 32(b) of these Articles;

"Office" means the registered office 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.

Words importing the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting individuals shall include incorporations.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act.

OBJECTS

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

MEMBERS

3. 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. No person shall be admitted as a member of the Company unless he/she is approved by the Board.
4. Subject to the provisions of these Articles and in particular without prejudice to Article 5 hereof, membership of the Company shall be open to the Council.
5. (a) The Council may, in addition to or instead of becoming or continuing as a member itself, nominate up to three persons to act as its representatives, to apply for membership and to sign an application and consent to become a member as referred to in Article 6 below and generally to exercise the rights of membership as its representatives. Subject to any special rights conferred on any other members pursuant to these Articles and to the provisions of paragraph (b) of this Article, every such person shall have the same rights and be subject to the same liabilities and incidents as any person not so nominated.
- (b) The Council, having nominated a person as aforesaid, may from time to time revoke such nomination and nominate another representative in his place. Upon receipt by the board of any such revocation such person shall ipso facto cease to be a member of the Company or to act or be entitled or recognised as a representative of the Council and any person nominated in his place shall be and become a member of the Company and the representative of the Council in the place of the representative whose nomination has been revoked as aforesaid.
- (c) All nominations and revocations mentioned in this Article shall be in writing signed by a duly authorised representative of the Council. The Council shall at the date of each nomination give to the Board in writing particulars of the names and addresses of each nominee thereof and all such further particulars as the Board may require, and thereafter shall give such

particulars when and as often as may be required by the Board. Any change in the constitution or nature of the Council or in the status of any of its nominees shall be immediately notified in writing to the Board.

6. Every person who wishes to become a member shall complete and submit an application for membership in such form as the Board require executed by him/her and shall execute a written consent to become a member of the Company.
7. The power of admitting members of the Company shall be exercisable by the Board, who shall have full power and discretion as to the admission or refusal of any person as a member and shall not be bound to assign any reason for refusing to admit any person to membership of the Company.
8. A member shall cease to be a member of the Company in any of the following circumstances:-
 - (i) if for any reason he shall cease to be a nominee of the Council;
 - (ii) if by giving at least one month's notice in writing lodged at the office he/she resigns from membership;
 - (iii) if the member (being an individual) shall die;
 - (iv) if the member (being a corporation) shall be wound up or shall have a receiver or administrator appointed to it or all or any of its assets; or
 - (v) if the directors are of the opinion that it is not in the interest of the Company that a member continues to be a member, the directors may convene an extraordinary general meeting of the Company and the Company may by ordinary resolution terminate or suspend that member's status as a member.

The Board may make regulations in relation to the admission, expulsion, subscription and rights and privileges of members.

GENERAL MEETINGS

9. All general meetings other than annual general meetings shall be called extraordinary general meetings.
10. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than 28 days after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

11. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if is so agreed:-
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) In the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the total voting rights at a meeting of all the members.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

The notice shall be given to all the members and to the directors and auditors.

12. 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 the meeting.

PROCEEDINGS AT GENERAL MEETINGS

13. No business shall be transacted at any general meeting unless a quorum is present. One persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member shall be a quorum; provided always that one of the members necessary to constitute a quorum shall be an authorised representative of the Council.
14. If such a quorum is not present within fifteen minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed herefor such meeting shall be adjourned.
15. The Chairman, if any, of the Board, shall preside as Chairman of the meeting but if the Chairman shall not be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to chair the meeting.
16. Any director shall, notwithstanding that he is not a member, be entitled to attend

and speak at any general meeting.

17. The Chairman may, with the consent of a 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 an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall not be necessary to give such notice.
18. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
 - (a) by the Chairman; or
 - (b) 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 the same as a demand by the member.
19. Unless a poll is duly demanded a declaration by the Chairman 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.
20. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
21. A poll shall be taken as the Chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
22. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.
23. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not

prevent the continuance of a meeting or the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

24. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

25. On a show of hands every member who (being an individual) is present in person or (being a corporation, partnership, trust or unincorporated association) is present by a duly authorised representative, not himself being a member entitled to vote, shall have one vote and on a poll every member present in person or by proxy shall have one vote. For the avoidance of doubt, the Council and each person nominated as a member by the Council in terms of Article 5(a) shall have one vote each.

