

THE COMPANIES ACT 1985  
COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL  
MEMORANDUM and ARTICLES of ASSOCIATION  
MILL OF BENHOLM

**Burness**

242 West George Street, Glasgow G2 4QY  
Telephone: 0141 248 4933 FAS: 8859  
[www.burness.co.uk](http://www.burness.co.uk)

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM and ARTICLES of ASSOCIATION

MILL OF BENHOLM

- 1 The company's name is "Mill of Benholm".
- 2 The company's registered office is to be situated in Scotland.
- 3 The company's objects are:
  - (a) To relieve the suffering and distress, promote the welfare and advance (through training and work experience) the employment prospects of people who have learning difficulties, physical difficulties or are experiencing or have experienced mental health difficulties by carrying on trading activities where the work in connection with such trading activities is mainly carried on by people who are experiencing or have experienced such difficulties
  - (b) To promote for the public benefit the preservation (whether wholly or in part) of buildings and other structures or features of historic and/or architectural significance, and in particular the buildings and machinery (forming part of the industrial and agricultural heritage of South Aberdeenshire and North Angus) forming Mill of Benholm.
  - (c) To advance education (i) in matters relating to the industrial and agricultural heritage, environment, crafts, culture and history of South Aberdeenshire and North Angus and (ii) through promotion of the arts and (iii) through educational projects directed towards active citizenship
  - (d) To encourage, stimulate and support volunteering
  - (e) To help young people to develop their physical, mental and spiritual capacities, such that they may grow to full maturity as individuals and as members of society
  - (f) To promote training, particularly in such skills as may assist the participants in obtaining paid employment.
  - (g) To relieve unemployment in such ways as may be thought fit, including assistance to find employment.

- (h) To promote, operate and/or support other charitable projects and initiatives for the benefit of the community.

In pursuance of those aims (but not otherwise), the company shall have the following powers:-

- (a) To promote, operate, co-ordinate, monitor and/or support (whether financially or otherwise) projects and initiatives of all kinds which further any of the above objects.
- (b) To advise in relation to, prepare, organise and/or conduct training courses, seminars, conferences, and other educational events, courses and programmes of all kinds.
- (c) To provide information, counselling, advisory and/or consultancy services which advance any of the aims of the company.
- (d) To liaise with European, UK, Scottish and local government authorities and agencies, schools, further or higher education establishments, NHS bodies, local enterprise companies, local economic development companies, voluntary sector bodies, private sector employers and others, all with a view to maximising the effectiveness of the company in pursuing its objectives.
- (e) To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multimedia products and display materials, and to create and maintain a website or websites.
- (f) To carry on any other activities which further any of the above objects.
- (g) 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.
- (h) 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.
- (i) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.
- (j) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.

- (k) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- (l) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (m) 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.
- (n) 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.
- (o) To engage such consultants and advisers as are considered appropriate from time to time.
- (p) To effect insurance of all kinds (which may include officers' liability insurance).
- (q) 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).
- (r) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
- (s) To establish and/or support any other charitable body, and to make donations for any charitable purpose falling within the company's objects.
- (t) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- (u) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (v) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
- (w) 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 charitable body.
- (x) To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

And it is declared that

- (i) in this clause, "property" means any property, heritable or moveable, wherever situated
  - (ii) in this clause, and throughout this memorandum of association, the word "charitable" shall have the meaning ascribed to it for the purposes of section 505 of the Income and Corporation Taxes Act 1988, including any statutory amendment or re-enactment for the time being in force.
- 4
- (a) The income and property of the company shall be applied solely towards promoting the company's objects (as set out in clause 3).
  - (b) 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.
  - (c) No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
  - (d) No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.
- 5 The liability of the members is limited.
- 6 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/she is a member or within one year after he/she/it ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
- 7
- (a) If on the winding-up of the company any property remains after satisfaction of all 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 some other charitable body or bodies (whether incorporated or unincorporated) whose objects are similar (wholly or in part) to the objects of the company.
  - (b) The body or bodies to which property is transferred under paragraph (a) shall be determined by the members of the company at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at the time.

