

Company Number: SC200827

# The Companies Acts 1985-1989

*Company limited by Guarantee  
and not having a share capital*

Memorandum and Articles  
of Association

of

# The Southern Uplands Partnership

Incorporated on 19 October 1999  
and amended on 29 June 2011

[Scottish Charity Number SC029475]

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## The Companies Acts 1985-1989

Company Limited by Guarantee and not having a share capital

# Memorandum of Association of The Southern Uplands Partnership

1. The name of the Company is The Southern Uplands Partnership (hereinafter referred to as "the Partnership").
2. The registered office of the Partnership is situated in Scotland.
3. The Objects of the Partnership are:
  - (a) to promote and advance education of the public about working and living sustainably in the Southern Uplands of Scotland (being generally the hills stretching from coast to coast across Southern Scotland, the northern boundary of which is the Central Lowlands of Scotland, and the southern boundary of which is the border between Scotland and England), either independently and/or in association with Local Authorities, voluntary organisations and local residents; and
  - (b) to guide and encourage the integration of environmental, social and economic land use policies, the sustainable use and management of land and water and other relevant activities in the Southern Uplands of Scotland so that they are compatible with considerations of the environment and local communities; and
  - (c) to promote, protect and conserve the biodiversity of the Southern Uplands of Scotland for the benefit of society.
4. In furtherance of these Objects, but not otherwise, the Partnership shall have the following powers:
  - (a) In respect of Clause 3 (c) hereof, to initiate and support local and regional initiatives in furtherance of the Objects of the Partnership.
  - (b) To conduct research, to prepare and organise, promote and implement training courses, exhibitions, lectures, seminars, conferences, other meetings and other activities conducive to the Objects of the Partnership and to prepare, produce, edit, publish, exhibit and distribute articles, pamphlets, books and other publications, tapes, motion and still pictures of any medium, music and drama of any medium and other materials conducive to the Objects of the Partnership.
  - (c) To encourage and develop a spirit of voluntary or other commitment by individuals, unincorporated associations, firms, corporate bodies, agencies,

undertakings, local authorities and others and any groups or groupings thereof willing to assist the Partnership to achieve its Objects.

- (d) To purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the Partnership.
- (e) To construct, convert, alter, demolish, improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Partnership.
- (f) To sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Partnership, wheresoever situated.
- (g) To manage and operate or arrange for the professional management and operation of properties, lands and estates whether owned by the Partnership or not and the entering into and carrying out of agreements in relation thereto with statutory and other bodies, individuals, unincorporated associations, firms, corporate bodies and others and any groups thereof in furtherance of the Objects of the Partnership.
- (h) To manufacture, retail, sell, hire and supply equipment, items and goods generally conducive to the Objects of the Partnership.
- (i) To borrow money and give security for the payment of money by, or the performance of other obligations of, the Partnership or any other person.
- (j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (k) To establish and administer a building fund or funds or guarantee fund or funds or endowment fund or funds in furtherance of the Objects of the Partnership.
- (l) To employ and train personnel in all aspects of the Objects of the Partnership and to remunerate any individual in the employment of the Partnership and to establish, maintain and contribute to, or co-operate with others in establishing, maintaining and contributing to, any pension or superannuation fund or scheme for the benefit of, and to give or procure the giving of any donation, pension allowance or remuneration to, and to make any payment for or towards the insurance of, any individual, who is or was at any time in the employment of the Partnership and the wife, widow, relatives and dependants of any such individual; and to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- (m) To promote any private Act of Parliament, Provisional Order and other authority to enable the Partnership to carry out its objectives, alter its constitution, and achieve any other purpose which may promote the Company's interests, and to oppose or object to any Parliamentary Bill, Local Authority Notice or Order, or any planning proposal, designation, application, notice or order, regulations or policies, whether issued by or on

behalf of or by the authority of Parliament, any Government or statutory agency or any organisation, whether incorporated or unincorporated, any association, other bodies, individuals or generally any application or proceedings which may prejudice the Company's interests.

- (n) To establish, subsidise, promote, co-operate or federate with or become affiliated to, act as trustees or agents for, or manage or lend money or provide other assistance to, or subscribe and make contributions to or otherwise support any association, trust, society or other body corporate or unincorporated and having primary objects wholly or partly similar to those of the Partnership, or otherwise connected with the activities of the Partnership or with the furtherance of any of its Objects.
- (o) To establish, operate and administer and/or otherwise acquire separate trading companies or associations, whether charitable or not.
- (p) To enter into any arrangement with any organisation, government, authority or other body which may be advantageous for the purposes of the activities of the Partnership and to obtain from any such organisation, government, authority or other body any charter, right, privilege or concession.
- (q) To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any charitable body, whether incorporated or unincorporated.
- (r) To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of.
- (s) To effect insurance against risks of all kinds.
- (t) To invest monies of the Partnership not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such a manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirements) and to dispose of and vary such investments and securities.
- (u) To subscribe for, take, purchase or otherwise acquire and hold shares, stocks, debentures and other interests in any company with which the Partnership is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any company, association or other body with which the Partnership is authorised to amalgamate.
- (v) To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the Objects of the Partnership.
- (w) To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the Partnership, whether by way of subscriptions, grants, loans, donations or otherwise.

