

THE COMPANIES ACTS 1985 to 1989
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION

of

STF LIMITED

1. The name of the Company (hereinafter referred to as "the Company") is STF LIMITED.
2. The Company's registered office is to be situated in Scotland.
3. (i) (a) To create a greater understanding within society of the role of work based vocational training as a method of developing and formally recognising work-based skills.
(b) To foster an understanding of work based training as a realistic, high quality, route to recognised vocational qualifications.
(c) To help maintain a diverse variety of work based training opportunities for people living in Scotland, both employed and unemployed, and at all ages.
(d) To represent work based training providers in the development and implementation of government policy in respect of work based training activity
(e) To form strategic partnerships with key organisations whose work relates to the delivery of vocational training and assessment
(f) To work with stakeholder groups to ensure that the deliverability of vocational training and assessment is fit for purpose and relevant to candidates and employers
(g) To promote equality of opportunity and diversity throughout the STF membership, its stakeholders, candidates and employers

In furtherance of the above objects but not otherwise the Company shall have power:-

- (ii) (a) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

- (b) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- (c) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property rights of the Company.
- (d) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (e) To lend and advance money or give credit with or without security to any person, firm or Company, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan.
- (f) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, Standard Security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), and also by a similar mortgage, charge, Standard Security, lien or Security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (g) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (h) To apply for, promote, and obtain any Private Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (i) To enter into any arrangements' with any Government or 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 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.
- (j) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other Company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations, or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (k) To control, manage, finance, any Company or Companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such Company or Companies and to make payments and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such Company or Companies.
- (l) To promote any other Company for the purpose of acquiring the whole or any part of the property or undertaking or any of the liabilities of the Company, or of undertaking any operations which may appear likely to assist or benefit the Company or to enhance the value of any property of the Company, and to subscribe for, or otherwise acquire all or any part of the shares or securities of any such Company as aforesaid.
- (m) To sell or otherwise dispose of the whole or any part of the property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any Company purchasing the same.
- (n) To act as agents or brokers and as trustees for any person, firm or Company.
- (o) To employ and remunerate any person, firm or Company rendering services to the Company.
- (p) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or Company to pay the same.
- (q) To conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Company and to solicit and accept subscriptions and donations of any kind and bequests for any of the purposes of the Company.
- (r) To grant or make provision for pensions, life assurance, health and retirement benefit to or for employees or former employees and to the widows, widowers, children and other dependants of deceased

employees and to pay or subscribe to funds or schemes for the provisions of such pensions and other benefits for such persons.

- (s) To establish and support or aid in the establishment and support of any Charitable Trust, Association or Institution and to donate, subscribe or guarantee money for charitable purposes in any way connected with or calculated to further any of the objects of the Company.
- (t) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (u) To do all such other things as may be incidental or conducive to the attainment of the Company's objects or any of them.

PROVIDED that the objects of the Company shall not extend to the regulation of relations between workers and employees or organisations of workers and organisations of employees.

4. The liability of the Members is limited.
5. Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a Member or within one year after he ceases to be a Member for payment of the Company's debts and liabilities contracted before he ceases to be a Member and of the cost, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

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

Names, Addresses and Description
of Subscribers

STEPHEN MABBOTT LTD
14 MITCHELL LANE
GLASGOW
G1 3NU

BRIAN REID LTD
5 LOGIE MILL
BEAVERBANK OFFICE PARK
LOGIE GREEN ROAD
EDINBURGH
EH7 4HH

DATED the 12th JANUARY 2004

Witness to the above Signatures:-

LOUISE GORDON
5 LOGIE MILL
BEAVERBANK OFFICE PARK
LOGIE GREEN ROAD
EDINBURGH
EH7 4HH

Company Registration Agent

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

STF LIMITED

PRELIMINARY

1. (a) The regulations contained in Table A in the Schedule to the Companies Tables A to F Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the Regulations of the Company.
- (b) In these Articles the expression "the Act" means the Companies Act 1985 but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- (c) Regulations 2 to 35 inclusive, 54, 55, 57, 59, 82, 102 to 108 inclusive, 110, 114, 116 and 117 of Table A shall not apply to the Company.
- (d) The words "or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary" shall be omitted from regulation 87 of Table A.
- (e) In regulation 1 of Table A the definition of "the holder" shall be omitted.

