

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**  
**ARTICLES of ASSOCIATION**  
**of**  
**LOCAVORE COMMUNITY INTEREST COMPANY**

**THE COMPANIES ACT 2006**  
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**CAPITAL**

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**Community interest company**

1 The company shall be a community interest company.

**Constitution of company**

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

## Defined terms

3 In these articles:-

“**2004 Act**” means the Companies (Audit, Investigations and Community Enterprise) Act 2004;

“**Act**” means the Companies Act 2006;

“**Asset Locked Body**” means (a) a community interest company, Charity, Scottish Charity or a Permitted Industrial and Provident Society; or (b) a body established outside Great Britain that is equivalent to any of those bodies;

“**CIC Regulations**” means the Community Interest Company Regulations 2005 as amended;

“**CIC Regulator**” means the regulator of community interest companies;

“**Charity**” (except in the phrase “Scottish Charity”) has the meaning given by section 1 of the Charities Act 2006;

“**community**” is to be construed in accordance with section 35(5) of the 2004 Act;

“**conflict of interest**” includes a conflict of interest and duty, and a conflict of duties;

“**Conflict Situation**” means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);

“**electronic form**” has the meaning given in section 1168 of the Act;

“**Permitted Industrial and Provident Society**” means an industrial and provident society which has a restriction on the use of its assets in accordance with regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006 or regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006;

“**property**” means any property, heritable or moveable, real or personal, wherever situated;

“**Scottish Charity**” has the meaning assigned to that expression in section 13 of the Charities and Trustee Investment (Scotland) Act 2005;

“**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;

“**subsidiary**” has the meaning given in section 1159 of the Act; and

“**transfer**” includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or a right over, any property (or, in England and Wales, any estate or interest in, or right over any property).

- 4 Any reference in these articles to a statutory provision (including, for the avoidance of doubt, a provision contained within a statutory instrument) shall be deemed to include any modification or re-enactment of that provision in force from time to time.
- 5 Unless the context requires otherwise, words or expressions defined in the 2004 Act, the Act or the CIC Regulations have the same meaning in these articles.

## **Objects**

- 6 The company’s objects are to carry on activities which benefit the community in Scotland and in particular (without limitation) to contribute to the creation of sustainable local food economies through: -
  - 6.1 creating distribution networks for sustainable local food, which may include but shall not be limited to, establishing and managing cafés, catering services and retail outlets;
  - 6.2 establishing and managing market gardens to supply sustainable local food;
  - 6.3 marketing and promoting consumption and production of sustainable local food;
  - 6.4 raising awareness the production and preparation of sustainable local food in Scotland and issues relating to health and the environment; and
  - 6.5 promoting and working towards sustainability.
- 7 The company’s objects are restricted to those set out in article 6 (but subject to article 8).
- 8 The company may (subject to obtaining the consent of the CIC Regulator) add to, remove or alter the statement of the company’s objects in article 6; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

## **Powers**

- 9 In pursuance of the objects listed in article 6 (but not otherwise), the company shall have the following powers:-
- 9.1 To promote, operate, co-ordinate, monitor, and/or support other projects and programmes which further the objects of the company.
  - 9.2 To provide information, advisory, support and/or consultancy services which further the objects of the company.
  - 9.3 To liaise with local authorities, central government authorities and agencies, charities/community benefit bodies and others, all with a view to furthering the objects of the company.
  - 9.4 To carry on any other activities which further any of the above objects.
  - 9.5 To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multimedia products and display materials, and to create and maintain a website or websites.
  - 9.6 To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company.
  - 9.7 To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities.
  - 9.8 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
  - 9.9 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
  - 9.10 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
  - 9.11 To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
  - 9.12 To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.

- 9.13 To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- 9.14 To engage such consultants and advisers as are considered appropriate from time to time.
- 9.15 To effect insurance of all kinds (which may include officers' liability insurance).
- 9.16 To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- 9.17 To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects.
- 9.18 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 9.19 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- 9.20 To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- 9.21 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity.
- 9.22 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

**Restrictions on use of the company's assets**

- 10 The company shall not transfer any of its assets other than for full consideration.
- 11 Provided the conditions specified in article 12 are satisfied, the preceding article shall not apply to:
  - 11.1 the transfer of assets to any Asset Locked Body specified in the articles of association of the company for the purposes of this article or (with the consent of the CIC Regulator) to any other Asset Locked Body; and
  - 11.2 the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an Asset Locked Body.

