

No. of Company 273903

The Companies Act 1985

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

**MEMORANDUM**

**and**

**ARTICLES OF ASSOCIATION**

**of**

**URRAS OIGHREACHD GHABHSAINN**

Date of Incorporation: 27<sup>th</sup> September 2004

URRAS01-02 MA-26 JUL05

**MEMORANDUM of ASSOCIATION  
of  
URRAS OIGHREACHD GHABHSAINN**

1. The name of the Company (hereinafter called “the Company”) is Urras Oighreachd Ghabhsainn.
2. The Registered Office of the Company will be situate in Scotland.
3. This clause shall be interpreted as if it incorporated an over-riding qualification to the effect that in any case in which an activity permitted under this clause is in its nature capable of being carried on for purposes which are not charitable or only partially so as well as for purposes which are wholly charitable (the word “charitable” having 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, which meaning shall be assigned to the word “charitable” wherever it appears in this Memorandum of Association), the powers of the Company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the carrying on of such activity in such manner as will not prejudice the charitable status of the Company under the statutory provisions referred to above.

Subject to the above over-riding qualification, the objects for which the Company is established are:-

- 3.1 To promote for the public benefit rural regeneration, following principles of sustainable development, where “sustainable development” means development which meets the needs of the present without compromising the ability of future generations to meet their own needs, the areas of social and economic deprivation within the Galson area of the Isle of Lewis for the benefit of the Galson Crofting Community. The Galson area includes the crofting townships of Upper Barvas, Balantrushal and Upper Shader, Lower Shader, Borve, High Borve, South Dell, North Dell, Cross, Swainbost, Habost, Lionel, Port of Ness, Fivepenny, Eoropie, Knockaird, Eorodale, Adabrock, Melbost, North Galson, South Galson and Skigersta in the Isle of Lewis; and the Galson Crofting Community consists of those persons who:-
  - (i) are resident in any of those crofting townships or
  - (ii) being tenants of the crofts in any of those crofting townships, are resident in any other places within sixteen kilometres of those townships.

and who are entitled to vote in local government elections in the polling district or districts in which that township or, as the case may be, such other place is situated by all or any of the following means:-

- a. the relief of poverty in such ways as may be thought fit.
- b. the advancement of education, training or retraining particular amongst unemployed people in providing unemployed people with work experience

and the advancement of education in the benefits of sustainable development.

- c. the provision of housing for those who are in condition of need and improvement of housing in the public sector and charitable ownership provided that such powers shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing.
- d. to develop or alternatively to facilitate through other agencies, the development of the infrastructure and communication links within the Galson community for the benefit of the general public all recognising that the activities of the Company must be not infringe with or provide relief of the statutory obligations of the Local Authority.
- e. the protection or conservation of the environment.

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

- (1) to purchase or by any other means acquire and take options over any property whatever and any rights or privileges of any kind over or in respect of any property including without prejudice to the foregoing generality the property, land and sporting interests of the Galson area on the Isle of Lewis and if required to exercise all rights vested in the crofting community under the Land Reform (Scotland) Act 2003 including the acquisition of the Galson Estate being land, sporting interests and eligible additional land as defined in the said Act under the provisions of that Act or any amendment or re-enactment thereof;
- (2) to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licenses, options, rights and privileges in respect of, or otherwise deal with all or any part of any of the property rights of the Company;
- (3) to invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made;
- (4) to lend and advance money or give credit on any terms and with or without security to any person, firm or company, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company;
- (5) to borrow and raise money in any manner and to secure the payment of any money borrowed, raised or owing by mortgage, charge, standard security, guarantee lien or other security upon the whole or any part of the Company's property or assets (whether present or future). And also by a similar mortgage, charge, standard security, guarantee lien or

security to secure the performance by the Company of any obligation or liability it may undertake or which may become binding on it;

- (6) to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange or promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- (7) to apply for, promote and obtain any private Act of Parliament, Order or licence any government department or authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may appear directly or indirectly to promote the Company's interests and to oppose by whatever lawful means any proceedings or applications which may appear directly or indirectly to prejudice the Company's interests;
- (8) to enter into any arrangements with any Government or authority that may seem conducive to the attainment of the Company's objects or any of them and to obtain from any such Government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions;
- (9) to subscribe for, take, purchase or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world and debentures, debenture stocks, bonds, obligations or securities issues or guaranteed by any Government or authority, national, municipal, local or otherwise, in any part of the world;
- (10) to control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial or other interest; to provide secretarial, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies;
- (11) to promote any other company for the purpose of acquiring the whole or any part of the property, undertaking or any of the liabilities of the Company or of undertaking any operations (including trading operations) which may appear likely to assist or benefit the Company or to enhance the value of any property of the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- (12) to sell or otherwise dispose of the whole or any part of the property of the Company either together or in portions for such considerations as the

