

**THE COMPANIES ACT 1985**

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

**ARTICLES OF ASSOCIATION**

**of**

**LATHERON, LYBSTER AND CLYTH COMMUNITY DEVELOPMENT  
COMPANY**

**Definitions and interpretation**

- 1 In these articles  
"the Act" means the Companies Act 1985; any reference in these articles to a provision of the Act shall be deemed to include any statutory modification or re-enactment of that provision for the time being in force.  
"the Operating Area" means the area of the community council of Latheron, Lybster and Clyth or any successor area or areas as defined by the postcode units falling within the postcode areas of KW3 and KW5.
- 2 Any reference in these articles to "clear days" in relation to a period of notice indicates that in calculating such period the day when the notice is given or deemed to be given and the day for which it is given or on which it is due to take effect are to be excluded.
- 3 Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification not in force at the date of incorporation of the company.
- 4 The Interpretation Act 1978 shall apply to these articles as it applies to any Act of Parliament.

### **Membership : eligibility**

- 5 The subscribers to the memorandum of association and those individuals aged 18 and over who:
- (a) are ordinarily resident in the community; and
  - (b) are entitled to vote at a local government election in a polling district that includes the community or part of it; and
  - (c) who support the objects;
- and who are admitted to membership by the directors shall be the members of the company subject to the terms of these articles. Membership shall be for life subject to the terms of these articles.
- 6 An individual who is an employee of the company shall not be eligible for membership.
- 7 The company shall have not fewer than 20 members at any time and, in the event that the number of members falls below 20, the Board may not conduct any business other than to ensure the admission of sufficient members to achieve the minimum number.

### **Admission of members**

- 8 The directors shall be entitled to refuse to admit any individual to membership at their discretion.
- 9 If the directors exercise their entitlement under article 8 to refuse admission of any organisation or individual, they shall notify the applicant in writing accordingly within a period of 60 days after the date on which the application was received by the company.
- 10 Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application.
- 11 Any resolution by the directors to the effect that an applicant is to be admitted to membership shall be deemed to be conditional upon payment by the applicant of the full amount of any membership subscription; no applicant shall be entered in the register of members unless or until such subscription as referred to above has been received by the company.
- 12 The company in general meeting may fix a membership subscription.

### **Membership: cessation/withdrawal**

- 13 Membership shall not be transferable and shall cease on death, and on any breach of continuing compliance with the terms of article 5, and on entering employment with the company.
- 14 An individual who wishes to withdraw from membership shall lodge with the company a written notice of retiral (in such form as the directors may reasonably require), signed by him/her; he/she shall cease to be a member with effect from the time at which the notice is received by the company.

### **Expulsion from membership**

- 15 Subject to articles 16 and 17, the company may, by special resolution, expel any individual from membership.
- 16 Any member who wishes to propose at any meeting a resolution for the expulsion of any individual from membership shall lodge with the company written notice of his/her intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than six weeks before the date of the meeting.
- 17 The company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned, and the member concerned shall be entitled to be heard on the resolution at the meeting.
- 18 The directors may by resolution expel an individual from membership and in that event the directors shall not be required to give any reason or reasons for such decision.
- 19 An individual expelled from membership under articles 15 to 18 shall cease to be a member with effect from the time at which the relevant resolution is passed.

### **General meetings**

- 20 All general meetings other than annual and ordinary general meetings shall be called extraordinary general meetings.

- 21 An extraordinary general meeting shall be convened by the directors on requisition by members (under section 368 of the Act) or on requisition by a resigning auditor (under section 392A(2) of the Act).
- 22 Subject to the preceding article and to the requirements under section 366 of the Act as to the holding of annual general meetings, the directors may convene general meetings whenever they think fit.
- 23 The business of an annual general meeting shall include the presentation, and discussion, of a full report on the activities of the company during the period since the date of the last annual general meeting.

### **Notice of general meetings**

- 24 An annual general meeting, ordinary general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution requiring special notice shall be called by at least twenty one clear days' notice; all other extraordinary general meetings shall be called by at least fourteen clear days' notice. Notices of motion intended for discussion at any annual or ordinary general meeting must be delivered to the company secretary two weeks before the period of notice required for that meeting.
- 25 A notice convening a meeting shall specify the time and place of the meeting; it shall also state the terms of any resolution which is to be proposed as a special resolution or extraordinary resolution or which constitutes a resolution requiring special notice and shall indicate the general nature of any other business to be transacted at the meeting.
- 26 A notice convening an annual general meeting shall specify the meeting as an annual general meeting.
- 27 Notice of every general meeting shall be sent or delivered to all the members and directors and to the auditors.
- 28 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

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

- 29 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 24 to 27; 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.
- 30 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.
- 31 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 cast 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 24 to 27.