MEMBERS

2. The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the Articles shall be Members of the Company. No person shall be admitted a Member of the Company unless he is approved by the Directors. Subject to the foregoing provisions, any learning provider operating in Scotland and any related organisation approved by the Directors shall be eligible to be Members of the Company. Every person who wishes to become a Member shall deliver to the Company an application for membership in such form as the Directors require executed by him.
- 3.1 A Member shall cease to be a Member of the Company if he resigns by giving notice in writing to the Company of his intention to do so or if the Directors shall be of the opinion that it is not in the interests of the Company that any Member shall continue to be a Member or such Member (a) fails to pay the annual membership fee set by the Directors or (b) is in serious breach of the terms and provisions of the Articles of Association or of any rules or bylaws made pursuant to Article 24 or (c) the Member's conduct or actings bring the Company into disrepute (provided always that such

Member shall have been given reasonable notice and a reasonable opportunity to make representations).

- 3.2 A Member who has resigned or been removed as a Member (or his legal representative in each case of a Member whose membership has terminated by death) shall not be entitled to participate in any further business of the Company but shall remain liable for the payment of any contribution to the general funds of the Company agreed but not paid at the date of resignation or death. The Member or his legal personal representative, shall remain a Member of the Company until the day after the next following annual general meeting or any adjournment thereof when his name shall be removed from the register of members of the Company.
4. An annual membership fee shall be paid by each Member, such a fee to be fixed by the Directors, based upon a financial budget and business plan for the forthcoming year. The funds raised from the membership fee shall be used to further the objects of the Company and to meet the costs of promoting the objects of the Company.

NOTICE OF GENERAL MEETING

5. In Regulation 38 of Table A:-
- (a) In paragraph (b) the words "of the total voting rights at the meeting of all the Members" shall be substituted for "in nominal value of the shares giving that right" and
- (b) The words "The notice shall be given to all the Members and to the Directors and Auditors" shall be substituted for the last sentence.
- (c) The following shall be added after the words "shall specify the meeting as such":
"Provided that the notice shall contain particulars of any Directors who are to retire by rotation or otherwise at the meeting and of any persons who are to be proposed for appointment or re-appointment as Directors at the meeting".

PROCEEDINGS AT GENERAL MEETINGS

6. (a) An Annual General Meeting will be held for the purpose of the election of Directors and the presentation of accounts. Any other general meeting shall be an Extraordinary General Meeting of the Company and will be held as required by decision of the Directors. Regulation 36 of Table A shall be amended accordingly. At a General Meeting of the Company, one third of the Members present in person [or by proxy] shall be a quorum and Regulation 40 of Table A shall be amended accordingly.

- (b) Requisition of an Extraordinary General Meeting may be made by a Member provided that the requisition must be in writing and must be lodged with the Secretary [21] clear days before the proposed date of the meeting. Such requisition must be signed by at least ten other Members. Four Directors may requisition an Extraordinary General Meeting at any time by giving 21 clear days' notice in writing to the Secretary. Regulation 37 of Table A shall be amended accordingly. **[21 clear days is arguably too short a period of time]**
7. (a) If a quorum is not present within half an hour from the time appointed for a meeting, or if during a meeting such a quorum ceases to be present, the meeting if convened on the requisition of Members shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine.
- (b) Regulation 41 of Table A shall not apply to the Company.
- (c) Any Member of the Company which is a corporate body may by resolution of its Directors or any other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of that Member which he represents as that body corporate could exercise as if it were an individual Member of the Company. For the avoidance of doubt, only one duly authorised representative may represent a Member at any general meeting of the Members of the Company.
8. The words "and at any separate meeting of the holders of any class of shares in the Company" shall be omitted from Regulation 44 of Table A.
9. In Regulation 45 of Table A the second and third sentences shall be omitted and the following words substituted therefor:-
- "When a meeting is adjourned for twenty-one days or more at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting. The provisions of Regulation 38 of Table A (as amended by these Articles) with respect to the notice to be given of the business to be conducted at a meeting shall apply to such notice of an adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting".
10. Paragraph (d) of Regulation 46 of Table A shall be omitted.

VOTES OF MEMBERS

11. (a) On a show of hands every Member present in person shall have one vote. On a poll every Member present in person or by proxy shall have one vote.
- (b) Regulation 62 (a) of Table A shall be amended by deleting the words "not less than 48 hours before the time for holding the Meeting" and substituting the words "not less than 7 days before the time for holding the Meeting" therefor.