- (x) To carry out any of the Objects of the Partnership in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others.
- (y) To do anything which will further the attainment of any of the Objects of the Partnership.

And it is declared that in this whole Clause where the context so admits, "property" means any property, heritable or moveable, real or personal, wherever situated in the world.

- 5. (a) Subject to Clause 5 (b),
  - (i) the income and property of the Partnership shall be applied solely towards the promotion of its Objects as set out in Clause 3 hereof;
  - (ii) no part of the income and property of the Partnership shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the members of the Partnership;
  - (iii) no member of the Board of Directors of the Partnership shall be appointed to any office under the Partnership in respect of which a salary or fee is payable; and
  - (iv) no benefit in money or money's worth shall be given by the Partnership to any member of the Board of Directors for their services as a Director, except repayment of out-of-pocket expenses.
- (b) The Partnership shall, notwithstanding the provisions of Clause 5 (a), be entitled:
  - (i) to pay reasonable and proper remuneration to any member of the Partnership or of its Board of Directors in return for services actually rendered to the Partnership (other than those carried out normally or habitually by any Director, officer or employee of the Partnership) and to reimburse any out-of-pocket expenses incurred by any such person on behalf of the Partnership in furtherance of its Objects;
  - (ii) to pay interest at a rate not exceeding the commercial rate on money lent to the Partnership by any member of the Partnership or its Board of Directors;
  - (iii) to pay rent at a rate not exceeding the open market rent for premises let to the Partnership by any member of the Partnership or its Board of Directors; and
  - (iv) to purchase assets from any member of the Partnership or its Board of Directors providing such purchase is at or below market value and to sell assets to any member of the Partnership or its Board of Directors providing such sale is at or above market value.
- 6. The liability of members is limited.

7. Every member of the Partnership 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 or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up.
8.
  - (a) The winding-up of the Partnership may take place only on the decision of not less than three-fourths of the members of the Partnership who are present in person or by proxy at an Extraordinary General Meeting called specifically (but not necessarily exclusively) for the purpose.
  - (b) If on the winding-up of the Partnership any property remains after satisfaction of all the Company's debts and liabilities, such property shall be given or transferred to some charitable body or bodies (whether incorporated or unincorporated) whose objects are altogether or in part similar to the Objects of the Partnership and whose constitution restricts the distribution of income and assets among members to an extent at least as great as does Clause 5 of this Memorandum of Association.
  - (c) The body or bodies to which property is transferred under sub-clause (b) hereof, who may include one or more of the members of the Partnership provided that they themselves are charities, shall be determined on the decision of not less than three-fourths of the members of the Partnership who are present in person or by proxy at or before the time of dissolution or, failing such determination, by a decision of not less than three-fourths of the Board of Directors or, failing such determination by them, by an arbiter to be nominated by the President of the Law Society of Scotland.
  - (d) To the extent that effect cannot be given to the provisions of sub-clauses (b) and (c) hereof, the relevant property shall be applied to some other charitable object or objects as shall be determined by ordinary resolution of the members of the Partnership at or before the time of dissolution or, failing such determination, by the Board of Directors or, failing such determination by them, by an arbiter to be nominated by the President of the Law Society of Scotland.

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## Articles of Association of The Southern Uplands Partnership

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### GENERAL

1. The regulations contained in Table C in the Companies (Tables A to F) Regulations 1985 shall not apply to the Partnership. In these presents the words standing in the first column of the Table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

#### WORDS

#### MEANINGS

- |                        |  |
|------------------------|--|
| The Act                | - The Companies Act 1985 as amended and every statutory modification and re-enactment thereof for the time being in force.                                     |
| These Articles         | - These Articles of Association, and the regulations of the Partnership from time to time in force.  |
| The Partnership        | - The Southern Uplands Partnership.  |
| The Board of Directors | - The Board of Directors for the time being of the Partnership.  |
| Director(s)            | - Director(s) for the time being of the Partnership.   |
| The Office             | - The Registered Office of the Partnership.  |
| Members                | - The Members of the Partnership.  |
| The Subscribers        | - Those persons and/or bodies who have subscribed both these Memorandum and Articles of Association of the Partnership.  |
| The United Kingdom     | - Great Britain and Northern Ireland.  |
| Month                  | - Calendar month.  |
| In writing             | - Written, printed or lithographed, or partly one and partly another, and other modes of representing or producing words in a visible and non-transitory form. |

Clear days - In relation to a period of notice means that period excluding 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 to take effect.

