

THE COMPANIES ACTS 1985 TO 2006

**ARTICLES of ASSOCIATION
of
TRANSFORM SCOTLAND LIMITED**

Incorporated 18 December 1997

(Adopted by special resolution dated 12 April 2010)

macROBERTS

THE COMPANIES ACTS 1985 TO 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION¹

of

TRANSFORM SCOTLAND LIMITED

- I The Company's name is "Transform Scotland Limited".²
- II The Company's Registered Office is to be situated in Scotland
- III A The Company's charitable objects for the public benefit are:
- (1) To further, within Scotland, and with respect to Scotland's external links, the advancement of environmental protection and improvement through:
 - (i) the promotion of Sustainable Development policies and practices for transport, land use and related matters, including to encourage increased reliance on:
 - (a) walking, cycling and public passenger transport; and
 - (b) rail and water-based goods movement;
 - (ii) the preservation, conservation and the protection of the environment and the prudent use of natural resources;
 - (iii) the promotion of sustainable means of achieving economic growth and regeneration
 - (2) To advance education of the public on subjects relating to transport, Sustainable Development in the transport sector and the impact of transport on the environment and society;
- B In furtherance of the charitable objects for which the Company is established, but not otherwise, the Company shall have the following powers:
- (1) to promote and organise co-operation in the achievement of the above charitable objects and to that end bring together and work alongside representatives of relevant bodies, authorities, organisations and individuals;
 - (2) to advance the education of the public on subjects relating to transport, Sustainable Development in the transport sector, and the impact of transport on the environment and society;
 - (3) to promote Sustainable Development policies and practices for land-use and

¹ Adopted by special resolution dated 12 April 2010

² The provisions in Articles I to VII inclusive were previously contained in the Company's Memorandum of Association but are now, as at the date of adoption of the Articles, deemed to be provisions of the Articles under section 28 of the Act.

related matters;

- (4) to promote study and research into the above provided that the useful results of such study are disseminated to the public at large;
- (5) to assist charitable and other bodies, associations, authorities or individuals working to promote aims compatible with those of the Company whether by means of advice, information, material assistance, the provision of grants or otherwise;
- (5) to solicit, obtain, collect and receive moneys and funds by way of contributions, donations, affiliation fees, subscriptions, testamentary bequests or legacies, grants, loans or otherwise by any lawful means, and to accept and receive gifts of property, whether heritable or moveable;
- (6) to procure and disseminate information;
- (7) to commission and to print, publish, issue and circulate, gratuitously or otherwise, any research, report, periodical, pamphlet, leaflet, book, disk, CD ROM, film, video, sound recording, or other medium or material;
- (8) to arrange and provide for, or to participate in the arranging and providing for, the holding of meetings, conferences, debates, exhibitions, lectures and seminars, and to become involved in other activities, for the promotion of environmentally Sustainable transport in Scotland, and to levy such admission or other charges if any which the Company may deem appropriate;
- (9) to purchase, excamb, lease, hire or otherwise acquire any heritable, leasehold or moveable property for occupation or use by the Company, (whether exclusively or in common with any company, association, authority, partnership or natural person); to construct, alter and maintain any offices or other accommodation which may be required in connection with such purposes; to sell or otherwise dispose of or turn to account any such property; to develop, furnish, equip, fit out, maintain, alter, enlarge, improve or renew any heritable or leasehold property owned, leased, occupied or used by the Company;
- (8) to invest and deal with the moneys of the Company not immediately required in or upon such investments, securities or property in such lawful manner as may from time to time be determined;
- (9) to borrow or raise money on such terms and subject to such security as may reasonably be thought fit; and to secure the repayment of any money borrowed, raised or owing whether by way of mortgage, charge, floating charge, standard security, pledge or lien over the whole or any part of the property and undertaking, present or future, of the Company, and by like mortgage, charge, floating charge, pledge or lien to secure and guarantee the performance of any obligation, commitment or liability which the Company may undertake;
- (10) to draw, make, accept, endorse, discount, execute and issue any cheques, promissory notes, bills or other instruments, and to operate bank accounts;
- (11) to make any charitable donation whether in cash or in kind, and to support, undertake or subscribe to any charitable object, and to establish, promote, join or support any charitable association or body;
- (12) to undertake and execute any charitable trusts, gratuitously or otherwise, whose undertaking may be incidental to the achievement of the charitable objects of the Company or any of them;
- (13) to employ such staff as considered necessary in the furtherance of the above objects and to make arrangements for pensions and other benefits for such staff

and any of their dependants;