Company may think fit and in particular in appropriate circumstances for shares, debentures or securities of any company purchasing the same;

- (13) to act as agents or brokers and as trustees for any person, firm or company;
- (14) to retain or employ staff, professional or technical advisers in connection with the objects of the Company and to pay reasonable and proper salaries, wages and fees for their services;
- (15) to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company or to contract with any person, firm or company to pay the same;
- (16) to conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Company and to solicit and accept subscriptions and donations of any kind and bequests for the purposes of the Company;
- (17) subject to Clause 4 hereof to grant or make provision for pensions, life assurance, health and retirement to or for employees or former employees and to the widows, widowers, children and other dependants of deceased employees and to pay or subscribe to funds or schemes for the provision of such pensions and other benefits for such persons;
- (18) to subscribe to become a member of, or co-operate with, any other charitable organisation, institution, society or body not formed or established for the purposes of profit (whether incorporated or not) in the United Kingdom whose objects are wholly or in part similar to those of the Company and which by its constitution prohibits or restricts the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company;
- (19) to establish and support or aid in the establishment and support of any charitable trust, association or institution and to donate, subscribe or guarantee money for charitable purposes in any way connected with or calculated to further any of the objects of the Company;
- (20) to arrange lectures and conduct training courses and to publish pamphlets, books, journals and other publications relating to the work of the Company.
- (21) to receive, allocate and administer grants, gifts or bequests made available to the Company for any or all of its objects whether from public funds or from private sources under the terms and conditions referable to such grants, gifts or bequests;
- (22) to do all other such things as may further the attainment of the Company's objects or any of them.

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

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, bonus or otherwise howsoever by way of profit, to members of the Company and no member of its Board of Directors shall be appointed to any office of the Company paid by salary or receive any remuneration or other benefit in money or money's worth from the Company provided that nothing herein shall prevent any payment in good faith by the Company:-
  - (1) of a reasonable and proper remuneration (including out of pocket expenses) to any member, officer or servant of the Company (not being a member of its Board of Directors) for any services rendered to the Company and to any member of the Board of Directors being a person suitably qualified in any professional, technical or other capacity useful to the Company who shall be entitled to charge and be paid all usual professional or other reasonable fees for specific work done in that capacity when instructed by the Board of Directors so to act on behalf of the Company;
  - (2) of interest on money lent by any member of the Company or its Board of Directors at a reasonable and proper rate per annum as shall be agreed from time to time by the Board of Directors;
  - (3) of reasonable and proper rent for any premises let by any member of the Company or its Board of Directors.
4. The liability of the members is limited.
5. Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he 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 amongst themselves, such amount as may be required not exceeding £1.00.
6. If upon winding up or dissolution of the Company there remains after satisfaction of its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members but shall be given or transferred to such other charitable crofting community body or community body, institution or organisation, or more than one, having objects similar to or encompassing those of the Company as may be approved by the Scottish Ministers and which shall itself prohibit the distribution of its or their income and property among its or their members to an extent at least as great as the Company being dissolved such charitable company, institution or organisation to be determined by the members of the Company with the approval of the Scottish Ministers at or before the time of dissolution and if an in so far as

effect cannot be given to such provision then to some other company, institution or organisation established for charitable purposes only as may be approved by the Scottish Ministers or otherwise as the Court may direct.

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

Names and Addresses of Subscribers:

**“J.Macdonald”** James MacDonald  
12 Melbost  
Borve  
Isle of Lewis

**“Neil Finlayson”** Neil Finlayson  
1 Adabrock  
Ness  
Isle of Lewis

Dated: **17<sup>th</sup> May 2004**

Witness to the above signatures:

**“Hugh MacInnes”** Hugh MacInnes  
6 Lionel  
Port of Ness  
Isle of Lewis



## THE COMPANIES ACTS 1985 - 2006

### *Company limited by guarantee and not having a share capital*

## URRAS OIGHREACHD GHABHSAINN

### ARTICLES of ASSOCIATION

#### DEFINITIONS and INTRODUCTORY

- 1 The regulations contained in Table C in the Companies (Tables A to F) Regulations 1985, as may be amended or re-enacted, shall not apply to the Company.
- 2 In these Articles of Association, the following definitions apply throughout:
  - “**Act**” means the Companies Act 1985 as amended and every statutory modification and re-enactment thereof for the time being in force.
  - “**Article(s)**” means this or these Articles of Association.
  - “**Board**” means the Board of Directors.
  - “**Clear days**” means a period excluding the day when notice is given and the day of the meeting.
  - “**Galson Crofting Community**” means the community area described in Clause 3 of the Memorandum.
  - “**Director(s)**” means the director(s) for the time being of the Company.
  - “**General Meeting**” means a meeting of the Members of the Company
  - “**Memorandum**” means the foregoing Memorandum of Association.
  - “**Organisation**” means any unincorporated association, society, federation, partnership, corporate body, agency, undertaking, local authority, union, co-operative, trust or other organisation (not being an individual person).
  - “**Property**” means any property, assets or rights, heritable or moveable, wherever situated in the world.
  - “**Subscribers**” means those persons who have subscribed both the Memorandum and these Articles.
- 3 Words importing the singular number only shall include the plural number, and *vice versa*; and words importing the masculine gender only shall include the feminine gender.
- 4 The Company is established to achieve the Objects.