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.

Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.

2. The Partnership is established for the purposes expressed in the Memorandum of Association.

### MEMBERS

3. The number of members of the Partnership shall not be less than three.
4. The initial members of the Partnership shall be those specific organisations whose authorised representatives (appointed in terms of Article 8 (a) hereof) sign as Subscribers of these Memorandum and Articles.
5. Such individuals interested in the Objects of the Partnership may be admitted thereafter to membership of the Partnership as the Board of Directors may from time to time determine. They shall be known as Individual Members for the purposes of these Articles.
6. Such organisations interested in the Objects of the Partnership may be admitted thereafter to membership of the Partnership as the Board of Directors may from time to time determine. They and the initial members in terms of Article 4 hereof shall be known as Group Members for the purposes of these Articles.
7. The members at each Annual General Meeting shall fix any subscriptions (and, if relevant, different rates thereof). Only those members who have paid their current subscription (where these are fixed) are entitled to take part in and vote at any General Meeting.
8. (a) Each Group Member shall appoint one named authorised representative and should additionally appoint one named depute. The named depute, where appointed, may act for and represent such member at any meeting of the Partnership only in the absence of the named authorised representative.  
  
(b) The appointment of a named authorised representative, and of a named depute, shall be made by each Group Member within one month of admission to membership of the Partnership.  
  
(c) Any change in the appointment of a named authorised representative, and/or of a named depute, may be made at any time by the appointing member, but only by way of written notice served by the member at the Office. Such notice will take effect two clear days after its receipt at the Office to allow sufficient time for the appointing member to serve a copy of the notice to anyone named therein.



(d) Any such notice of appointment or change shall remain valid until withdrawn or superseded by the member in terms of Article 8 (c) hereof.

(e) In the case of any dispute as to the correct named authorised representative or depute serving at any time, the matter will be settled by the Secretary in accordance with the most recent notice validly received at the Office.

(f) Either of the named authorised representative and the named depute can be members of the Partnership in his or her or their own right.

(g) A named authorised representative, or named depute, of a Group Member may no longer serve as such for any member in any one or more of the following events:

(i) if he or she becomes a bankrupt person, or insolvent or apparently insolvent or makes any arrangement or composition with his or her creditors generally; or

(ii) if he or she becomes prohibited from being a member of the Board of Directors (and, as such, 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

(iii) if he or she becomes of unsound mind as certified by two medical practitioners; or

(iv) if he or she becomes incapable for medical reasons of fulfilling the duties of his or her office and such incapacity as certified 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

(v) if by notice in writing to the Office he or she resigns his or her office.

9. The Partnership shall keep a Register of its current members, containing their names and postal addresses, and in respect of each Group Member including their named authorised representative and, where appointed, their named depute.

10. The rights and privileges of membership shall not be transferable by any act or operation of law and shall cease on the member's ceasing to be a member for whatever reason.

11. Any member shall ipso facto cease to be a member of the Partnership:

(a) If he, she or they resign by giving not less than one month's written notice to the Partnership of his, her or their intention to do so.

(b) If, being an Individual Member, he or she becomes a bankrupt person, or insolvent or apparently insolvent or makes any arrangement or composition with his or her creditors generally.

(c) If notice of any resolution to wind up a Group Member is presented or if any member shall be declared insolvent or apparently insolvent or sign a trust

deed for behoof of creditors or if a receiver or liquidator of any member's undertaking, property or assets or any part thereof be appointed.

- (d) If a resolution that a member be removed from the Partnership is passed by a majority of at least three-quarters of the Directors present and voting at a meeting of the Board of Directors of which not less than fourteen days' previous notice specifying the intention to propose such resolution and the general grounds on which it is proposed shall have been sent to all Directors and also to the member whose removal is in question, such member being entitled to be heard by the Board of Directors at the meeting.
- (e) If, being an Individual Member, he or she becomes of unsound mind as certified by two medical practitioners.
- (f) If the annual subscription of a member or any part thereof shall remain due and payable but unpaid to the Partnership for a period of not less than six months (or such other period as the Board of Directors shall from time to time determine), provided that written warning has been given to such member by the Partnership and that only if such member has still failed to pay within one month after whichever is the later of (i) the written warning and (ii) the expiry of the said period may the Partnership determine by notice sent to such member that he or she is no longer a member of the Partnership.