- (14) to arrange and maintain policies of insurance against risk, loss or liability to which the members, directors, officers, or voluntary workers may be subject, relative to duties undertaken on the Company's behalf;
- (15) to engage and employ agents, consultants, solicitors, accountants and other advisers, on the usual professional terms;
- (16) to apply for, acquire, and make use of any copyright or other right in intellectual property;
- (17) to sell or otherwise dispose of the property, assets or undertaking of the Company or any part thereof, where such may reasonably be thought to be expedient to promote, secure or perpetuate the Company's charitable objects;
- (18) to merge or amalgamate with, take over or otherwise acquire or enter into any arrangement with any charitable organisation having charitable objects similar to, or compatible with, those of the Company, and which similarly prohibits the distribution of its income or property among its members;
- (19) to enter into any arrangement with any authority or organisation, or with any university, polytechnic, college, society, company, partnership or other person, whether natural or juristic;
- (20) to promote or concur in promoting any company for any purpose which may reasonably appear directly or indirectly to be likely to further the achievement of the Company's charitable objects;
- (21) to pay any legal or other costs incidental to the formation and incorporation of the Company;
- (22) to apply for or concur with others in applying for or promoting any Provisional Order, Act of Parliament, Licence of the Board of Trade or other authority for enabling the Company to carry out all or any of its charitable objects or for any other purpose which may seem expedient, to subscribe to the expense of opposing any Provisional Order, Bill or any proceedings in Parliament or elsewhere which may seem directly or indirectly to affect prejudicially the furtherance of the above objects;
- (23) to provide evidence for central or local government or other inquiries;
- (24) to establish subsidiary companies or other such entities, including in conjunction with other charitable organisations, to effectively carry out the charitable objects of the Company;
- (25) to do all other things permissible by law which may be incidental to the attainment of the charitable objects for which the Company is established.

C. BUT ALWAYS SUBJECT TO THE FOLLOWING PROVISOS, VIDELICET:

- (a) should the Company hold or take any property which may be the subject of any trust, then such property shall be dealt with or invested only in such manner as may be permitted by the Trusts (Scotland) Act 1921, and the Trustee Investments (Scotland) Act 1961 or otherwise as allowed under the law of Scotland;
- (b) the Company shall not support with its funds any object, or endeavour to impose on or to procure to be observed, whether by its members or others, any regulation, restriction or condition which if it were an object of the Company would make it a Trade Union or Employers' Association.

D. In this Memorandum, unless the context otherwise so requires:

- (1) "charitable object/s" and "object" shall mean objects falling within the charitable purposes set out in section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which are also regarded as charitable purposes in relation to the application of the Taxes Acts;
- (2) a "charity" or "charitable body" shall mean a body on the Scottish Charity Register which is also regarded as a charity in relation to the application of the Taxes Acts; and
- (3) "Sustainable Development" shall mean development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

IV The income and property of the Company shall be applied solely for the promotion of the objects of the Company as set out in this Memorandum of Association, and no portion thereof shall be paid, made over, or transferred, whether directly or indirectly, by way of any profit, dividend or bonus to the members. Nothing herein shall however prevent the Company, acting in good faith, from making any payments relative to the following:

- (a) the proper and reasonable remuneration of any member, officer, agent or employee of the Company (including for the avoidance of doubt the making of honoraria to any director, or of allowances to any volunteer), where such relates to services rendered to the Company;
- (b) reasonable and proper rent to any member in respect of heritable subjects let to the Company;
- (c) out-of-pocket expenses, where these relate to the business of the Company.

V The liability of the members is limited.

VI Every member of the Company undertakes that in the event of the Company being wound up within their period of membership, or within one year of ceasing membership, they will contribute, for payment of the debts and liabilities of the Company incurred while they were a member, and of the costs, charges and expenses of winding-up, and for the adjustments of the rights of the contributors amongst themselves, such sum as may be required, not exceeding one pound Sterling.

VII If, on the winding-up or dissolution of the Company there remains any surplus or property whatsoever, once all debts and liabilities have been met, the same shall be given or made over to some other charitable body or bodies having objects as near as possible to those of the Company. Such body or bodies shall require to be decided upon by the members prior to dissolution and, insofar as effect cannot be given to this provision, then any such surplus or property shall be applied to some other charitable object.