#### GENERAL STRUCTURE OF THE COMPANY

- 5 The structure of the Company comprises:
  - 5.1 **Members** - comprising Ordinary Members and Nominated Members who have the right to attend the General Meetings of the Company and have important powers under these Articles and the Act, who elect people to serve as Directors and take decisions in relation to any changes to these Articles, the Associate Members and the Junior Members; and
  - 5.2 **Directors** - who set the strategy and policy of the Company, generally control and supervise the activities of the Company and, in particular, are responsible for monitoring its financial position and, where there are no employees or managers appointed, are responsible also for the day-to-day management of the Company.

## MEMBERSHIP

6 The members of the Company shall consist of the Subscribers (being those Ordinary Members who sign the original Memorandum and Articles of Association) and such other persons and organisations as are admitted to membership in terms of these Articles.

7 Membership of the Company is open to:

7.1 **Ordinary Members:** those individuals aged 18 and over who:

- (a) are entitled to vote at a local government election in a polling district that includes the Galson Crofting Community or part of it; or
- (b) are ordinarily resident outwith the Galson Crofting Community or part of it, but are registered with the Crofters Commission as the tenant of a croft with the Galson Crofting Community and actively working that croft; and
- (c) who support the Objects;

declaring that, if an Ordinary Member ceases to comply with these criteria, he or she will be reclassified as an Associate Member and be notified of this by the Company.

7.2 **Nominated Members:** those who shall consist of such individuals and organisations who support the objects of the Company whom the Board shall deem appropriate to be represented amongst the membership of the Company and shall so nominate for representation.

7.2.1 Where the Board has decided that an individual or organisation should be admitted as a Nominated Member, it shall give notice to that individual or organisation of its decision. Such individual or organisation will be deemed to have been admitted as a Nominated Member with effect from the date on which that individual or organisation has notified the Company of its acceptance of Membership.

7.2.2 Each Nominated Member shall be entitled to be present and speak at meetings of the Company and to exercise all voting and other rights to which that Nominated Member is entitled.

7.2.3 Each Nominated Member being an organisation shall appoint a representative who shall be entitled to be present and speak at meetings of the Company and to exercise all voting and other rights to which that Nominated Member is entitled and shall notify the Company in writing of the name of its representative within 20 days of being admitted as a Nominated Member and shall notify the Company, in writing, of any change of representative.

7.3 **Junior Members:** those individuals who are aged between 12 and 17 who are ordinarily resident within the Galson Crofting Community. Junior Members are neither eligible to stand for election to the Board nor to vote at any General Meeting.

7.4 **Associate Members:** those individuals who are not ordinarily resident in the Galson Crofting Community and those organisations wherever located that support the Objects. Associate Members are neither eligible to stand for election to the Board nor to vote at any General Meeting. Each member which is an organisation shall appoint one named Authorised Representative to represent and act for such member at all General Meetings. Any change in the appointment of an Authorised Representative may be made at any time by the appointing member, but only by written notice to the Company. Such notice will take effect upon its receipt by the Company.

8 The following conditions apply to membership:

8.1 The Company shall have not fewer than 20 members at any time; and

- 8.2 The majority of the members of the Company shall consist of Ordinary Members and, in the event that the number of members falls below 20 or that the majority of members of the Company does not consist of Ordinary Members, the Board may not conduct any business other than to ensure the admission of sufficient Ordinary Members to achieve the minimum number and/or maintain the majority.
- 9 The Board shall promptly consider applications for membership, made in such written form as it shall prescribe from time to time, determining if the terms of Article 7 apply and into which category of membership each applicant shall belong, and immediately thereafter shall approve any valid application provided the applicant is not excluded by virtue of Article 8 or has previously been a member of the Company and excluded from membership by virtue of Article 14.
- 10 The Board shall maintain a Register of Members, setting out the name and postal address of each member, the relative category of membership and the date of the member's appointment.

## **MEMBERSHIP SUBSCRIPTIONS**

- 11 The Ordinary Members may at any or each General Meeting fix an entrance subscription and the annual subscriptions (and, if relevant, different rates thereof for different categories).
- 12 Members shall be required to pay the appropriate annual membership subscription, where fixed. Only those members who have paid their current subscription, where fixed, are entitled to take part in and vote at any General Meeting.
- 13 An individual who, or organisation which, ceases to be a member (for whatever reason) shall not be entitled to any refund of membership subscription.