#### GENERAL MEETINGS

- 12. The Partnership shall hold a General Meeting in every calendar year as its Annual General Meeting at such time and place as may be determined by the Board of Directors and shall specify the meeting as such in the notices calling it, provided that every Annual General Meeting except the first shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting, and that so long as the Partnership holds its first Annual General Meeting within eighteen months after its incorporation it need not hold it in the year of its incorporation nor in the following year.
- 13. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.
- 14. The Board of Directors may whenever they think fit convene an Extraordinary General Meeting, and must convene one within twenty-eight days of receipt at the Office of a valid requisition. To be valid, such requisition must be signed by not less than ten members, must clearly state the objects of the meeting and must be deposited at the Office. The requisition may consist of several documents in like form each signed by one or more requisitionists. If any of the objects stated by the requisitionists requires to be determined by Special Resolution, the Board of Directors must give not less than twenty-one clear days' notice of the meeting in writing.
- 15. Twenty-one clear days' notice in writing at the least of every Annual General Meeting and of every meeting convened to pass a Special Resolution, and fourteen clear days' notice in writing at the least of every other General Meeting, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of that business, shall be given in manner hereinafter mentioned to

the members and to such persons or bodies as are under these Articles or under the Act entitled to receive such notices from the Partnership; but with the consent of all the members having the right to attend and vote thereat, or of such proportion of them as is prescribed by the Act in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as those members may think fit.

16. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any members, persons or bodies entitled to receive notice thereof shall not invalidate any resolution passed at or proceedings of any meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

17. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the consideration of the income and expenditure account and balance sheet, the reports of the Board of Directors and of the Independent Financial Examiners, the fixing of the annual subscription, the election of members of the Board of Directors in the place of those retiring, the election of the members of Council and the appointment of, and the fixing of the remuneration of, the Independent Financial Examiners.
18. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Ten members entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of an member, shall be a quorum. The Board of Directors may from time to time alter the number of members to constitute a quorum, but may not do so less than twenty-one days before a General Meeting and in any event may not lower the number below seven members.
19. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other day, time or place as the Board of Directors may determine.
20. The Convenor of the Partnership shall preside as Convenor of all meetings, but in his or her absence the members of the Partnership present shall choose a member of the Board of Directors who shall be present to preside as Convenor of the meeting in question.
21. The Convenor of the meeting may, with the consent of any 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, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as for an original meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

## VOTES OF MEMBERS

22. The Convenor of the meeting shall endeavour to achieve consensus wherever possible but, wherever necessary, questions arising shall be decided by being put to the vote.
23. Each member of the Partnership shall have one vote, which in the case of each Group Member is to be exercised by their authorised representative (or named depute) appointed in terms of Article 8 hereof.
24. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Convenor of the meeting whose decision shall be final and conclusive.
25.
  - (a) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands. Ordinary business and ordinary resolutions shall be determined by simple majority, whilst Special Resolutions shall be determined by a majority of not less than three-fourths of the members attending and voting in person or by proxy at the meeting to which the resolution is put.
  - (b) In the case of an equality of votes, the Convenor of the meeting shall be entitled to a casting vote in addition to a deliberative vote.
26. Subject to the provisions of the Act, a resolution in writing signed by or on behalf of all the members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be as valid and effective as if the same had been passed at a General Meeting of the Partnership duly convened and held. Such resolution may consist of several documents in the same form, each signed by one or more members. This Article shall not apply in respect of any decision required in terms of Clause 8 of the Memorandum of Association of the Partnership and Article 74 hereof.
27.
  - (a) An Individual Member shall be entitled to appoint a proxy, but not more than one proxy to attend on the same occasion. A proxy need not be a member of the Partnership. A proxy appointed to attend and vote at any meeting instead of an Individual Member shall have the same right as the member who appointed him to speak at the meeting and to vote thereat.
  - (b) The instrument appointing a proxy shall be in writing under the hand of the appointing member or his attorney duly authorised in writing. The instrument 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 deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. 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 Office.