Interpretation

1. In these Articles the following terms shall have the following meanings:

2005 Act means the Charities and Trustee Investment (Scotland) Act 2005;

Companies Act means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

Company means Transform Scotland Limited, a private company incorporated in Scotland under the Companies Act 1985 and limited by guarantee (company number SC181648);

Directors means the directors of the Company from time to time (or any duly constituted

committee of them) and **Director** means any of them;

Memorandum means the provisions contained in articles I to VII inclusive that were contained in the Company's Memorandum of Association prior to 1 October 2009 and that are now, as at the date of adoption of these articles, deemed to be provisions of these Articles under section 28 of the Companies Act 2006;

Objects means the Company's objects as set out in article III A;

The singular includes the plural and vice versa and reference to any gender includes all genders.

Words and expressions defined in any relevant legislation shall, save where otherwise defined in these Articles, bear the same meanings herein.

Members

- 2.1 The members of the Company shall be organisations in Scotland and such other organisations as may from time to time be admitted by the Directors. Each organisation so admitted shall appoint an individual as its representative by delivering written notice to the Directors at the Company's registered office. Individuals may be included as members as and when a general meeting approves a category for individual membership.
- 2.2 Organisations, or persons applying for membership who have completed and submitted applications indicating agreement with the Objects, will be admitted at the discretion of the Directors.
- 2.3 Where an organisation appoints an individual as its representative, the organisation may at any time recall the appointment and appoint a new representative by delivering written notice to the Directors at the Company's registered office. Such appointments may also provide for an alternative appointee to represent the organisation when the primary appointee is not available. Each member organisation shall have one vote at general meetings.
- 2.4 The members of the Company shall be required to pay to the Company an annual subscription. Different rates of subscription may be fixed for different categories of membership. The rates of annual subscription shall be fixed at general meetings provided that, until so determined, rates of subscription shall be determined by the Directors. Subscription years and arrangements for renewals shall be as determined by the Directors.
- 2.5 A member of the Company shall cease to be a member forthwith upon:
 - (i) failure to renew annual subscription within one month of due date;
 - (ii) delivery of a written notice of resignation to the Directors at the Company's registered office; or
 - (iii) the winding-up or dissolution of a member organisation or death of an individual member.
- 2.6 The Directors shall be entitled to terminate membership of the Company of any member of the company:
 - (i) who being an individual has become of unsound mind;
 - (ii) who shall become bankrupt or insolvent; or
 - (iii) in respect of whose property and undertaking, or any part thereof, a receiver or judicial factor is appointed.
- 2.7 The Company may by resolution passed at a general meeting of the Company terminate membership of any member of the Company on the grounds that such member has brought the Company or the objects of the Company into disrepute or that, due to a change in circumstances since admission to membership, continued membership would be incompatible with the interests

of the Company provided that:

2.7.1 the member is notified in writing within 28 days of the passing of such resolution; and

2.7.2 before passing any resolution terminating a member's membership, the Directors shall give to the member concerned 28 days written notice setting out the factual basis on which the resolution will be considered. The member shall be entitled to address the Directors, either personally or through a representative, at the meeting at which the decision will be taken. Within 28 days of receipt of the notice terminating membership, the member may request in writing that the termination of their membership be reconsidered by the members at the next occurring general meeting, at which general meeting the member or a representative may be heard.

2.8 The register of members for the time being of the Company shall contain each member's name, address and date of admission, and such register shall, in so far as applicable, comply with the provisions of section 113 of the Companies Act.

General Meetings

3.1 The Directors may convene general meetings of the Company at such times and places as the Directors decide. The Directors must convene a general meeting of the Company if there is a valid requisition by the members under section 303 of the Companies Act or a requisition by a resigning auditor (if any) under section 518 of the Companies Act.

3.2 If the members request the Directors call a general meeting in accordance with section 303 of the Companies Act, the Directors must provide notice of the general meeting within 21 days of such request, and the meeting must be held within 28 days of the date of that notice.

3.3 The Company shall hold a general meeting each year as an Annual General Meeting ("**AGM**").

3.5 Members shall receive 42 clear days notice of the AGM and may submit to the Directors resolutions and nominations to appoint persons as Directors to be received 21 clear days in advance of the AGM. A finalised notice for the AGM shall be issued with at least 14 clear days of notice and shall include a voting form for the election of Directors. Subject to article 3.6, all other general meetings shall be called by not less than 14 clear days notice in writing.

3.6 Notices shall be in accordance with Article 13 and shall specify the place, date and time of the meeting and the resolutions being proposed (including the full text of any special resolution being proposed), together with a statement setting out the right of members to appoint a proxy to attend, speak and vote at the meeting in place of the member. If the meeting is an AGM, the notice must also include details of any Directors who are due to retire at the AGM in accordance with article 5.4. Meetings held with shorter notice shall be deemed to be duly called if so agreed by a majority of members having a right to attend and vote at the meeting and holding in aggregate at least 90% of the total voting rights in the Company.

