

THE COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION*
OF
THE SCOTTISH FURTHER EDUCATION UNIT
COMPANY NUMBER: SC143514

1. The name of the Company is "THE SCOTTISH FURTHER EDUCATION UNIT" (hereinafter called "the Company").
2. The registered office of the Company will be situated in Scotland.
3. This clause shall be interpreted as if it incorporated an over-riding qualification limiting the powers of the Company such that any activity which would otherwise be permitted by the terms of the clause may be carried on only if that activity furthers a purpose which is regarded as charitable for the purposes of section 505 of the Income and Corporation Taxes Act 1988 and the Charities and Trustee Investment (Scotland) Act 2005 (including any statutory amendment or re-enactment for the time being in force). Subject to that over-riding qualification, the Company's objects are:

To promote the advancement of education for the public benefit in Scotland, the United Kingdom and elsewhere by (1) promoting and developing learning opportunities through the activities of Scotland's colleges and (2) supporting organisations and institutions which provide education and life long learning opportunities, and in pursuance of such objects:

- (A) to support research and development and innovation in education and training and to provide in accordance with policies, programmes and priorities set by the Board, products, services and advice in support of:
 - (i) organisation and management development for institutions involved in the delivery of programmes falling within the objects of the Company;
 - (ii) programme design for and delivery of programmes falling within the objects of the Company;
 - (iii) quality assurance in the organisation and delivery of programmes falling within the objects of the Company;

* as amended by special resolution dated 2009

- (iv) marketing and increasing awareness of education and lifelong learning;
 - (v) disseminating information relevant to education and lifelong learning opportunities;
 - (vi) information, organisational support and related services for European developments relevant to education and lifelong learning in Scotland or the United Kingdom generally; and
 - (vii) training and staff development;
- (B) to formulate and promote policies on any matters affecting or relevant to the sector of further education in Scotland and deal with all matters ancillary or related thereto;
 - (C) to provide a means of consultation between the chairperson and councils or governing bodies of colleges;
 - (D) to provide a means of consultation between the Principals of member colleges;
 - (E) to consider and offer observations on any proposals made by the government and other Agencies affecting Colleges;
 - (F) to represent the sector of further education in Scotland and to conduct dealings and to liaise with the Scottish Government, any local, national or other institutions, authorities, agencies, backers or persons, wherever in the world situate, on matters affecting the operation of the Sector;
 - (G) to consider and report on any matter which may be referred to the Company for consideration by the Council or governing body of any college;
 - (H) to carry on any of the activities of advisors to colleges on employment law, custom and practice, health and safety at work, management organisation, planning and procedures, training of staff and employees, accounting practice and procedures, and all ancillary matters; to engage consultants and agents for the purpose of carrying on all or any of the foregoing activities; to make grants and other financial provision in aid of colleges which are engaged in or wish to engage in litigation which relates to salaries, terms and conditions of service, and cognate matters of employees, and to establish reserve funds and invest monies in order to facilitate the making of such grants and other financial provision; and generally to undertake and execute agencies and commissions of every description;
 - (I) to provide a forum within which representatives of the colleges can discuss salaries and conditions of service for staff and employees of colleges and more generally within which colleges can establish a framework of industrial and employee relations for colleges, and in particular to provide through committees of the Company or otherwise, as may be appropriate, for the support of such a forum, provided that no such provision or support shall extend to the regulation of relations between workers and employees which would in any way have the effect of making the Company a Trade Union;

- (J) to maintain close links and work in partnership with further education colleges and other providers of and agencies (including governmental bodies) supporting education, training and lifelong learning anywhere in the world;
- (K) to initiate, promote and carry out research, surveys and investigations and to publish knowledge acquired as a result of such research, surveys or investigations which are in furtherance of the objects;
- (L) to promote and support high quality, cost efficient education and training which provides relevant and effective programmes and services, and is accessible to everyone, including those with disabilities or learning difficulties, flexible in terms of time, place and means of delivery, responsive, useful and assessed by valid, reliable and practicable processes and subject to rigorous quality assurance procedures;
- (M) to establish and maintain collections of written material, literature and scientific data:
 - (i) for this purpose, to establish and operate computerised information gathering, storage and interpretation systems; and to disseminate information obtained therefrom by electronic means or otherwise; and
 - (ii) to acquire and hold exclusive or non-exclusive interest in any copyright and other intellectual property rights, of the said material and data and to grant licences for, assign, market and turn to account any such intellectual property rights;
- (N) to assist, co-operate or collaborate with any relevant or appropriate person, association, institution and other body whatsoever, whether incorporated or unincorporated, engaged in work similar to the objects of the Company or having an interest in the vocational curriculum and to promote and encourage and make grants to facilitate and payments towards the expenses of research and development in topics relating to the vocational curriculum or within the scope of these objects;
- (O) to establish or acquire, alone or in collaboration with others, companies or other bodies, whether charitable or commercial, and to supply goods and services in furtherance of the objects of the Company;
- (P) to purchase or otherwise acquire, deal with and manage, all or any part of the business and undertaking of any body corporate, unincorporated association, partnership, institution or any other organisation or person carrying on a business or undertaking similar to or having similar functions or purposes as those of the Company and to carry on all or any part of such business on the same or any other premises or to modify or terminate the same and in furtherance of this power to enter into and implement agreements, assignments, transfers, contracts and any other arrangements formal or informal relating to any of the property, assets, engagements, rights and liabilities relating to any such business;
- (Q) to establish, equip, maintain, and manage a principal place of business for the carrying out of the objects of the Company and to establish any associated and subsidiary places of business for the carrying out of such