- (c) A vote given in accordance with the terms of an instrument 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 Office before the commencement of the meeting or adjourned meeting at which the proxy is used (not having been deliberately withheld).
- (d) Any instrument appointing a proxy shall be in the following form or as near thereto as circumstances will admit:

<p>I,.....of.....  .....,  a member of The Southern Uplands Partnership hereby  appoint.....  of.....,  (and failing him,.....,  of.....),  as my proxy to vote for me on my behalf at the (Annual/Extraordinary)  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 favour of/against the resolution.</p> <p style="text-align: center;"><i>[* To be used only if applicable.  ** Strike out whichever is not desired.]</i></p> <p style="text-align: center;">Signed on .....day of .....</p> <p style="text-align: center;"><u><i>[insert signature here]</i></u></p>
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**BOARD OF DIRECTORS**

- 28. The affairs of the Partnership shall be directed and managed by a Board of Directors appointed in manner hereinafter provided.
- 29. Unless otherwise determined by ordinary resolution at a General Meeting, the number of members of the Board of Directors shall not be less than five nor more than twelve.
- 30. The interim Board of Directors shall be the Subscribers, and any persons co-opted by them in terms of Article 34 hereof, to serve for an initial term from incorporation of the Partnership until the first General Meeting of the Partnership to be held as soon as practicable after incorporation and they shall all retire at that first General Meeting, but remain eligible for election thereat.
- 31. At the first General Meeting of the Partnership and at every subsequent Annual General Meeting thereof, the appointment and election of the Board of Directors shall be regulated as follows:

- (a) The Individual Members of the Partnership may elect up to three Directors.
  - (b) The Group Members of the Partnership may elect up to six Directors.
32. In respect of the election of Directors in terms of Article 31 hereof, the following shall apply:
- (a) At the first and each successive Annual General Meeting, one of the Directors elected by the Individual Members and two of the Directors elected by the Group Members shall retire from office. A Director so retiring shall retain office until the close or adjournment of that meeting.
  - (b) A retiring Director shall be eligible for re-election after one term of office, but no Director can serve more than two consecutive terms of office, without at least one year out of office before being eligible again. The initial term referred to in Article 30 hereof does not constitute a term of office.
  - (c) Of the Directors elected by the Individual Members, the one to retire at each Annual General Meeting shall be the one who has been longest in office since his or her last election or appointment but, as between persons who became or were last re-elected Directors by the Individual Members on the same day, the one to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
  - (d) Of the Directors elected by the Group Members the ones to retire at each Annual General Meeting shall be those who have been longest in office since their last election or appointment but, as between persons who became or were last re-elected Directors by the Group Members on the same day, the ones to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
  - (e) Nomination of any Director to be elected by the Individual Members shall be by not less than any two Individual Members of the Partnership. Nomination of any Director to be elected by the Group Members shall be by not less than any two Group Members of the Partnership. A candidate may be nominated by the Individual Members or the Group Members, but not both.
  - (f) Any person, on being elected a Director, shall immediately become an Individual Member of the Partnership (if not already one).
  - (g) All nominations must be in writing and delivered to the Registered Office of the Partnership not less than fourteen days before the Annual General Meeting at which the election of such Director shall take place, which nomination must contain the written acceptance of such nominee. Valid nominations will be available for inspection by members of the Partnership on application to the Secretary.
33. (a) Election of any Director to represent the Individual Members shall be by vote of the Individual Members who may be present in person or by proxy at the Annual General Meeting. Each Individual Member shall have one vote for each such vacancy on the Board of Directors on behalf of the Individual Members.

- (b) Election of any Director to represent the Group Members shall be by vote of the Group Members who may be present in person or by proxy at the Annual or Extraordinary General Meeting. Each Group Member shall have one vote for each vacancy on the Board on behalf of the Group Members.
  - (c) Candidates shall be elected to the vacancy or vacancies on the Board of Directors in order of the number of votes cast and, in the event of any equality, the Convenor of the meeting shall have a second or casting vote.
34. The Board of Directors may from time to time co-opt additional Directors to serve on the Board, provided that the maximum number specified in Article 29 be not exceeded thereby, to serve until the next Annual General Meeting of the Partnership. Such co-opted Director can be re-co-opted at such next Annual General Meeting. Such co-opted Director can be removed from office at any time by a simple majority of the Board of Directors. Such co-opted (or re-co-opted) Director or Directors may participate fully in and vote at all Board meetings which he, she or they attend.
35. The office of Director shall ipso facto be vacated:
- (a) if he or she without the consent of the Partnership in General Meeting holds any office of profit under the Partnership; or
  - (b) if he or she becomes a bankrupt person, or insolvent or apparently insolvent or makes any arrangement or composition with his or her creditors generally; or
  - (c) if he or she becomes prohibited from being a Director 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
  - (d) if he or she becomes of unsound mind as certified by two medical practitioners; or
  - (e) if he or she becomes incapable for medical reasons of fulfilling the duties of his or her office and such incapacity as certified 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
  - (f) if he or she absents himself from three or more consecutive meetings of the Board of Directors without special leave of absence from the Board of Directors and the Board of Directors resolves that he or she vacate office; or
  - (g) if by notice in writing to the Partnership he or she resigns his or her office; or
  - (h) if he or she is directly or indirectly interested in any contract with the Partnership and fails to declare the nature of his or her interest in manner required by section 317 of the Act and the Board of Directors resolves that he or she vacate office; or
  - (i) if he or she ceases to be ordinarily resident in the United Kingdom.