## **CESSATION OF MEMBERSHIP**

- 14 A member shall cease to be a member if:
- 14.1 he, she or it sends written notice of resignation to the Company; or
- 14.2 being an individual, he or she becomes insolvent or apparently insolvent or makes any arrangement with his or her creditors; or
- 14.3 being an organisation, it goes into receivership, goes into liquidation, dissolves or otherwise ceases to exist (the right of membership not being assignable); or
- 14.4 the annual subscription due remains outstanding for more than six calendar months (and provided that the member in question has been given at least one written reminder) and if the Board chooses to expel that member from membership; or
- 14.5 a resolution that a member be expelled is passed by a majority of at least 75% of the members either present and voting in person or voting by proxy appointed under Article 27 at a General Meeting, of which not less than 14 days' previous notice specifying the intention to propose such resolution and the grounds on which it is proposed shall have been sent to all Directors, all members and the Company Secretary and also to the member whose removal is in question, such member being entitled to be heard at that meeting; or
- 14.6 being an individual, he or she dies (the right of membership not being assignable)
- 14.7 being a Nominated Member, such nomination by the Board is withdrawn.

## **GENERAL MEETINGS (Meetings of Members)**

- 15 The Board shall convene a General Meeting each year, hereafter referred to as “the Annual General Meeting”, at such time as it may determine.
- 16 The business of each Annual General Meeting shall include:
  - 16.1 the report by the Chairperson on the activities of the Company;
  - 16.2 the election of Directors;
  - 16.3 fixing of annual subscriptions;
  - 16.4 the report of the auditor;
  - 16.5 the receipt of the accounts of the Company; and
  - 16.6 the appointment of the auditor.
- 17 The provisions with regard to General Meetings are as follows:
  - 17.1 all meetings of the Company, shall be called General Meetings;
  - 17.2 subject to the requirement to convene an Annual General Meeting in terms of Article 15 the Board may convene a General Meeting whenever it thinks fit; and
  - 17.3 the Board must call a General Meeting within 21 days of receiving the requisition for a date not later than 28 days after the date of the notice calling the meeting . To be valid, such requisition must be signed by not less than 10% of the Ordinary Members, unless more than 12 months has elapsed since the last General Meeting in which case the requisition must be signed by not less than 5% of the Ordinary Members, must clearly state the objects of the meeting and must be delivered to the Registered Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- 18 Subject to the terms of Articles 66 to 69, the provisions regarding notice of a General Meeting are as follows:
  - 18.1 14 clear days’ notice at the least shall be given of every General Meeting to each member, Director, the Company Secretary and the auditor;
  - 18.2 the notice shall specify the place, the day and the hour of the General Meeting, the general nature of any business and the full text of any Special Resolutions in terms of Article 24;
  - 18.3 the accidental omission to give notice of a General Meeting to, or the non-receipt of such notice by, any members, persons or organisations entitled to receive notice thereof shall not invalidate any resolution passed at or proceedings of any General Meeting.

## **CHAIRPERSON OF GENERAL MEETINGS**

- 19 The Chairperson of the Company, whom failing the Vice-Chairperson of the Company (if any), shall act as chairperson of each General Meeting. If neither the Chairperson nor the Vice-Chairperson is present or willing to act as chairperson of the meeting within 15 minutes after the time at which the General Meeting in question was due to commence, the Directors present shall elect from among themselves one of the Elected Directors who will act as chairperson of that meeting.

## **QUORUM AT GENERAL MEETINGS**

- 20 20 Ordinary Members either present in person or represented by proxy appointed under Article 27 must be in attendance for a General Meeting to be quorate, in addition to which, the majority of Members present in person or represented by proxy must be Ordinary Members. No business shall be dealt with at any General Meeting unless it is quorate in terms of this Article.
- 21 If a quorum is not present within 15 minutes after the time at which the General Meeting was due to commence - or if, during a General Meeting, a quorum ceases to be present - the General Meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.

## **VOTING AT GENERAL MEETINGS**

- 22 The chairperson of the meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote.
- 23 The provisions regarding voting are as follows:
- 23.1 each Ordinary Member and Nominated Member shall have one vote, to be exercised either in person or by proxy. Voting shall be by a show of hands unless before, or on the declaration of the result, a secret ballot is demanded by the chairman of the meeting or by at least two Ordinary Members either present in person or represented by a proxy at the meeting. A secret ballot shall then be taken as the Chairman of the meeting may direct and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of such ballot. The result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded;
- 23.2 Associate Members and Junior Members shall have no vote;
- 24 At any General Meeting a resolution put to the vote of the meeting shall be voted upon by a simple majority of the Ordinary and Nominated Members except for decisions relating to any of the following Special Resolutions, which shall require to be decided upon by not less than 75% of the Ordinary and Nominated Members (no account therefore being taken of members who abstain from voting or who are absent from the meeting and who have not appointed a proxy to vote in their absence), namely;
- 24.1 to alter the name of the Company; or
- 24.2 to amend the Objects; or
- 24.3 to amend these Articles (subject to Article 72); or
- 24.4 to wind up of the Company in terms of Clause 6 of the Memorandum of Association; or
- 24.5 all other Special Resolutions.
- 25.1 A resolution in writing signed by or on behalf of all or a sufficient majority of the Ordinary and Nominated Members (as specified in terms of Article 24) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. Such resolution may consist of several documents in the same form, each signed by or on behalf of one or more Ordinary and Nominated Members.
- 25.2 A resolution in writing must be signed by the requisite majority of Ordinary and Nominated Members within 28 days from the date of the beginning of its circulation or the resolution shall be invalid and ineffective.
- 25.3 A resolution in writing must be accompanied by a statement to the Ordinary and Nominated Members explaining how the Member signifies his agreement to the resolution and the date by which the resolution must be passed otherwise it becomes invalid and ineffective in terms of Article 25.2