objects, or any one or more of them, as may seem expedient to the Company;

- (R) to receive subscriptions, contributions and gifts (whether of heritable, moveable, real or personal property and whether subject to any trust or not), legacies or bequests and to solicit and invite the provision of funds from any governmental department or agency, the European Community, any local, national or international body or from any corporation, company or person, for all or any of the objects of the Company and to conform to any conditions upon which such funds and other payments may be made available and to administer, allocate or expend such funds with a view to promoting the objects of the Company;
- (S) to undertake and organise schemes for the raising of money, other financial support and assistance in kind, and appeals both private and public, including the selling of goods and other products produced or acquired in connection with or ancillary to the objects of the Company;
- (T) to establish, subsidise, acquire shares in, promote, co-operate or federate with, affiliate or become affiliated to, act as trustees or agents for or manage or lend money or other assistance to any person, company, association, society, institution or other body, corporate or unincorporate, established for charitable purposes only and having primary objects wholly or partly similar to those of the Company, and for the purpose of promoting the primary objects of the Company to co-operate with manufacturers, dealers, and other traders and organisations, and with the press and other sources of publicity;
- (U) to undertake, execute, establish, promote, or assist any charitable trusts or companies with charitable objects all or any of which are similar to the objects of the Company for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for the purpose of carrying on any activity which the Company is authorised to carry on or for any other charitable purpose directly or indirectly calculated to benefit the Company in the furtherance of its objects;
- (V) to prepare, print, issue, edit, publish, distribute, circulate and market, (or procure the same whether gratuitously or not) any newspaper, newsletter, periodical, magazine, book, pamphlet, circular, leaflet or other publication including audio and visual recordings which the Company may consider related to or desirable for the promotion of its objects; including any research and development work promoted or carried out by, or in collaboration with the Company;
- (W) to hold, sponsor, arrange or organise lectures, courses, meetings, conferences, seminars, film shows and appeals and to establish equip and conduct whether alone or in collaboration with others educational courses, classes and talks and other means of instruction in furtherance of the purposes of the Company and at such places and at such times as the Company shall deem expedient;
- (X) to organise, manage, present, produce and support exhibitions, workshops; press conferences, trade fairs, festivals, advertising campaigns, promotions, displays and to assist and advise any person, corporation or organisation in relation thereto;

- (Y) to advertise the Company, its objects and activities whether through radio, television or other similar media or through printed advertisement, poster, periodical, article, feature or otherwise in writing;
- (Z) to purchase, take on lease or in exchange, hire or otherwise acquire any heritable or moveable, real or personal property and in particular any land, buildings, equipment, apparatus, appliances, and any rights or privileges necessary or convenient for the purposes of the Company and to construct, erect, alter, improve, maintain and demolish any buildings which may be from time to time required for the purposes of the Company; and to manage, develop, sell, demise, let, hire, mortgage, dispose of, turn to account or otherwise deal with all or part of the same with a view to the promotion of the objects of the Company;
- (AA) to purchase or otherwise acquire plant, machinery, furniture, fixtures, fittings, equipment and all other effects of every description necessary or convenient or usually or normally used in connection with or for the purpose of all or any of the objects of the Company;
- (BB) subject to such consents as may be required by law, including the approval of the Office of the Scottish Charity Regulator to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Company as may be expedient in the promotion of its objects;
- (CC) to insure the Company, its property and assets against such risks as the Directors shall consider it prudent and necessary;
- (DD) to appoint, employ or secure the services of and remunerate executive, academic, professional, clerical, manual and other staff, including instructors and supervisors for the training of persons employed or to be employed by the Company in connection with the objects of the Company;
- (EE) to retain, appoint or contract with qualified professional advisers and to pay reasonable and proper fees for their services as approved by the Board;
- (FF) to establish and support pension and superannuation schemes for the benefit of persons employed by the Company, and make reasonable and necessary provision for payment of pensions, life assurances and/or superannuation and to grant pensions or retiring allowances to persons who have been employed by the Company or to their dependants and to make to such former employees payments on their redundancy or early retirement;
- (GG) to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Board members, officers, employees or auditors of the Company or who are or were at any time trustees of any pension or retirement benefit scheme for the benefit of any employees or ex-employees of the Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise of their powers or otherwise in connection with their duties, powers or offices in relation to the Company or pension or retirement benefit scheme;