- 12 The conditions referred to in article 11 are that the transfer of assets must comply with any restriction on the transfer of assets for less than full consideration which may be set out elsewhere in the articles of association of the company.
- 13 Without prejudice to the provisions of articles 10 to 12:
- 13.1 the income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 6);
- 13.2 no part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise, except reasonable remuneration (and reasonable pension and/or other benefits) paid or provided to a member in his/her capacity as a director (to the extent permitted under articles 69 to 71).

### **Liability of members**

- 14 Each member undertakes that if the company is wound up while he/she is a member (or within one year after he/she ceases to be a member), he/she will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- 14.1 payment of the company's debts and liabilities contracted before he/she ceases to be a member;
- 14.2 payment of the costs, charges and expenses of winding up; and
- 14.3 adjustment of the rights of the contributories among themselves.

### **General structure**

- 15 The structure of the company consists of:-
- 15.1 the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Act; in particular, the members appoint people to serve as directors and take decisions in relation to changes to the articles themselves
- 15.2 the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

### **Membership**

- 16 The subscribers to the memorandum of association are the first members of the company.

- 17 Such other persons as are admitted to membership in accordance with the articles of the association of the company shall be members of the company.

### **Qualifications for membership**

- 18 Membership shall be open to any individual who is nominated for membership by a majority of the existing members.

### **Application for membership**

- 19 A person shall not be admitted as a member of the company unless he/she is approved by the directors.
- 20 Each person who wishes to become a member shall deliver to the company an application for membership in such form (and containing such information) as the directors require, signed by him/her and also signed by the members nominating him/her for membership.
- 21 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application required under article 20; a person shall not be admitted to membership unless the directors so resolve, by way of a resolution passed by all of the directors then in office.
- 22 The directors shall, within a period of seven days after the meeting at which an application for membership is considered, notify the applicant in writing of the directors' decision as to whether or not to admit him/her to membership.

### **Membership subscription**

- 23 No membership subscription shall be payable, whether at the time of admission or on any periodic basis.

### **Register of members**

- 24 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member.

### **Withdrawal from membership**

- 25 Any person who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, he/she shall cease to be a member.

### **Expulsion from membership**

- 26 Any person may be expelled from membership by special resolution (see article 38), providing the following procedures have been observed:-



- 26.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion; and
- 26.2 the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

### **Termination/transfer**

- 27 Membership is not transferable to anyone else.
- 28 Membership is terminated if:
  - 28.1 the member dies or ceases to exist;
  - 28.2 otherwise in accordance with the Articles; or
  - 28.3 a member ceases to be a Director.

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

- 29 The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
- 30 Not more than 15 months shall elapse between one annual general meeting and the next.
- 31 The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).
- 32 Subject to articles 29, 30 and 31, the directors may convene a general meeting at any time.

### **Notice of general meetings**

- 33 At least 14 clear days' notice must be given of general meetings.
- 34 The reference to "clear days" in article 33 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.
- 35 A notice calling a meeting shall specify the date, time and place of the meeting; it shall
  - 35.1 indicate the general nature of the business to be dealt with at the meeting; and

- 35.2 if a special resolution (see article 38) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.
- 36 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 37 Notice of every general meeting shall be given:-
- 37.1 in hard copy form
- 37.2 in writing or, (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
- 37.3 (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

### **Special resolutions and ordinary resolutions**

- 38 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 33 to 37; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 39 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,
- 39.1 to alter its name
- 39.2 to alter any provision of these articles or adopt new articles of association.
- 40 For the purposes of these articles, an “ordinary resolution” means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 33 to 37.

### **Procedure at general meetings**

- 41 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 3 individuals entitled to vote (each being a member or a proxy for a member).
- 42 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to

be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.

43 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.

44 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.

45 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.

46 Any member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):

46.1 shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or

46.2 shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require);

providing (in either case), the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).

47 An instrument of proxy which does not conform with the provisions of article 46, or which is not lodged or sent in accordance with such provisions, shall be invalid.

48 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

49 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and need not be a member of the company.

50 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the company at the company's registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

- 51 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall not be entitled to a casting vote.
- 52 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members or proxies for members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
- 53 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.
- 54 A person who is not a member of the company shall not have any right to vote at a general meeting of the company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the company's debentures.