APPOINTMENT OF DIRECTORS

12. (a) Subject to and in default of any such determination, there shall be a maximum

number of thirteen Directors [and the minimum number of Directors shall be two]. The Directors shall be elected annually at the Annual General Meeting of the Company for a 3 year period and shall be subject to retiral by rotation in terms of Regulation 74 of Table A provided that the Chief Executive of the Association of Learning Providers shall be an ex officio Director [but shall not have a vote at a Directors' Meeting and shall resign as a Director on ceasing to be Chief Executive of the Association of Learning Providers].

Further declaring that not more than one Director per Member (or member organisation) shall be elected as a Director at any time.

- (b) The Directors shall elect annually four of their number to act as Chairperson, Vice Chairperson, Treasurer and Secretary of the Company.

The Chairperson shall chair all meetings of the Directors and all general meetings, shall be ex officio at all sub and ad hoc committees and represent the Company at international and international level.

Regulation 91 of Table A shall not apply to the Company.

The Vice Chairperson shall assist and deputise for the Chairperson [and should be deemed Chairperson designate].

The Secretary shall call and arrange meetings, prepare agendas, keep accurate Minutes of Meetings, delegate duties where appropriate and be the official point of communication for the Company.

The Treasurer shall handle all financial transactions and keep proper books of account, report regularly to the Executive Committee on the financial status of the Company and prepare annual accounts for the Directors and for the membership for approval. The Treasurer shall prepare and submit a financial report annually at the Annual General Meeting of the Company.

- (c) A Director shall resign from office in the event of him or her ceasing to be a Member or ceasing to represent a Member of the Company.
- (d) Nominations for the office of Director shall be in writing, shall be lodged with the Secretary 21 clear days before the Annual General Meeting and shall be signed by Members as proposer and seconder together with the written permission of the individual so nominated indicating his or her willingness to be so nominated (provided that nominations for any person who is the existing Chairperson, Vice Chairperson, Treasurer or Secretary do not require further nominations). The Chairperson, Vice Chairperson, Treasurer and Secretary shall retire annually at the first meeting of the Directors after the Annual General Meeting but shall be eligible to be re-elected. Nominations for the positions of Chairperson, Vice Chairperson, Treasurer and Secretary shall be made in writing to the Secretary no later than close of business 7 clear days before the Directors' meeting at which election or re-election shall take place.

13. Regulations 65 to 69 inclusive of Table A (alternate Directors) shall not apply to the Company. The Regulations of Table A which apply to the Company shall be construed as if reference to alternate Directors were omitted therefrom.

14. Regulation 73 of Table A shall be amended by the addition thereto of the following:-

"Provided however that in event of default in holding the first or any subsequent annual general meeting the Directors who were due to retire from office at such meeting shall continue in office until such meeting is duly held, when the provisions of these Articles with respect to retiral shall take effect as if such meeting had taken place timeously".

15. (a) The Words "stating the particulars which would, if he were so appointed or re appointed, be required to be included in the Company's Register of Directors" shall be omitted from Regulation 76 of Table A.
- (b) The second sentence of Regulation 77 of Table A shall be omitted.

DISQUALIFICATION OF DIRECTORS

16. Without prejudice to Regulation 81 of Table A the office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs.

DIRECTORS EXPENSES

17. The words "of any class of shares or" shall be omitted from Regulation 83 of Table A.

PROCEEDINGS OF DIRECTORS

18. (a) In paragraph (c) of Regulation 94 of Table A the word "debentures" shall be substituted for the words "shares, debentures or other securities" in both places where they occur.
- (b) The quorum for the transaction of the business of the Directors shall be four and Regulation 89 of Table A shall be amended.

MINUTES

19. The words "of the holders of any class of shares in the Company" shall be omitted from Regulation 100 of Table A.

NOTICES

20. The second sentence of Regulation 112 of Table A shall be omitted.
21. The words "or of the holders of any class of shares in the Company" shall be omitted from Regulation 113 of Table A.