- (HH) to enter into any arrangement with any governments or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons that may seem conducive to the attainment of the Company's objects or any of them;
- (II) to act as agents in the channelling of funds, grants and any other monies available from any source;
- (JJ) to borrow or raise any money that may be required by the Company upon such terms and upon such security as the Company sees fit;
- (KK) to guarantee and/or give security (either by way of mortgage or charge on all or any part of the property of the Company or otherwise) for the payment of money by or in the performance of obligations of any company being a charitable company;
- (LL) to establish and/or participate in joint ventures and to promote companies whose activities may further one or more of the above objects or which may generate income to support one or more of the above objects, acquire and hold shares, stocks, debentures and other interests 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;
- (MM) to undertake and execute any trust which may be conducive to the attainment of any of the objects of the Company, to act as Trustees and accept as such specific tasks or responsibilities including advisory functions, providing the same shall be for the advancement of the objects of the Company and to receive and administer trust funds donated for purposes to promote the objects of the Company or purposes analogous thereto;
- (NN) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate banking accounts;
- (OO) to support and subscribe to any charitable object and any institution society or club which is of benefit to the employees and the dependants of the employees of the Company, either directly or indirectly in furtherance of the primary objects of the Company;
- (PP) to invest the monies of the Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, and to lend any such monies to any other charitable companies, institutions, societies, foundations or associations having objects altogether or in part similar to those of the Company or to any individuals or firms for any purpose similar to such objects and that on such terms as to security or otherwise as the Company thinks fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- (QQ) to make donations to any other charitable body incorporated or unincorporated having objects similar to those of the Company;

- (RR) to purchase or otherwise acquire and undertake all or any of the property, assets, liabilities and engagements of anyone or more of the charitable associations, foundations, institutions, companies, societies or bodies with which this Company is authorised to co-operate or federate;
- (SS) to amalgamate with any charitable body incorporated or unincorporated, having objects altogether or in part similar to those of the Company;
- (TT) to procure the Company to be recognised in any foreign country or place; and
- (UU) to carry on any other business and do all such other things as are necessary or incidental to or in furtherance of the attainment of the objects of the Company or any of them.

4. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly by way of dividend, gift, bonus or otherwise howsoever by way of profit, to Company members and no Board members with the exception of the Chief Executive shall be appointed to any office of the Company paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Company.

Provided that nothing herein shall, subject to the provisions of Chapter 9 of the Charities and Trustee Investment (Scotland) Act 2005:

- (a) prevent any payment in good faith by the Company of a reasonable and proper remuneration to any Company member, officer or servant of the Company (not being a member of its Board) for any services rendered to the Company and to any Board member being a solicitor, accountant or other persons engaged in any profession who shall be entitled to charge and be paid all usual professional or other charges for work done by him or his firm when instructed by his fellow Board members so to act in that capacity on behalf of the Company;
- (b) prevent any payment in good faith by the Company of interest on money lent by any Company member or its Board members at a reasonable and proper rate per annum and not exceeding the base lending rate for the time being of the Company's bankers; or reasonable and proper rent for premises let by any Company member to the Company;
- (c) prevent any payment in good faith by the Company to any Board member of out-of-pocket expenses or for proper rent for premises let to the Company;
- (d) prevent any payment in good faith by the Company to a company of which a Company member or a Board member may be a Company member holding not more than one-hundredth part of the capital of such company, and Company and Board members shall not be bound to account for any share of profits which they may receive in respect of any such payment; and
- (e) prevent the gratuitous distribution among or sale at less than cost to Company members of any books, pamphlets or other publications relating to all or any of its objects.

5. The liability of the Company members is limited.
6. Every Company member undertakes to contribute such amount as may be required (not exceeding One Pound) to the assets of the Company, if it should be wound up while he is a Company member, or within one year after he ceases to be a Company member, for payment of the debts and liabilities of the Company contracted before he ceases to be a Company member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
7. 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 Company members but shall be given or transferred to some other charitable institution or institutions having objects which are similar to the objects of the Company and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the Company members at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some other charitable object.