No resolution for the winding-up of the Company or for the alteration of the Memorandum and the Articles of the Company shall be proposed or passed except with the prior written consent of a majority of the Public Members (which majority must include the Council).

26. No objections shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
27. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the following form (or a form as near thereto as the circumstances allow or in any other form which is usual or which the directors may approve):-

"THE CRICHTON TRUST

I/We, _____, of _____ being a
 member/members of the above-named Company, hereby appoint
 _____ of _____, or
 failing him,
 _____ of,
 as my/our proxy to vote in my/our name(s) and on my/our behalf at the
 annual/extraordinary general meeting of the Company to be held on
 19 __, and at any adjournment thereof.

Signed on _____ 19 __."

28. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

"THE CRICHTON TRUST

I/We, _____ of,
 being a member/member of the above-named Company, hereby appoint
 _____ of
 _____, or failing him, _____ of
 _____, as my/our proxy to vote in my/our name(s) and on my/our behalf at the
 annual/extraordinary general meeting of the Company, to be held on
 19 __, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-

Resolution No. 1 * for * against

Resolution No. 2 * for * against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on _____, 19 __."

29. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:-

(a) be deposited at the office or at such other place within the United Kingdom

as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting and shall be so deposited not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- 30. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation, partnership, trust or incorporated association shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
- 31. Any corporation, partnership, trust or unincorporated association which is a member of the Company may by resolution of its directors, partners, trustees or other governing body under the hand of one of its officers authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation, partnership, trust or unincorporated association which he represents as that corporation, partnership, trust or unincorporated association could exercise if it were an individual member of the Company and such corporation, partnership, trust or unincorporated association shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

- 32. (a) Unless otherwise directed by ordinary resolution, the number of directors (other than alternate directors) shall not be less than one and shall not exceed fifteen.
- (b) The Council shall be entitled by leaving notice in writing at the office, to appoint up to fifteen directors. A director appointed under this paragraph is

to be designated a Nominated Director.

- (c) The Council having appointed a Nominated Director as aforesaid, may from time to time revoke such nomination and nominate another director in his/her place. Upon receipt by the Board of any such revocation such person shall ipso facto cease to be a director or to act or be entitled to be recognised as a Nominated Director and any person nominated in his/her place shall become a Nominated Director in place of the director whose nomination has been so revoked.
- (d) All nominations and revocations mentioned in the preceding paragraphs of this Article shall be in writing signed by a duly authorised representative of the Member and shall include the particulars of the nominee and any supplementary information required by the Board together with notice executed by that person of his/her willingness to be appointed.

- 33. A Member may appoint any person willing to act, to be an alternate director for a Nominated Director appointed by that Member and may remove from office an alternate director so appointed by that Member.
- 34. An alternate director shall be entitled to receive notice of all meetings of directors, to attend and vote at any such meeting at which the Nominated Director in respect of whom he has been appointed as Alternate Director is not personally present, and generally to perform all the functions of that Nominated Director as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
- 35. An alternate director shall cease to be an alternate director if the Nominated Director in respect of whom he has been appointed as Alternate Director ceases to be a director.
- 36. Any appointment or removal of an alternate director shall be by notice to the Company signed by the Member making or revoking the appointment or in any other manner approved by the directors.
- 37. Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a director and ⁹ alone be responsible for his own acts and defaults.
- 38. The directors shall not be subject to retirement by rotation. The Members may revoke nominations of Nominated Directors from time to time in terms of Article 32(c) above. Notwithstanding the foregoing, any person who has served as a director for four consecutive years shall retire at the first Board Meeting held after the fifth anniversary of his appointment to the Board but shall be eligible for reappointment.