3.7 The agenda for each AGM shall include only such resolutions as have been submitted by the Board or have the written support of at least two member organisations.

3.8 The accidental omission to give notice of any general meeting of the Company to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

Proceedings at general meetings

4.1 The Chair shall preside at every general meeting or, if the Chair is not present within 15 minutes of the scheduled start of the meeting, the Directors present will appoint one of their number to chair the meeting.

4.2 Members shall either vote in person at general meetings or by proxy.

4.3 The quorum for General Meetings shall be 10, subject to the proviso that a reconvened General Meeting shall be valid if not less than 6 members are present.

- 4.4 As set out in article 2.3 above, member organisations shall appoint one representative with power to vote at general meetings and may also appoint an alternative representative if the normal representative is unable to attend.

Directors

- 5.1 Nominations to appoint persons as Directors, together with a seconder and the consent in writing of the person nominated, must be received not less than 21 clear days before Annual General Meetings in accordance with Article 3.5.
- 5.2 Unless otherwise determined by resolution approved at a general meeting, the number of Directors shall not be greater than 15 or less than 6. Directors must be duly elected from the list of written nominations received with voting papers returned not later than the commencement of the AGM. If nominations received are less than the number of available vacancies, the AGM may accept additional nominations and those present may vote on these nominations.
- 5.3 Where a Director is the representative of a member organisation, that member may at any time, by delivering notice in writing to the Directors at the Company's registered office, replace that Director with a substitute Director - either for a particular meeting or until such time as the Director in question would have been due to retire.
- 5.4 At each AGM, Directors who, as at the date of that AGM, have been in office for three years or more shall retire but may be eligible for re-election at that meeting.
- 5.5 Members shall be informed which Directors are due to retire pursuant to Article 5.4 42 days prior to the AGM in question in accordance with Article 3.6.

Board Meetings

- 6.1 The Board shall meet on not less than 4 occasions per year.
- 6.2 Directors (including substitutes appointed by member organisations) who, without reasonable cause, fail to attend at least two Board meetings per year will be deemed to have resigned.
- 6.3 A minimum of 7 clear days notice of meetings of the Board and of the relevant agenda shall be provided. Extra items shall be added to the agenda only with the consent of all Directors present.
- 6.4 The quorum for Board meetings shall be one-half of the number of Directors.
- 6.5 A Director may participate in a Board meeting through the medium of conference telephone, teleconference, videoconference or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and is entitled to vote. Subject to the Companies Act any business transacted in this way at a meeting by the Directors for the purposes of these articles is deemed to be validly and effectively transacted at a meeting of the Directors and notwithstanding that fewer Directors than the number required to constitute a quorum may be physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chair of the meeting is.
- 6.6 The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Companies Act or the Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 6.7 The Directors may exercise all the powers of the Company to borrow money and to mortgage or

charge its undertaking and property, or any part thereof, as security for any debt, liability or obligation of the Company.

- 6.8 The Directors shall cause minutes to be made of:
- (i) all appointments of officers made by the Directors or the Company in general meeting;
 - (ii) the names of the Directors present at each meeting of the Directors and of the names of the members of any Committee of the Directors present at each meeting of the committee;
 - (iii) all resolutions and proceedings at all meetings of the Company and of the Directors and of any committee of the Directors.
- 6.9 The Directors shall appoint a Director as Chair and one as Vice-Chair. If neither are present within 15 minutes of the scheduled start of a quorate Board meeting, the Directors present in person or participating in the meeting in accordance with article 6.5 may appoint from their number a Chair for the meeting.
- 6.10 The Directors may appoint a Company Secretary who shall attend Board meetings but will have no voting powers unless also elected as a Director.
- 6.11 The Directors may appoint such other officers as they consider appropriate and may delegate such powers to officers, including any appointed Company Secretary, as the Directors deem desirable.
- 6.12 In the event of a tied vote at Board meetings, the Chair shall have a second or casting vote.
- 6.13 The Directors may invite or allow any person as they may consider appropriate to attend and speak, but not vote, at any meeting or meetings of Directors.
- 6.14 A Director who has a personal interest in any transaction or other arrangement which the Company is proposing to enter into, must declare that interest at a meeting of the Directors and shall not vote on the question of whether or not the Company should enter into that arrangement. A Director shall be deemed to have a personal interest in an arrangement if any of the following has a personal interest in that arrangement, namely:
- i) any partner or other close relative of the Director; or
 - ii) any firm of which the Director is a partner; or
 - iii) any limited company of which the Director is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her for the purposes of the Companies Act).
- 6.15 Where a Director provides services to the Company or might benefit from any remuneration paid to a connected party for such services, then:
- i) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
 - ii) the Directors must be satisfied that it would be in the interests of the Company to enter into the arrangement (taking account of that maximum amount); and
 - iii) less than half of the Directors must be receiving remuneration from the Company (or benefit from remuneration of that nature).
- 6.16 A Director will not be debarred from entering into an arrangement with the Company in which the Director has a personal interest and may retain any personal benefit which the Director gains from their participation in that arrangement provided that the Director has complied with the provisions of these Articles, the Companies Act and the 2005 Act.