**THE COMPANIES ACT 1985**

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE  
CAPITAL**

**ARTICLES of ASSOCIATION**

of

**MILL OF BENHOLM**

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**General structure**

- 1 The structure of the company consists of:-
- (a) the MEMBERS - who have the right to attend the annual general meeting (and any extraordinary general meeting) and have important

powers under the articles of association and the Companies Acts; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves

- (b) 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.

### Categories of membership

2 For the purposes of these articles

“**Ordinary Member**” means a member admitted under paragraphs (a) , (b) or (c) of article 4; “**Ordinary Membership**” shall be construed accordingly

“**Associate Member**” means a (non-voting) member admitted under paragraph (d) of article 4; “**Associate Membership**” shall be construed accordingly

“**Junior Member**” means a (non-voting member) admitted under paragraph (e) of article 4; “**Junior Membership**” shall be construed according.

### Qualifications for membership

3 The members of the company shall consist of the subscribers to the memorandum of association and such other persons and bodies as are admitted to membership under articles 4 to 10.

4 Membership shall be open to

- (a) any individual aged 18 years or over and who lives within the area of benefit as mentioned in the objects of the company who wishes to support the aims and activities of the company
- (b) any individual who has been nominated for membership by an unincorporated body which is a national, international or local voluntary or non-profit making organisation which wishes to support the aims and activities of the company
- (c) any corporate body which is a national, international or local voluntary or non-profit-making organisation or a statutory body which wishes to support the aims and activities of the company
- (d) any individual aged 18 years or over who lives outside the area of benefit, but wishes to support but wishes to or body who/which wishes to support the aims and activities of the company but is not eligible to be admitted to a voting membership, but does not wish to be admitted to voting membership.

- (e) any individual aged under 18 years living inside or outside the area of benefit, who wishes to support the aims and activities of the company but is not eligible to be admitted to voting membership
- 5 No more than one individual nominated under paragraph (b) of article 4 by each unincorporated body may be a member of the company at any given time.
- 6 Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

### **Application for membership**

- 7 Any person who/which wishes to become a member must sign, and lodge with the company, a written application for membership stating the category of membership for which he/she/it is applying; in the case of an application under paragraph (b) of article 4, the application must also be signed by an appropriate officebearer of the unincorporated body which is nominating him/her for membership; in the case of a corporate body, the application must be signed by an appropriate officer of that body.
- 8 The application must be accompanied by a remittance to meet the annual membership subscription (if any).
- 9 The directors may, at their discretion, refuse to admit any person or body to membership.
- 10 The directors shall consider each application for membership at the first directors' meeting which is held after receipt of the application (and accompanying remittance); the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application and, if the decision was to refuse admission, shall return to the applicant the remittance lodged by him/her under article 9.

### **Membership subscription**

- 11 Subject to article 12, Ordinary Members shall require to pay an annual membership subscription; the amount of the annual membership subscription shall be determined by ordinary resolution at an annual general meeting.
- 12 The directors shall be entitled to waive the annual membership subscription due by any particular member in a particular year on grounds of hardship.
- 13 The annual membership subscriptions shall be payable on or before 31 March in each year.
- 14 The Ordinary Members may vary the amount of the annual membership subscription and/or the date on which it falls due in each year, by way of an ordinary resolution to that effect passed at an annual general meeting.

- 15 If the membership subscription payable by any member remains outstanding more than 6 weeks after the date on which it fell due (and providing he/she/it has been given at least one written reminder) the directors may, by resolution to that effect, expel him/her/it from membership.
- 16 A person or body who/which ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.
- 17 For the avoidance of doubt, Associate Members and Junior Members shall not require to pay an annual membership subscription.

### **Register of members**

- 18 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she/it was admitted to membership, and the date on which any person or body ceased to be a member; in the case of a member who was admitted under paragraph (b) of article 4, the entry against his/her name shall also include details of the unincorporated body which nominated him/her for membership.

### **Withdrawal from membership**

- 19 Any person who/which wishes to withdraw from membership shall sign (in the case of a corporate body, through an appropriate officer), and lodge with the company, a written notice to that effect; on receipt of the notice by the company, he/she/it shall cease to be a member.