26 The chairperson of the General Meeting may, with the consent of a majority of the Ordinary and Nominated Members either present and voting in person or voting by proxy adjourn the General Meeting to such time and place as he or she may determine.

**MEMBERS MAY APPOINT PROXIES**

27.1 An Ordinary or Nominated Member shall be entitled to complete one form of proxy to appoint a proxy to attend a General Meeting on his or her behalf, in respect of which the following apply:

- (a) a proxy need not be a member; and
- (b) a proxy appointed to attend and vote at any meeting instead of an Ordinary or Nominated Member shall have the same right as the Ordinary or Nominated Member who appointed him or her to speak at the meeting and to vote thereat.

27.2 The form appointing the Proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form, which is usual or which the Board may approve):

<p>Name of Company:</p> <p>I.....,</p> <p>of.....,</p> <p>being an Ordinary/Nominated Member of the above Company hereby</p> <p>appoint.....,</p> <p>of .....</p> <p>and, failing him or her, .....</p> <p>of.....,</p> <p>as my proxy to vote for me on my behalf at the General Meeting of the Company to be held on..... and at any adjournment thereof.</p> <p style="text-align: center;">This form is to be used in respect of the resolutions mentioned below as follows:-</p> <p style="text-align: center;">Resolution No 1 * for * against</p> <p style="text-align: center;">Resolution No 2 * for * against</p> <p style="text-align: center;">* <i>Delete as appropriate</i></p> <p>Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.</p> <p>Signed.....day of .....</p> <p><i>Signature of member appointing proxy</i> .....</p>
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27.3 The form appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy thereof shall be lodged at the Registered Office of the Company no earlier than the following time:-

- a) not less than 48 hours (excluding weekends and bank holidays) before the time appointed for holding the meeting or adjourned meeting at which the person named in the form proposes to vote, and in default the instrument of proxy shall not be treated as valid;
- b) in the case of a secret ballot taken more than 48 hours (excluding weekends and bank holidays) after it was demanded, 24 hours before the time appointed for the taking of the secret ballot; and

- c) in the case of a secret ballot taken not more than 48 hours after it was demanded, the time at which it was demanded.

- 27.4 No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, unless it expressly states to the contrary, in which event it shall be treated as valid until rescinded by the granter in writing at the Registered Office.
- 27.5 A vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of the death, insanity or revocation as aforesaid shall have been received at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used (not having been deliberately withheld).

## **APPOINTMENT OF DIRECTORS**

- 28 The affairs, property and funds of the Company shall be directed and managed by a Board of Directors.
- 29 The Board may exercise all such powers of the Company, and may on behalf of the Company do all acts as may be exercised and done by the Company, other than those required to be exercised or done by the Ordinary or Nominated Members in a General Meeting, and subject always to these Articles and to the provisions of the Act.
- 30 The number of Directors shall be not less than five. Unless otherwise determined by special resolution at a General Meeting (but not retrospectively) the number of Directors shall not be more than thirteen
- 31 Employees of the Company may not be nominated as or become Directors.

## **Composition of the Board of Directors**

- 32 From and after the first General Meeting of the Company, the Board shall comprise:
  - 32.1 up to ten individual persons elected as Directors by the Ordinary Members in terms of Article 33 (“the Elected Directors”), who must themselves be Ordinary Members; and
  - 32.2 up to three additional individual persons co-opted in terms of Article 34 (“the Co-opted Directors”), so as to ensure a spread of skills and experience within the Board.