- 6.17 No Director may receive any remuneration from the Company in respect of the Director's service as such. The Company may, however, reimburse Directors the travelling and other out of pocket expenses reasonably incurred by them in the course of carrying out their duties.
- 6.18 The office of a Director shall be vacated if he or she:
- (i) resigns office by delivering notice in writing to the Directors at the Company's registered office;
 - (ii) ceases to have the support of his or her member organisation and his or her appointment is recalled in accordance with article 2.3;
 - (iii) is removed from office by resolution passed by the Company pursuant to Section 168 of the Companies Act;
 - (iv) becomes of unsound mind;
 - (v) becomes bankrupt or insolvent or makes any arrangement of composition with creditors;
 - (vi) is prohibited by law from being a Director or ceases to hold office by virtue of any provisions of the Companies Act or the 2005 Act;
 - (vii) accepts remuneration in contravention of the Memorandum, the Articles, the 2005 Act or the Companies Act.
- 6.19 All acts done by Directors or by any committee of the Directors or by any person acting as a Director or as a member of any such committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or any person acting as aforesaid or that any Director or member of the relevant Committee of the Directors was disqualified, be as valid as if every Director or every such person had been duly appointed.

Honorary Officebearers

- 7 The Directors may recommend such honorary officebearers as they consider appropriate to AGMs.

Committees

- 8 The Directors may delegate any of their powers to a committee or committees comprising such Directors and other persons as the Directors shall determine. Any committee so formed shall in the exercise of powers delegated to it conform to any regulations that may be imposed upon it by the Directors and shall report and be responsible to the Directors.

Secretary

- 9 A Company Secretary may be appointed by the Board for such term and (subject to these Articles) at such remuneration and upon such conditions as the Directors may think fit; and the Company Secretary may be removed by the Directors.

Bank accounts

- 10 Any bank account in which any part of the assets of the Company is deposited shall be operated by the Directors and shall indicate the name of the Company. All cheques and orders for the payment of money from such an account shall be signed by two signatories authorised for this purpose by the Directors in accordance with the financial regulations of the Company and the terms of any mandates with the Company's bankers.

Seal

- 11 The Company shall not have a Seal.

Accounts

- 12.1 The Directors shall cause accounting records to be kept by the Company in accordance with all applicable statutory requirements.
- 12.2 The accounting records shall be kept at the registered office or at such other place or places as the Directors may think fit in accordance with section 388 of the Companies Act. The accounting records must at all times be open to inspection by any Director or other officer of the Company.
- 12.3 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to inspection of the members of the Company and no member of the Company shall have the right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Company in general meeting.
- 12.4 The Directors shall from time to time in accordance with the Companies Act cause to be prepared and to be laid before the Company in general meeting an income and expenditure account, a balance sheet and a report of the Directors.
- 12.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and a copy of the Report of the Directors, shall, not less than 14 clear days before the date of the meeting, be sent to all persons entitled to receive notice of general meetings of the company, provided that this regulation shall not require a copy of those documents to be sent to any person or organisation of whose address the Company is not aware.

Notices

- 13.1 A notice may be served by the Company upon any member personally, by electronic means or by pre-paid postal letters, all being properly addressed as per the addresses listed in the register of members.
- 13.2 Where a notice is sent by post, service of the notice shall be deemed to be effected at the expiration of 48 hours after posting.
- 13.3 Notice of every general meeting of the Company shall be given in any manner authorised in 13.1 to every member of the Company, every Director and either the auditors or independent financial examiners for the time being. No other person shall be entitled to receive notice of any general meeting of the Company.

Indemnity

- 14.1 Every Director shall be indemnified to the extent permitted by sections 232 to 235 inclusive of the Companies Act out of the assets of the Company against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Companies 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.
- 14.2 To the extent permitted by the 2005 Act and the Companies Act, the Company shall be entitled to purchase and maintain for any Director insurance against any loss or liability which any Director 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 Companies Act (negligence etc. of a Director).