THE SEAL

22. (a) The Company may have a seal if it so wishes. Insofar as the Company has a seal it shall only be used with the consent of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is to be affixed and unless otherwise so determined it shall be signed by a Director and also by the Company Secretary or by a second Director. The Obligation under Clause 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal.
- (b) Clause 101 of Table A shall not apply to the Company.
- (c) The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

INDEMNITY

23. (a) Every Director or other Officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution 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 under Section 144 of Section 727 of the Act 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 shall be liable for any loss, damage or misfortune which may happen. to or be incurred by the Company in the Execution of the duties of his office or in relation thereto; but this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- (b) Regulation 118 of Table A shall not apply to the Company.
24. (a) The Directors may from time to time make such rules or bylaws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership and in particular but without prejudice to the generality of the foregoing they may by such rules or bylaws regulate:-
- (i) The admission and classification of Members of the Company and the rights and privileges of such Members and the conditions of membership and the terms on which Members may resign or have their membership terminated and the entrance fees, subscription and other fees or payments to be made by Members.
- (ii) The conduct of Members of the Company in relation to one another and to the employees of the Company.
- (iii) The setting aside of the whole or any part or parts of the premises of the Company at any particular time or times or for any particular purpose or purposes.

- (iv) The procedure at General Meetings and Meetings of the Directors and Committees of the Directors in so far as such procedure is not regulated by these presents.
 - (v) And generally all such matters as are commonly the subject matter of rules or bylaws of a Company formed for the purposes of the Company.
- (b) The Company in General Meeting shall have the power to alter the Memorandum and Articles of Association or to alter or repeal the rules or bylaws and to make additions thereto provided that any such alterations shall require to be approved by at least two thirds of the Members [present in person or by proxy] at an Annual General Meeting or Extraordinary General Meeting of the Company. Any proposal to make changes to the Memorandum and Articles of Association or the rules or bylaws shall be made in writing and signed by Members as proposer and seconder. The Secretary shall circulate a copy of the notice proposing changes to all Members of the Company at least 21 clear days prior to an Annual General Meeting or Extraordinary General Meeting at which the proposed amendments are voted upon.
 - (c) The Directors shall adopt such means as they deem sufficient to bring to the notice of Members of the Company all such rules or bylaws which so long as they shall be in force shall be binding on all Members of the Company; provided nevertheless that no rule or bylaw shall be inconsistent with or shall affect or repeal anything contained in the Memorandum and Articles of Association of the Company.

COMPANY NOT FORMED FOR PROFIT

- 25. (a) The profits or other income of the Company shall be applied in promoting its objects.
- (b) No distribution shall be made by way of dividend to the Members of the Company.
- (c) 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 be paid to or distributed among the Members of the Company but shall be given or transferred to some Charitable Institution having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of Articles 23(a) and (b) respectively hereof, such Institution or Institutions to be determined by the Members of the Company at or before the time of dissolution and insofar, as effect cannot be given to such provision then to some other charitable objects.

Nothing herein shall prevent any payment in good faith by the Company:-

- (i) Of reasonable and proper remuneration to any Member, officer or employee of the Company (including the Secretary) for any services rendered to the Company.
- (ii) Of reasonable and proper consideration for the purchase by the Company of any property, asset or interest herein from any Member, Director, or employee of the Company.
- (iii) Of interest on money lent by any Member, Director, or employee of the Company at a reasonable and proper rate per annum.
- (iv) Of reasonable and proper rent or other periodic payment for property let or occupied by the Company to any Member, Director or employee of the Company, or
- (v) To any Director of reasonable out-of-pocket expenses.

DISSOLUTION

26. Any proposal to dissolve the Company must be made in writing signed by Members as proposer and seconder and delivered to the Secretary who shall then circulate a copy of such notice to all of the Members of the Company not less than 42 clear days before the date of the Annual General Meeting or Extraordinary General Meeting at which the proposal to dissolve the Company is to be voted upon. A resolution to dissolve the Company shall require approval by [three quarters] of the Members [present in person or by proxy].

Names, Addresses and Description of Subscribers

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14 MITCHELL LANE
GLASGOW
G1 3NU

BRIAN REID LTD
5 LOGIE MILL
BEAVERBANK OFFICE PARK
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EDINBURGH
EH7 4HH

DATED the 12th JANUARY 2004

Witness to the above Signatures:-

LOUISE GORDON
5 LOGIE MILL
BEAVERBANK OFFICE PARK
LOGIE GREEN ROAD
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EH7 4HH

Company Registration Agent