36. A Director shall not vote in respect of any contract in which he or she has an interest or any matter arising therefrom and if he or she does so vote his or her vote shall not be counted.
37. The members of the Partnership may by ordinary resolution remove any Director before the expiration of his or her period of office. The vacancy created thereby may be filled as a casual vacancy by the members by ordinary resolution. A person so appointed to take the place of a Director so removed is treated, for the purpose of determining the time at which he, she or any other Director is to retire, as if he or she had become a Director on the day on which the person in whose place he or she is appointed was last appointed a Director.

#### **POWERS OF THE BOARD OF DIRECTORS**

38. The direction and business of the Partnership shall be managed by the Board of Directors who may pay all such expenses of, and preliminary and incidental to, the promotion, formation, establishment and registration of the Partnership as they think fit, and may exercise all such powers of the Partnership, and do on behalf of the Partnership all such acts as may be exercised and done by the Partnership, and as are not by the Act or by these Articles required to be exercised or done by the Partnership in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the Act and to such regulations (being not inconsistent with the said regulations and/or provisions) as may be made by the Partnership in General Meeting provided that no such regulation or provision made by the Partnership in General Meeting shall invalidate any prior act of the Board of Directors which would have been valid if such regulation had not been made.
39. The Directors for the time being may act notwithstanding any vacancy in their body.
40. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Partnership, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board of Directors shall from time to time by resolution determine. The banking account or accounts of the Partnership shall be kept in such bank or building society and/or banks or building societies as the Board of Directors shall from time to time by resolution determine.

#### **CONVENOR**

41. The Board of Directors shall from time to time elect from their own number (or as co-opted by them) a Convenor of the Partnership who shall, unless the Board of Directors at any time resolves otherwise, hold office for a period of three years, provided that he or she remains a Director for that whole period. At the end of his or her period of office, the Convenor shall be eligible for re-election.

#### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

42. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined, five shall be



- a quorum. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which, whether because of personal interest or otherwise, he or she is not entitled to vote. Questions arising at any meeting shall be decided by a majority of votes of the members present of the Board of Directors. In case of an equality of votes the Convenor of the meeting shall have a second or casting vote.
43. The following matters may be decided only by the decision of three-fourths of the Directors present at any Board meeting, namely:
- (a) the formation, acquisition or disposal of any subsidiary; or
  - (b) the acquisition or disposal by the Partnership or by any of its subsidiaries of any shares of any other company or the participation or cessation of participation by the Partnership or by any of its subsidiaries in any formal partnership or joint venture; or
  - (c) the creation or issue or allowing to come into being of any mortgage, security, charge or other encumbrance upon any part or parts of the property or assets of the Partnership or the obtaining of any advance or credit in any form other than normal trade credit, or the creation or issue by any subsidiary of any debenture or loan stock; or
  - (d) any dealings with heritable property or any interest therein generally and, without prejudice to the foregoing generality, the sale of or the granting of a lease over any heritable property owned by or leased to the Partnership or any of its subsidiaries and the purchase of or taking the tenant's part in any lease or sub-lease of heritable property wherever situated; or
  - (e) any proposal to be put to the members of the Partnership that the Partnership itself be wound up in terms of Clause 8 of the Memorandum of Association. and, where relevant, any decision requiring to be taken by the Board of Directors in terms of Clause 8 (c) thereof.
44. A Director may, and on the request of a Director the Secretary shall, at any time, summon a meeting of the Board of Directors by notice served upon all Directors, to take place at a reasonably convenient time, date and location within the Southern Uplands of Scotland. A Director who is absent from the United Kingdom shall not be entitled to notice of a meeting. Not less than fourteen clear days' notice in writing shall be given of any meeting of the Board of Directors at which a decision in relation to any of the matters referred to in Article 43 is to be made, which notice shall be accompanied by an agenda and any papers relevant to the matter to be decided.
45. The Convenor shall be entitled to preside at all meetings of the Board of Directors at which he or she shall be present, but if no such Convenor be elected, or if at any meeting the Convenor be not present within fifteen minutes after the time appointed for holding the meeting and willing to preside, the Directors present may choose one of their number to be Convenor of the meeting.
46. The Board of Directors may delegate any of their powers (other than those listed in Article 43 hereof) to sub-committees consisting of such member or members of the Board of Directors and other persons (who must be members of the Partnership) as they think fit, and any committee so formed shall, in the exercise of the powers so

delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board of Directors so far as applicable and so far as the same shall not be superseded by any regulations made by the Board of Directors.