### **Proceedings at general meetings**

- 32 The directors shall be entitled, at their discretion, to allow any individual who is not a member of the company to remain in attendance at the annual general meeting following the commencement of the formal business; for the avoidance of doubt, no such individual shall be entitled to vote at the annual general meeting.
- 33 No business shall be transacted at any general meeting unless a quorum is present; the quorum may be fixed by the members in general meeting and, unless so fixed at any other number, shall be 10 of the members, present in person or by representative.
- 34 If the quorum required under article 33 is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be

present, the meeting shall stand adjourned to such time and place as may be fixed by the directors.

35 The Chair (or, in his/her absence, the Vice Chair) shall (if present and willing to act as chairperson) preside as chairperson of the meeting; if neither the Chair nor the Vice Chair is present and willing to act as chairperson within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson or, if there is only one director present and willing to act, he/she shall be chairperson.

36 If no director is willing to act as chairperson within half an hour after the time appointed for holding the meeting, the members present shall elect one of their number to be chairperson.

37 The chairperson may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.

38 No business shall be transacted at any adjourned meeting other than business which could properly have been transacted at the meeting which was adjourned if the adjournment had not taken place.

39 Where a meeting is adjourned for thirty days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of the business to be transacted; in any other case, it shall not be necessary to give any notice of an adjourned meeting.

40 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded by the chairperson or by any member present at the meeting.

41 Unless a poll is demanded in accordance with the preceding article, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

42 The demand for a poll may, before the poll is taken be withdrawn but only with the consent of the chairperson; a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made or the result of a show of hands declared after the demand is so withdrawn.

- 43 If a poll is demanded in accordance with article 40, it shall be taken at once by means of a secret ballot of all the members present at the meeting; the result of such poll shall be declared at the meeting at which the poll was demanded.

#### **Votes of members**

- 44 Every member shall have one vote.
- 45 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of a general meeting shall be entitled to a casting vote.
- 46 No objection may be raised as to the validity of any vote cast at a general meeting except at the meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid; any such objection shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

#### **Number of directors**

- 47 The minimum number of directors shall be five and the maximum number of directors shall be nine. In the event of casual vacancies among the directors, the directors shall appoint a replacement to hold office until the end of the annual general meeting next following when they shall be eligible for re-election. The directors shall have the power to appoint additional directors within the terms of this article to hold office till the end of the annual general meeting next following when they shall be eligible for re-election.

#### **Appointment, re-appointment, retiral of directors**

- 48 The first directors of the company shall be appointed by the subscribers to hold office till the end of the first annual general meeting of the company. At that first annual general meeting and at each subsequent annual general meeting the directors of the company shall be appointed by the members of the company to hold office until the end of the annual general meeting next following. No person may be nominated at the annual general meeting as a director unless either a) the company secretary has received a written statement of that person's willingness to be a director, or b) the person is present and affirms their willingness to be a director. The majority of directors at any time shall be members of the company.

### **Disqualification and removal of directors**

- 49 A director shall vacate office if
- (a) he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director.
  - (b) she/he is sequestered
  - (c) she/he becomes incapable for medical reasons of fulfilling the duties of her/his office and such incapacity is expected to continue for a period of more than six months
  - (d) she/he becomes an employee of the company
  - (e) she/he resigns office by notice to the company
- or
- (f) she/he is absent for a period of more than six months without permission of the directors from meetings held during that period and the directors resolve to remove him/her from office.
- 50 The appointment of any director to executive office shall terminate if he/she ceases to be a director, or if he/she resigns from such executive office by notice to the company. Such appointment shall have been made at a meeting of directors to be held for the purpose immediately after the conclusion of the Annual General Meeting.
- 51 If the appointment of any director to executive office terminates under the preceding article, the directors, shall, at a meeting of directors held as soon as reasonably practicable after such termination, appoint another director to hold such office in his/her place; a director so appointed shall hold such executive office until the conclusion of the first annual general meeting which follows such appointment.