### **Expulsion from membership**

- 20 Any person or body may be expelled from membership by special resolution (see article 34), providing the following procedures have been observed:-
  - (a) 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;
  - (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

### **Termination/transfer**

- 21 Membership shall cease on death or in the case of a corporate body) on receivership, liquidation, dissolution or striking-off of the body which constituted the member.
- 22 An unincorporated body which has nominated an individual for membership may withdraw its nomination at any time by written notice to the company to that effect; on receipt of the notice by the company, the individual in question shall automatically cease to be a member of the company.
- 23 A member may not transfer his/her/its membership to any other person.

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

- 24 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.
- 25 Not more than 15 months shall elapse between one annual general meeting and the next.
- 26 The business of each annual general meeting shall include:-
- (a) a report by the Chair on the activities of the company;
  - (b) consideration of the annual accounts of the company
  - (c) the election/re-election of directors, as referred to in articles 57 to 61.
- 27 The directors may convene an extraordinary general meeting at any time.
- 28 The directors must convene an extraordinary general meeting if there is a valid requisition by members (under section 368 of the Act) or a requisition by a resigning auditor (under section 392A of the Act).

### **Notice of general meetings**

- 29 At least 21 clear days' notice must be given of (a) an annual general meeting or (b) an extraordinary general meeting at which a special resolution (see article 34) or a resolution requiring special notice under the Act, is to be proposed; all other extraordinary general meetings shall be called by at least 14 clear days' notice.
- 30 The reference to "clear days" in article 29 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 contained in an electronic communication, the day after the time when it was sent) and also the day of the meeting, should be excluded.
- 31 A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 34) (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.
- 32 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called an extraordinary general meeting.
- 33 Notice of every general meeting shall be given (either in writing or, where the party to whom notice is given has notified the company of an address to be used for the purpose of electronic communications, by way of an

electronic communication) to all the members and directors, and (if there are auditors in office at the time) to the auditors.

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

- 34 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 an annual general meeting or extraordinary general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 29 to 33; 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 number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 35 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,
- (a) to alter its name
  - (b) to alter its memorandum of association with respect to the company’s objects
  - (c) to alter any provision of these articles or adopt new articles of association.
- 36 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, and (as applicable) the chairperson’s casting vote), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with articles 29 to 33.

### **Procedure at general meetings**

- 37 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be one-third of the total number of Ordinary Members (excluding Associate Members) and Junior Members entitled to vote, each being an Ordinary Member (or an authorised representative of an Ordinary Member which is a corporate body) or a proxy for an Ordinary Member.
- 38 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.
- 39 The Chair shall (if present and willing to act) preside as chairperson of the meeting; if the Chair is not present and willing to act as chairperson of the meeting within fifteen minutes after the time appointed for holding the meeting, the Vice Chair shall preside as Chair of the meeting.

- 40 If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
- 41 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.
- 42 Every Ordinary Member shall have one vote, which (whether on a show of hands or on a secret ballot) must be given personally or (in the case of an Ordinary Member which is a corporate body) given via its duly authorised representative present at the meeting, or by proxy.
- 43 For the avoidance of doubt, Associate Members and Junior Members shall be entitled to attend and speak at general meetings, but shall not be entitled to vote.
- 44 A member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting must either
- (a) lodge with the company, prior to the time when the meeting commences, a written proxy form, signed by him/her or (in the case of a member which is a corporate body) signed by an appropriate officer of that body; or
  - (b) send to the company, at the address notified to the members by the company for that purpose, an electronic communication containing the appointment of a proxy, and on the basis that to be valid such electronic communication must be received by the company at that address not less than 24 hours before the time when the meeting commences.
- 45 A proxy need not be a member of the company.
- 46 A member shall not be entitled to appoint more than one proxy to attend the same meeting.
- 47 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who/which appointed him/her to speak at the meeting.
- 48 A member which is a corporate body shall be entitled to authorise an individual to attend and vote at general meetings; he/she will then be entitled to exercise the same powers on behalf of the body which he/she represents as that body could have exercised if it had been an individual member of the company.
- 49 If there is an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.