## **Elected Directors**

- 33 In relation to the election of the Elected directors the following shall apply:
  - 33.1 at the first General Meeting the Ordinary Members shall elect up to ten Elected Directors;
  - 33.2 at the second and each subsequent Annual General Meeting, two of the Elected Directors shall retire from office;
  - 33.3 a retiring Elected Director shall retain office until the close or adjournment of the meeting;
  - 33.4 if no other Director has or Directors have decided or agreed to retire, the Elected Directors to retire at each Annual General Meeting shall be those who have been longest in office since their last election but, as between persons who were elected or last re-elected Directors on the same day, the one or ones to retire shall (unless they otherwise agree amongst themselves) be determined by lot;
  - 33.5 nomination of any Elected Director, who shall himself or herself be (or be eligible to become) an Ordinary Member, shall be in writing by not less than any two Ordinary Members delivered to the Registered Office not less than 7 days prior to the date of the Annual General Meeting in

question and wherein the nominee shall confirm his or her willingness to act as an Elected Director if elected; and

- 33.6 election of any Elected Director shall be by vote of the Ordinary Members, each Ordinary Member having one vote for each vacancy in the Elected Directors on the Board.

#### **Co-opted Directors**

- 34 Up to three individuals may be co-opted from time to time by the Board of Directors itself, as follows:
- 34.1 subject to Article 34.3, a Co-opted Director shall serve until the next Annual General Meeting after his or her co-option;
- 34.2 a Co-opted Director can be re-co-opted at such next Annual General Meeting;
- 34.3 a Co-opted Director can be removed from office at any time by a simple majority of the Board; and
- 34.4 for the avoidance of doubt, a Co-opted Director may participate fully in and vote at all Board meetings which he or she attends.

#### **Casual Vacancy**

- 35 The Board may from time to time appoint any Ordinary Member to fill any casual vacancy arising as a result of the retiral (or deemed retiral for any reason) of any Elected Director from or after the date of such retiral or deemed retiral. Any Ordinary Member so appointed shall remain in office only until the next Annual General Meeting but shall be eligible for re-election at that meeting.
- 36 The Board shall ensure that a Register of Directors is maintained, which sets out the full details of each Director as required for all registration purposes, including the date and type of appointment and the date of retiral.

#### **RETIRAL OF DIRECTORS**

- 37 A Director shall retire or be deemed to retire if:
- 37.1 being an Elected Director, he or she ceases to be an Ordinary Member in terms of either Articles 7.1 or 14;
- 37.2 he or she becomes prohibited from being a director of a limited company by reason of any order made under the Company Directors Disqualification Act 1986 and every statutory modification and re-enactment thereof for the time being in force; or
- 37.3 he or she becomes prohibited from being a charity trustee by the provisions of the Charities and Trustee Investment (Scotland) Act 2005 or he or she is otherwise prohibited by law from being involved in the management or control of any charity; or
- 37.4 he or she is employed by or holds any office of profit under the Company; or
- 37.5 he or she becomes incapable for medical reasons of fulfilling the duties of a Director and such incapacity, as certified (if necessary) by two medical practitioners, is expected to continue for a period of more than six months from the date or later date of such certification; or
- 37.6 he or she is absent (without permission of the Board) from more than three consecutive meetings of the Board, and the Board resolves to remove him or her from office; or
- 37.7 by written notice to the Registered Office, he or she resigns as a Director; or
- 37.8 he or she is required to resign from office pursuant to a written notice signed by a majority of the Directors excluding the Director in receipt of the notice.



## **CHAIRPERSON AND VICE-CHAIRPERSON**

- 38 The Board shall meet as soon as practicable immediately after each Annual General Meeting to appoint a Chairperson, and if desired a Vice-Chairperson, from the Directors (both of whom must be Elected Directors).

## **PERSONAL INTERESTS**

- 39 Any Director and/or employee who has a personal interest in any prospective or actual contract or other arrangement with the Company must declare that interest either generally to the Board or specifically to any relevant meeting of the Company. A personal interest includes not only the interest of the Director or employee in question, but also his or her partner, close relative or business associate, or any firm of which he is a partner or employee, or any limited company of which he is a director, employee or shareholder of more than 5% of the equity.
- 40 Additionally, the Board may resolve at any time to require all Directors and employees to deliver a Notice of Relevant Interests to the Registered Office, as they arise and at least annually. In that event, the Board shall determine from time to time what interests shall be relevant interests and shall ensure that a Register of Notices of Relevant Interests is maintained, which shall be open for inspection by both the Board and members of the Company and, with the express prior written approval of the Director or employee concerned, by members of the public.
- 41 Whenever a Director finds that there is a personal interest, as defined in Article 39, he or she has a duty to declare this to the Board meeting in question. It will be up to the chairperson of the meeting in question to determine:
- 41.1 whether the potential or real conflict simply be noted in the Minutes of any relevant meeting, or
- 41.2 whether the Director in question, whilst being permitted to remain in the meeting in question, must not partake in discussions or decisions relating to such matter, or
- 41.3 whether the Director in question should be required to be absent during that particular element of the meeting and, in terms of Article 43, where a Director leaves, or is required to leave, the meeting he or she no longer forms part of the quorum thereat.