47. All acts bona fide done by any meeting of the Partnership or of any committee of the Board of Directors, or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Director.
48. The Board of Directors shall cause proper minutes to be made of all appointments of officers made by the Board of Directors and of the proceedings of all meetings of the Partnership and of the Board of Directors and of committees of the Board of Directors, 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 by the Convenor of such meeting, or by the Convenor of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
49. A resolution in writing (whether one single document signed by all Directors or all the members of any sub-committee of the Board of Directors who are entitled to receive notice of a meeting of the Board of Directors or of such sub-committee or whether several documents in the same form each signed by one or more Directors or members of any relative sub-committee as appropriate so that all have signed together or separately) shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors or of such sub-committee duly convened and constituted.
50. No alteration of the Memorandum or Articles of Association of the Partnership and no direction given by Special Resolution shall invalidate any prior act of the Board of Directors which would have been valid if that alteration had not been made or that direction had not been given.
51. The Board of Directors may invite or allow any person to attend and speak, but not to vote, at any meeting or meetings of the Board of Directors or of their sub-committees. The principal employee (if any) of the Partnership shall attend each meeting of the Board of Directors (except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board of Directors wish to keep confidential to themselves), but shall have no vote.

## COUNCIL

52. The Council of the Partnership, comprising up to twenty-four persons to be elected or appointed as hereinafter provided, shall have an advisory role to assist the Board of Directors generally, and specifically on matters referred to it by the Board of Directors.
53. Up to fifteen of the Council members shall be elected by the members of the Partnership in General Meeting, as follows:

- (a) At each Annual General Meeting, five of the Council members elected by the members of the Partnership shall retire from office. A Council member so retiring shall retain office until the close or adjournment of the meeting.
  - (b) A retiring Council member shall be eligible for re-election.
  - (c) The Council members to retire at each Annual General Meeting shall be the ones who have been longest in office since their last appointment but, as between persons who became Council members on the same day, the one or ones to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
  - (d) Nomination of any Council member shall be by not less than any two members of the Partnership (either by two Individual Members, or two Group Members, or one Individual Member and one Group Member).
  - (e) All nominations must be in writing and delivered to the Office not less than fourteen days before the Annual General Meeting at which the election of such Council member shall take place, which nomination must contain the written acceptance of such nominee. Valid nominations will be available for inspection by members of the Partnership on application to the Secretary.
  - (f) Election of any Council member shall be by vote of all members of the Partnership who may be present in person or by proxy at the Annual General Meeting. Each member shall have one vote for each such vacancy on the Council.
  - (g) Candidates shall be elected to the vacancy or vacancies on the Council in order of the number of votes cast and, in the event of any equality, the Convenor of the meeting shall have a second or casting vote.
54. The remaining Council members, up to the maximum permitted in terms of Article 52 hereof, shall be appointed by the Board of Directors to reflect so far as possible representation between the geographical communities and relevant sectoral interests. Each Council member so appointed by the Board of Directors shall serve for a term of three years. A retiring Council member shall be eligible for re-appointment by the Board of Directors.
55. The Council shall meet not less than two times in each calendar year and shall invite all Directors to attend its meetings.
56. Meetings of the Council shall be chaired by the Convenor of the Partnership. If the Convenor of the Partnership is unable to do so for any reason, the Council shall elect a Convenor of the meeting from their own number, The Convenor of the meeting shall endeavour to achieve consensus at all times, but if necessary questions arising shall be decided by being put to the vote. Each Council member shall have one vote and the Convenor of the meeting shall have a second or casting vote as well as a deliberative vote.
57. The Council may invite such observers and technical advisers to attend its meetings as pertinent to its business from time to time.

## CONFLICTS OF INTERESTS

58. (a) All Directors, Council members and employees of the Partnership have an obligation to declare any interests which might arise in respect of dealings by themselves or by parties with whom they are connected or associated with the Partnership and, where such arise, to avoid conflicts of interest by way of such declaration and by ensuring that they take no part in discussions or decisions relating to such dealings.
- (b) The Secretary will retain a Register of Interests on such terms and conditions as the Board of Directors may require from time to time.

## SECRETARY

59. The Secretary shall be appointed by resolution of the Board of Directors for such time at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The Partnership may from time to time by resolution appoint an assistant or deputy Secretary, and any person or body so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting. If there be no assistant or deputy Secretary at the time when there is no Secretary or no Secretary capable of acting, the Board of Directors may authorise one of their own number or any other person or body to act temporarily as Secretary until a new Secretary be appointed in terms hereof. The Board of Directors may from time to time appoint a Minute Secretary or Secretaries for the purposes of Article 48 hereof.