- 50 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 at the meeting and entitled to vote, whether as members or as representatives of corporate members or as 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.
- 51 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.

### Categories of Directors

- 52 For the purposes of these articles

“**Member Director**” means a director elected, re-elected or appointed under articles 57 to 64;

“**Co-opted Director**” means a director appointed or re-appointed under articles 65 to 66.

### Maximum number of directors

- 53 The maximum number of directors (excluding for this purpose alternate directors) shall be 12; out of that number, no more than 10 shall be Member Directors and no more than 2 shall be Co-opted Directors.

### Eligibility

- 54 A person shall not be eligible for election/appointment as a Member Director unless he/she is an Ordinary Member of the company or has been nominated for election/appointment as a Member Director by an Ordinary Member which is a corporate body; a Co-opted Director need not, however, be an Ordinary Member of the company.
- 55 A person shall not be eligible for election/appointment as a director if he/she is an employee of the company.
- 56 For the avoidance of doubt, Associate Members and Junior Members shall not be eligible for appointment as Member Directors.

### Election, retiral, re-election: Member Directors

- 57 At each annual general meeting, the members may (subject to article 53) elect any Ordinary Member (providing he/she is willing to act) to be a director (a “**Member Director**”).
- 58 The directors may (subject to article 53) at any time appoint any Ordinary Member (providing he/she is willing to act) to be a director (a “**Member Director**”).

- 59 An Ordinary Member which is a corporate body may (subject to article 60) nominate any individual for election/appointment as a director (a “**Member Director**”); he/she will then be deemed to be an Ordinary Member of the company for the purposes of articles 57 and 58.
- 60 No more than one individual nominated under article 59 by each corporate member may serve as a director at any given time.
- 61 At the first annual general meeting, one third of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by some random method.
- 62 At each annual general meeting (other than the first)
- (a) any director appointed under article 58 during the period since the preceding annual general meeting shall retire from office
  - (b) out of the remaining Member Directors, one third shall retire from office.
- 63 The directors to retire under paragraph (b) of article 62 shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.
- 64 A director who retires from office under article 61 or 62 shall be eligible for re-election.

#### **Appointment/re-appointment: Co-opted Directors**

- 65 In addition to their powers under article 58, the directors may (subject to article 53) at any time appoint any non-member of the company to be a director (a “**Co-opted Director**”) (providing he/she is willing to act) either on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.
- 66 At each annual general meeting, all of the Co-opted Directors shall retire from office – but shall then be eligible for re-appointment under article 65.

#### **Termination of office**

- 67 A director shall automatically vacate office if:-
- (a) 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
  - (b) he/she becomes debarred under any statutory provision from being involved in the administration or management or control of a charity

- (c) 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
- (d) (in the case of a Member Director) he/she ceases to be a member of the company or (if he/she was nominated by a corporate body) the corporate body which nominated him/her ceases to be a member of the company
- (e) he/she becomes an employee of the company
- (f) he/she resigns office by notice to the company
- (g) 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
- (h) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 303 of the Act.

#### **Register of directors**

- 68 The directors shall maintain a register of directors, setting out full details of each director, the name of the corporate member which nominated each director (if applicable), the date on which each such person became a director, and the date on which any person ceased to hold office as a director.

#### **Officebearers**

- 69 The directors shall elect from among themselves a Chair, Vice Chair and a Treasurer, and such other office bearers (if any) as they consider appropriate.
- 70 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 71 A person elected 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**

- 72 Subject to the provisions of the Act, the memorandum of association 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.
- 73 A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

## **Personal interests**

- 74 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 88) from voting on the question of whether or not the company should enter into that arrangement.
- 75 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 section 317 of the Act), has a personal interest in that arrangement.
- 76 Provided he/she has declared his/her interest - and 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 75) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 77 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
- 78 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**

- 79 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 80 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 81 A director who is also an alternate director shall be entitled, in the absence of the director who appointed him/her, to a separate vote on behalf of his/her appointor in addition to his/her own vote.
- 82 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 be one-third of the total number of Member Directors and Co-opted Directors appointed (rounded upwards, where necessary, to the nearest whole number); or three, whichever is the greater.