#### **Maximum/minimum number of directors**

- 55 The maximum number of directors shall be 7.
- 56 The minimum number of directors shall be 3.

#### **Appointment of directors**

- 57 Each individual admitted to membership shall automatically become a director with effect from the time at which he/she becomes a member of the company.
- 58 An individual who ceases (for whatever reason) to be a member of the company shall automatically cease to be a director with effect from the time at which he/she ceases to be a member of the company.

#### **Termination of office**

- 59 A director shall automatically vacate office if:-
- 59.1 he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;
  - 59.2 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
  - 59.3 he/she ceases to be a member of the company;
  - 59.4 he/she resigns office by notice to the company;

- 59.5 he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office; or
- 59.6 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

### **Register of directors**

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

### **Office bearers**

- 61 The directors shall elect from among themselves a Chair and such other office bearers (if any) as they consider appropriate.
- 62 All of the office bearers, with the exception of the Chair, shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 63 A person elected or appointed to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

### **Powers of directors**

- 64 Subject to the provisions of the Act and these articles, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.
- 65 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Personal interests**

- 66 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; he/she will be debarred (in terms of article 83) from voting on the question of whether or not the company should enter into that arrangement.
- 67 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she 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 Act), has a personal interest in that arrangement.
- 68 Provided

68.1 he/she has declared his/her interest; and

68.2 he/she has not voted on the question of whether or not the company should enter into the relevant arrangement

a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 67) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

69 The directors may (subject to article 70) be paid such remuneration (and provided with such pension and/or other benefits) as the directors may reasonably consider appropriate from time to time.

70 The rate of remuneration, and the value of benefits, paid or provided to each director shall be set at a level which does not cause the company to cease to satisfy the community interest test as specified in the 2004 Act.

71 Any remuneration or benefits paid or provided to a company or other organisation connected with a director, in respect of any services provided by that director or other organisation to the company, shall be deemed to fall within the provisions of articles 69 and 70.

72 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

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

73 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.

74 Questions arising at a meeting of the directors shall be decided by a majority of votes.

75 If an equality of votes arises, the chairperson of the meeting shall have a casting vote.

76 Subject to article 75, in all proceedings of directors each director must not have more than one vote.

77 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article 78) be 3.

78 A quorum shall not be deemed to be constituted at any meeting of directors unless the Managing Director is present at the meeting.

79 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of arranging for any vacancies to be filled or of calling a general meeting.

- 80 Unless he/she is unwilling to do so, the Managing Director shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
- 81 A director may participate in a meeting of the directors or a meeting of a committee of directors by means of conference telephone, video conferencing facility or similar communications equipment whereby all the directors participating in a meeting shall be deemed to be present in person at the meeting.
- 82 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
- 83 A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 84 For the purposes of article 83, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.
- 85 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 86 The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 83 to 85.

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

- 87 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the Managing Director (or the holder of any other post) such of their powers as they may consider appropriate.
- 88 Any delegation of powers under article 87 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 89 The rules of procedure for any sub-committee shall be as prescribed by the directors.

## **Operation of bank accounts**

- 90 The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.

## **Secretary**

- 91 The directors may (notwithstanding the provisions of the 2006 Act) appoint a company secretary, and on the basis that, if they do so, the term of office, remuneration (if any) and other terms and conditions attaching to the appointment of the company secretary shall be as determined by the directors; any company secretary may be removed by the directors at any time.

## **Minutes**

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

## **Accounting records and annual accounts**

- 93 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 94 The directors shall prepare annual accounts, complying with all relevant statutory requirements.
- 95 No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or authorised by ordinary resolution of the company.

## **Notices**

- 96 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the company *or* (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.
- 97 Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 98 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any



notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

### **Winding-up**

- 99 If on the winding-up of the company any property remains after satisfaction of the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; that property shall instead be transferred to an Asset Locked Body (with the consent of the C.I.C Regulator).
- 100 The body or bodies to which property is transferred under article 99 shall be determined by the members of the company (with the consent of the C.I.C Regulator) at or before the time of dissolution.

### **Indemnity**

- 101 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings (whether civil or criminal) in which judgement is given in his/her favour or in which he/she is acquitted **or** any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the company.
- 102 The company shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).