## ACCOUNTS

60. The Board of Directors shall cause accounting records to be kept in accordance with the requirements of the Act.
61. The accounting records shall be kept at the Office, or, subject to the provisions of the Act, at such other place or places as the Board of Directors shall think fit, and shall always be open to the inspection of the officers of the Partnership.
62. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Partnership or any of them shall be open to the inspection of the members not being officers of the Partnership, and no member (not being an officer) shall have any right of inspecting any accounting records or other book or document of the Partnership except as conferred by statute or authorised by the Board of Directors or by the Partnership in General Meeting.
63. At each Annual General Meeting in every year the Board of Directors shall in accordance with the provisions of the Act lay before the Partnership an income and expenditure account for the period since the last preceding accounting reference date or (in the case of the first account) since the incorporation of the Partnership together with a proper balance sheet made up as at the same date. Every such balance sheet shall be accompanied by proper reports of the Board of Directors and the Independent Financial Examiners, and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements

for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall not less than twenty-one clear days before the date of the meeting at which they are to be laid be delivered or sent by post to the Independent Financial Examiners and to all members and all other persons and bodies entitled to receive notices of General Meetings in accordance with section 238 of the Act in the manner in which notices are hereinafter directed to be served. The Independent Financial Examiners' report shall be laid before the meeting as required by section 241(1) of the Act.

#### INDEPENDENT FINANCIAL EXAMINATION

64. In accordance with the provisions of the Act once at least in every year the accounts of the Partnership shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Independent Financial Examiners.
65. Independent Financial Examiners shall be appointed and their duties regulated in accordance with the provisions of the Act.

#### PATRONS

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

#### NOTICES

67. A notice may be served by the Partnership upon any member, either personally or by sending it through the post in a pre-paid letter, addressed to such member at his or her registered address as appearing in the Electoral Roll for members.
68. Any member described in either the Electoral Roll or the Register of Members by an address not within the United Kingdom, who shall from time to time give the Partnership an address within the United Kingdom at which notices may be served upon him or her, shall be entitled to have notices served upon him or her at such address, but, save as aforesaid and as provided by the Act, only those members who are described in the Electoral Roll or the Register of Members by an address within the United Kingdom shall be entitled to receive notices from the Partnership.
69. Any notice, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the Post Office as a first class letter.
70. A member present at any meeting of the Partnership shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.

71. The business of the Partnership and all its correspondence with and notification to or from members may, notwithstanding the terms of any Article hereof (including Articles 67 and 69 hereof), be conducted equally validly and effectively as by post if transmitted by fax or e-mail to or from any member of the Partnership (except where that member specifically requests all such correspondence and notification by post only) or otherwise if publicised on the Trust's website on the Internet where the Partnership has advised each member of this and has taken due steps to notify by other reasonable means all those members who do not have access to the Internet.

#### INDEMNITY

72. Subject to the provisions of Section 310 of the Act the members of the Board of Directors, or of any sub-committee, the Secretary and all other officers or servants for the time being of the Partnership shall be indemnified out of the funds of the Partnership against all loss, costs and charges which they may respectively incur or be put to on account of any contract, deed, act, matter, or thing done, entered into, executed, or permitted by them respectively, on behalf of the Partnership 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. Subject as aforesaid, no member of the Board of Directors or of any committee or sub-committee, the Secretary, Treasurer or any officer or servant, his or her heirs, executors or administrators shall be liable for any loss or expense happening to the Partnership through the insufficiency or deficiency of title to any property acquired for or on behalf of the Partnership or for the insufficiency or deficiency of any obligation of security in or upon which any of the funds of the Partnership shall be invested or for any loss or damage arising from the bankruptcy, insolvency or wrongful act of any person with whom any monies, securities or effects shall be deposited, or for any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same shall happen through his or her own fraud, wilful neglect, default, breach of duty or breach of trust.

#### ALTERATION OF MEMORANDUM & ARTICLES OF ASSOCIATION

73. No alteration in these Memorandum and Articles of Association may at any time be made unless by the decision of three-fourths of the members of the Partnership present in person or by proxy at an Extraordinary General Meeting called specifically (but not necessarily exclusively) for the purpose.

#### DISSOLUTION

74. Clause 8 of the Memorandum of Association of the Partnership relating to the winding up and dissolution of the Partnership shall have effect as if the provisions thereof were repeated in these Articles.

  
John Thomson  
Convenor .

  
Project Manager