- 83 A person (other than a director) acting as an alternate director, shall, if the director who appointed him/her is not present, be counted in the quorum.
- 84 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 filling vacancies or of calling a general meeting.
- 85 Unless he/she is unwilling to do so, the Chair of the company 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 Vice Chair shall preside as chairperson of the meeting.
- 86 If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
- 87 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.
- 88 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.
- 89 For the purposes of article 88, 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.
- 90 A personal interest held by a director who has appointed an alternate director shall be treated as a personal interest of the alternate director.
- 91 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.
- 92 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 88 to 91.

#### **Alternate Directors**

- 93 A director may appoint any other director (or any other person approved by resolution of the directors and willing to act) to be an alternate director; any such alternate director may be removed by him/her at any time.

- 94 The appointment or removal of an alternate director shall be valid only if effected by a written notice signed by the director who is making or revoking the appointment.
- 95 The notice appointing an alternate director may state that the powers of the alternate director shall be limited to attending, speaking and voting at a directors' meeting at which the director who appointed him/her will not be present; in the absence of a statement of that kind, the appointment shall be deemed to extend to performing all the functions of his/her appointor as a director in his/her absence.
- 96 An alternate director shall (subject to article 97) cease to be an alternate director if his/her appointor ceases to be a director.
- 97 If a director retires or vacates office but is re-appointed at or immediately following the meeting at which he/she retires or vacates office, any appointment of an alternate director made by him/her which was in force immediately prior to retiral or vacating of office shall continue after his/her re-appointment.
- 98 References in these articles to directors shall, unless the context otherwise requires, be interpreted as including alternate directors.

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

- 99 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 Chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.
- 100 Any delegation of powers under article 99 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 101 The rules of procedure for any sub-committee shall be as prescribed by the directors.

#### **Operation of bank accounts**

- 102 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**

- 103 The company secretary shall be appointed by the directors for such term, at such remuneration (if any), and upon such conditions, as they may think fit; the company secretary may be removed by them at any time.

## **Minutes**

- 104 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**

- 105 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 106 The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
- 107 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 as authorised by the directors or as authorised by ordinary resolution of the company.

## **Notices**

- 108 Any notice which requires to be given to a member under these articles shall be given either in writing or by way of an electronic communication; 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/it 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 way of an electronic communication.
- 109 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.
- 110 Any notice contained in an electronic communication shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any electronic communication was 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**

- 111 If the company is wound up, the liquidator shall give effect to the provisions of clause 7 of the memorandum of association.

## **Indemnity**

- 112 Every director or other officer or auditor of the company shall be indemnified 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, 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.
- 113 The indemnity contained in article 112 shall be subject to the provisions of the Act and is without prejudice to any other indemnity to which a director may otherwise be entitled.

## **Interpretation**

- 114 In these articles "the Act" means the Companies Act 1985; any reference in these articles to a provision of the Act shall be taken to include any statutory modification or re-enactment of that provision which is in force at the time; "electronic communication" has the same meaning as is assigned to that expression in the Electronic Communications Act 2000.
- 115 Reference in these articles to the singular shall be deemed to include the plural.

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Names and addresses of subscribers

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1. *R.G. Firth*

RICHARD GUTHRIE FIRTH  
Goldenville  
Main Street  
Johnshaven  
Montrose DD10 OHA

2. *A.A.J. Mathers*

ALEXANDER ANGUS JAMES MATHERS  
2 Old Mill Cottage  
Laurencekirk  
AB30 1RA

3. *Harald Traa*

HARALD TRAA  
The Croft House  
Milton of Arbutnott  
Near Laurencekirk AB30 1PF

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Dated

*30th September 2005*

Witness to the above signatures:-

*B. Lindsay*

BARBARA PENROSE LINDSAY

UPPER CRAIGHILL

ST CYRUS by MONTROSE

DD10 ODU