39. The Company may by ordinary resolution of which special notice has been given in accordance with Section 379 of the Act remove any director from office notwithstanding anything in these Articles or in any agreement between the Company and such director.

POWERS OF DIRECTORS

40. Subject to the provisions of the Act, the memorandum 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. No alteration of the Memorandum or articles and no such direction 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. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
41. The directors may, subject to the prior written consent of the Members, exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or any third party.
42. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
43. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any director or other person holding any executive office with the Company such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
44. All cheques, promissory notices, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time determine by resolution.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

45. Without prejudice to the provisions of Articles 32 (c), 38 and 39 the office of a director shall be vacated if:-
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to this property or affairs; or
 - (d) he resigns from his office by notice to the Company;
 - (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
 - (f) being a Nominated Director, the member who nominated him ceases to be a member of the Company.

DIRECTORS' EXPENSES

46. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

47. Subject to this provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any

services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim for damages for breach of the contract of service between the director and the Company.

48. Subject to the provisions of the Act, 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; or
 - (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 avoided on the ground of any such interest or benefit.
49. For the purposes of Article 47:-
- (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.
50. The Directors may provide benefits whether by payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or any body corporate which is a predecessor in business of the Company or for any member of his family or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

51. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of the person in respect of whom he has been appointed as alternate to a separate vote on behalf of such person in addition to his own vote.
52. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three. A person who holds office only as an alternate director shall, if the person in respect of whom he has been appointed as alternate is absent, be counted in the quorum.
53. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of calling a general meeting.
54. The directors may appoint one of their number who is willing to act to be Chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present but if there is no director holding that office, or if the director holding that office is unwilling to preside or is not present, the directors present may appoint one of their number to be Chairman of the meeting.
55. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were 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.
56. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors shall be as valid and effectual as if it had been passed at a meeting of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by the director in respect of whom he has been appointed an alternate and, if it is signed by a director in respect of whom an alternate director has been appointed, it need not be signed by the alternate director in that capacity.
57. A director, who has complied with the duty of disclosure contained in Article 47

and required by the Act, may vote at any meeting of the directors or of any committee of the directors on any resolution, notwithstanding that it in any way concerns, relates to or touches upon a matter in which he has, directly or indirectly, any kind of interest whatsoever (provided that no director shall participate in discussions on or vote on any matter concerning remuneration or any benefit received by him personally) and if he shall so vote his vote shall be counted. In relation to any resolution on which the director is entitled to vote as aforesaid, he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

58. If a question arises at a meeting 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 and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

59. Subject to the provisions of the Act, the secretary 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

60. The directors shall cause minutes to be made in books kept for the purpose of all proceedings at meetings of the Company and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE ACCOUNTS

61. 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 authorised by the directors or by ordinary resolution of the Company.

THE SEAL

62. The seal (if any) shall only be used by the authority of the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

NOTICE

63. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
64. The Company may give any 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. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

65. A member present, either in person or by proxy, 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.
66. Proof that an envelope containing a notice was properly addressed, pre-paid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

DISSOLUTION

67. Clause 8 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles.

INDEMNITY

68. 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 entitled to be indemnified out of the assets of the Company, and the Directors may at the expense of the Company and without the approval of any resolution of the Company purchase and maintain for any director, officer or auditor of the Company insurance, against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto including 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 and no director or other officer or auditor of the Company shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution or discharge of the duties of his office or in relation thereto.

NAME AND ADDRESS
OF SUBSCRIBER

For and on behalf of
Dumfries and Galloway
Regional Council
Regional Council Offices
English Street
Dumfries
DG1 2DD

Dated _____

Witness to the above signature:

Name:
Address:
Designation:

CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY

Company No. 164601

The Registrar of Companies for Scotland hereby certifies that

THE CRICHTON TRUST

Is this day incorporated under the Companies Act 1985 as a private company and that the company is limited.

Given at Companies House, Edinburgh, the 27th March 1996

Registrar Of Companies