### **Directors' interests**

- 52 Subject to the provisions of the Act and of clause 4 of the memorandum of association and provided that he/she has disclosed to the directors the nature and extent of any material interest of his/hers, a director notwithstanding her/his office



- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested  
and
- (c) shall not, by reason of her/his office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

53 For the purposes of the preceding article

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified  
and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of hers/his.

#### **Directors' remuneration and expenses and gratuities and pensions**

54 Subject to article 55, no director shall be entitled to any remuneration, whether in respect of her/his office as director or as holder of any executive office under the company.

55 The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings and meetings of committees of directors or otherwise in connection with the discharge of their duties.

### **Powers of directors**

- 56 Subject to the provisions of the Act, the memorandum of association and these articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company, save that the policy of the company shall be developed and set by the company.
- 57 No alteration of the memorandum of association or these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 58 The powers conferred by article 56 shall not be limited by any special power conferred on the directors by these articles.
- 59 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 60 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purpose and on such conditions as they may determine, including authority for the agent to delegate all or any of his/her powers.

### **Proceedings of directors**

- 61 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 62 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 63 No notice of a meeting of directors need be given to a director who is absent from the United Kingdom.
- 64 Questions arising at a meeting of directors shall be decided by a majority of votes; in the case of an equality of votes, the chairperson shall have a second or casting vote.
- 65 The quorum for the transaction of the business of the directors may be fixed by the directors and, unless so fixed at any other number or proportion, shall be three. A meeting of directors shall not be quorate unless the majority of directors present are members of the company.

- 66 The directors may allow representatives of local authorities and other bodies with which the company has contact in the course of its operations to attend meetings of directors.
- 67 For the avoidance of doubt, an individual who is allowed to attend meetings of directors under article 66 shall not be entitled to vote at such meetings and shall not have any of the powers of a director.
- 68 The continuing directors or a sole continuing director may act notwithstanding vacancies but if the number of remaining directors is less than the number fixed as the quorum, they or he/she may act only for the purpose of filling vacancies or of calling a general meeting.
- 69 Unless she/he is unwilling to do so the chairperson of the board of directors shall preside as chairperson at every meeting of directors at which he/she is present.
- 70 If the chairperson of the board of directors is unwilling to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the vice chairperson shall act as chairperson; if the vice chairperson is not willing to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.
- 71 All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 72 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) committee of directors duly convened and held; it may consist of several documents in the same form each signed by one or more directors.
- 73 Except as otherwise provided by these articles, a director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company.

- 74 For the purposes of the preceding article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the company), connected with a director shall be treated as an interest of the director.
- 75 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.
- 76 The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of the directors or at a meeting of a committee of directors.
- 77 If a question arises at a meeting of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; her/his ruling in relation to any director other than herself/himself shall be final and conclusive.

#### **Delegation to committee of directors and holders of executive office**

- 78 The directors may delegate any of their powers to any committee consisting of one or more directors in addition to any number of other persons appointed in a form approved by the directors; they may also delegate to the chairperson of the board of directors or to any director holding any other executive office such of their powers as they consider desirable to be exercised by him/her.
- 79 Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
- 80 Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee formed as prescribed in article 81 shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.

#### **Secretary**

- 81 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

### **Minutes**

82 The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings of the company, of meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present; and also that minutes are made in books kept for the purpose of all appointments of officers made by the directors.

### **Accounts**

83 No member shall (in that capacity) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorized by the directors or by ordinary resolution of the company.

### **Notices**

84 All notices to be given in pursuance of these articles shall be in writing.

85 The company may give any notice under these articles to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at his/her registered address or by leaving it at that address.

86 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four 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.

87 A member present at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

### **Winding-up**

88 If the company is wound up, the liquidator shall give effect to the provisions of clause (7) of the memorandum of association.

## **Indemnity**

89 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company and every employee or volunteer worker engaged in the activities 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 through involvement in the affairs or activities of the company or 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 in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

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

Names and addresses of subscribers

1. Signature Andrew Gunn Full Name ANDREW GUNN

Designation MR

Address CRUACHAN

MAIN STREET

LYBSTER KW3 6AQ

2. Signature John Alexander Gunn Full Name JOHN ALEXANDER GUNN

Designation MR

Address SWINEY HOUSE

LYBSTER

CROFTHEADS KW3 6BT

3. Signature ..... Full Name .....

Designation .....

Address .....

Dated: 15<sup>th</sup> June 2000

Witness to the above signatures: George S. Carter

GEORGE S. CARTER

OLD BANK

MAIN ST.

LYBSTER