## **QUORUM AT BOARD MEETINGS**

- 42 The quorum for Board meetings shall be not less than 50% of all the Directors, provided that the Elected Directors are always in the majority at any Board meeting. No business shall be dealt with at a Board meeting unless such a quorum is present.
- 43 A Director shall not be counted in the quorum at a meeting (or at least the relevant part thereof) in relation to a resolution on which, whether because of personal interest or otherwise, he or she is not entitled to vote.

## **MEETINGS OF THE BOARD OF DIRECTORS**

- 44 Meetings of the Board may take place in person or by telephone conference call, video conference call or by any other collective electronic means approved from time to time by the Board.
- 45 Not less than 14 clear days' notice in writing shall be given of any meeting of the Board at which a decision in relation to any of the matters referred to in Article 24 is to be made, which notice shall be accompanied by an agenda and any papers relevant to the matter to be decided. All other Board meetings shall require not less than 7 days' prior notice, unless all Directors agree unanimously in writing to dispense with such notice on any specific occasion.
- 46 A Director may, and on the request of a Director the Company Secretary shall summon a meeting of the Board by notice served upon all Directors, to take place at a reasonably convenient time and date.

- 47 The Chairperson, whom failing the Vice-Chairperson (if any), shall be entitled to preside as chairperson of all Board meetings at which he or she shall be present. If at any meeting neither the Chairperson nor the Vice-Chairperson is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the remaining Directors may appoint one of the Elected Directors to be chairperson of the Board meeting, which failing the meeting shall be adjourned until a time when the Chairperson or Vice-Chairperson will be available.
- 48 The chairperson of the Board meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote, on a show of hands only, each Director present having one vote. In the event of an equal number of votes for and against any resolution at a Board meeting, the chairperson of the meeting shall have a casting vote as well as a deliberative vote.
- 49 The Board may delegate any of its powers to sub-committees, each consisting of not less than one Director and such other person or persons as it thinks fit or which it delegates to the committee to appoint. Any sub-committee so formed shall, in the exercise of the powers so delegated, conform to any remit and regulations imposed on it by the Board. The meetings and proceedings of any such sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board. Such sub-committee shall regularly and promptly circulate, or ensure the regular and prompt circulation of, the minutes of its meetings to all Directors.
- 50 The Board shall cause minutes to be made of all appointments of officers made by it and of the proceedings of all General Meetings and of all Board meetings and of sub-committees, including the names of those present, and all business transacted at such meetings and any such minutes of any meeting, if purporting to be signed after approval, either by the chairperson of such meeting, or by the chairperson of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated. These minutes shall be kept for at least 10 years from the date of the meeting.
- 51 No alteration of the Memorandum or Articles and no direction given by Special Resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.
- 52 A resolution in writing (whether one single document signed by all or a sufficient majority of the Directors or all or a sufficient majority of the members of any sub-committee), whether in one or several documents in the same form each signed by one or more Directors or members of any relative sub-committee as appropriate, shall be as valid and effectual as if it had been passed at a meeting of the Board or of such sub-committee duly convened and constituted.
- 53 The Board may act notwithstanding any vacancy in it, but where the number of Directors falls below the minimum number specified in Article 30 may not conduct any business other than to appoint sufficient Directors to match or exceed that minimum.
- 54 The Board may invite or allow any person to attend and speak, but not to vote, at any meeting of the Board or of its sub-committees.
- 55 The Board may from time to time promulgate, review and amend any Ancillary Regulations, Guidelines and/or Policies, subordinate at all times to the Memorandum of Association and these Articles, as it deems necessary and appropriate to provide additional explanation, guidance and governance to members.

#### **COMPANY SECRETARY, MINUTE SECRETARY, TREASURER and PRINCIPAL OFFICER**

- 56 The Board shall appoint a Company Secretary who may be, but does not require to be, a Director for such term and upon such conditions as it may think fit. The Company Secretary may be removed by the Board at any time.

57 The Board may appoint a Minute Secretary who may be, but does not require to be, a Director, for the purposes of Article 50, for such term, at such remuneration (if any), and upon such conditions as it may think fit. The Minute Secretary may be removed by the Board at any time.

58 The Board may appoint a Treasurer who may be, but does not require to be, a Director for such term and upon such conditions as it may think fit. The Treasurer may be removed by the Board at any time.

### **HONORARY PATRON(S)**

59 The Ordinary Members in General Meeting may, on a proposal from the Board, agree to the appointment of one or more Honorary Patrons of the Company, who would be appointed either for such fixed period as the Ordinary Members determine or for an unspecified period until such appointment be terminated by them. The Honorary Patron or Patrons are entitled to notice of all General Meetings and to attend and contribute to discussion but not vote thereat.

### **FINANCES**

60 The banking account or accounts of the Company shall be kept in such bank or building society and/or banks or building societies as the Board shall from time to time determine.

61 All cheques and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

62 The Board shall ensure that all funds and assets of the Company are applied towards achieving the Objects.

### **ACCOUNTS**

63 The Board shall cause accounting records to be kept in accordance with the requirements of the Act and other relevant regulations.

64 The accounting records shall be maintained by the Treasurer (if there is one) and overseen by the Principal Officer (if there is one), or otherwise by, or as determined by, the Board. Such records shall be kept at such place or places as the Board shall think fit and shall always be open to the inspection of the Directors.

65 The accounts of the Company shall be audited regularly: either once in every year, or less frequently if a longer accounting period is provided for by the Act. An auditor shall be appointed for this task by the Board on the direction of members in General Meeting.

66 At each Annual General Meeting, the Board shall provide the members with a copy of the accounts for the period since the last preceding accounting reference date or (in the case of the first account since the incorporation of the Company). The accounts shall be accompanied by proper reports of the Board and the auditor. Copies of such accounts shall, not less than 14 clear days before the date of the General Meeting at which they fall to be approved, be delivered or sent to all members, Directors, the Company Secretary and the auditor, or otherwise be available for inspection on the website of the Company (with all members, Directors, the Company Secretary and the auditor being made aware that they are so available for inspection there).

### **NOTICES**

67 A notice may be served by the Company upon any member, either personally or by sending it by post, fax, e-mail or other appropriate electronic means, addressed to such member at his or her or its address as appearing in the Register of Members.

68 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an email or

other electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice sent by electronic means, at the expiration of 48 hours after the time it was sent.

- 69 The business of the Company and all its correspondence with and notification to or from members may be conducted equally validly and effectively if transmitted by fax or e-mail or other appropriate electronic means (except where a member specifically requests all such correspondence and notification by post) or otherwise if publicised on the website of the Company where the Company has advised each member of this and has taken due steps to notify by other reasonable means all other members who state that they do not have access to the Internet.

## **INDEMNITY**

- 70 Subject to the terms of the Act and without prejudice to any other indemnity, the Directors, or member of any sub-committee, the Company Secretary, Treasurer and all employees of the Company shall be indemnified out of the funds of the Company against any loss or liability (including the costs of defending successfully any court proceedings) which he, she or they may respectively incur or sustain, in connection with or on behalf of the Company and each of them shall be chargeable only for so much money as he or she may actually receive and they shall not be answerable for the acts, receipts, neglects or defaults of each other, but each of them for his or her own acts, receipts, neglects or defaults only.

## **Insurance**

- 71 The Board shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees, or auditors of the Company. Without prejudice to the generality of Article 41, at a meeting of the Board where such insurance is under consideration a Director may form part of the quorum and vote notwithstanding any interest he may have in such insurance.

## **ALTERATION TO THE MEMORANDUM and ARTICLES OF ASSOCIATION**

- 72 Any alteration to the Memorandum and/or these Articles may be made only upon the following conditions:
- 72.1 upon the decision of not less than 75% of the Ordinary Members either present and voting in person or voting by proxy at a General Meeting called specifically (but not necessarily exclusively) for the purpose in terms of Article 24;
- 72.2 with the written consent of the Scottish Ministers, through the Scottish Executive Environment and Rural Affairs Department (or its successors), in terms of Section 35(1) of the Land Reform Act including any statutory amendment or re-enactment thereof for the time being in force; and
- 72.3 with the prior consent of the Office of Scottish Charity Regulator where any alteration affects the purposes of the Company. Any other alteration of the Memorandum or these Articles requires to be notified to them within three months of the change having been made in confirmation that such changes shall not adversely affect the Company's recognition or registration as a Scottish charity..

**DISSOLUTION**

73 Clause 6 of the Memorandum of Association of the Company, relating to the winding up and dissolution of the Company, shall have effect as if its provisions were repeated in these Articles.

**Names and Addresses of Subscribers**

Name: *Agnes Rennie* (AGNES RENNIE)  
Address: 25 SOUTH GAWAN ISLE OF LEWIS HS2 OSH  
Name: *Norman N. Thomson* (NORMAN N. THOMSON)  
Address: 40 CROSS SVIGERSTA, NESS ISLE OF LEWIS. HS2 OTQ  
Name: *Donald A. Mackay* (DONALD A. MACKAY)  
Address: 28B SOUTH GAWAN - ISLE OF LEWIS HS2 OSH  
Dated: 16/09/08

Witness to the above signatures:

Name: *James MacLeod* (JAMES MACLEOD)  
Occupation: RETIRED  
Address: 16 SWAINBOST  
NESS,  
ISLE-OF-LEWIS  
HS2 OTA

**DISSOLUTION**

73 Clause 6 of the Memorandum of Association of the Company, relating to the winding up and dissolution of the Company, shall have effect as if its provisions were repeated in these Articles.

***Names and Addresses of Subscribers***

.....  
Name:

Address:  
.....

Name:

Address:  
.....

Name:

Address:

Dated:

Witness to the above signatures:

.....  
Name:

Occupation:

Address: