

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

**ARTICLES OF ASSOCIATION
of
SEALLADH NA BEINNE MOIRE**

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.
 - “**AGM**” means Annual General Meeting.
 - “**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.
 - “**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.
 - “**EGM**” means Extraordinary General Meeting.
 - “**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:
 - (a) **Members** – comprising Ordinary Members (who have the right to attend the AGM and any EGM 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) and Nominated Members; and
 - (b) **Directors** – who hold regular meetings between each AGM, 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.
 - (a) The members of the Company shall consist of the Subscribers and such other persons and organisations as are admitted to membership in terms of these Articles.
 - (b) Immediately following the admission of at least two members other than the subscribers to the Memorandum of Association the subscribers shall resign from Membership.
7. Membership of the Company is open to:

- (a) **Ordinary Members:** those individuals aged 18 and over who:
 - (i) are ordinarily resident in the Community and are entitled to vote at a local government election in a polling district that includes the Community or part of it; or
 - (ii) are crofters who hold a crofting interest in land within the boundaries of South Uist Estates, including valid shares in Benbecula Common Grazings, as approved under the 1993 Crofters Act and are resident within 16 kilometres of the estate boundary and are entitled to vote at a local government election in the Western Isles; and
 - (iii) who support the objects of the Company;

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

- (b) Nominated Members who shall consist of such individuals, institutions 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.

8. The following conditions apply to membership:

- (a) The number of Members of the Company shall have be not less than 20 except solely for the purpose of incorporation for which purpose the number of members may be 2; and
- (b) The majority of the Company shall consist of Ordinary Members; and, in the event that at any time the number of members is less than 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 AGM fix the subscriptions (and, if relevant, different rates thereof for different categories).
12. Members shall be required to pay the appropriate subscriptions. Only those members who have paid their subscription, 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:
 - (a) he, she or it sends written notice of resignation to the Company; or
 - (b) being an individual, he or she becomes insolvent or apparently insolvent or makes any arrangement with his or her creditors; or
 - (c) being an organisation, it goes into receivership, goes into liquidation, dissolves or otherwise ceases to exist (the right of membership not being assignable); or

- (d) 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
- (e) a resolution that a member be expelled is passed by a majority of at least 75% of the members present and voting at a General Meeting, of which not less than 21 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
- (f) being an individual, he or she dies (the right of membership not being assignable).

ASSOCIATES

- 15. (a) The Board shall have power to admit Associates who shall be individuals including individuals under 18 years of age, non-profit making or charitable bodies, commercial or other organisations who wish to be associated with the Company and who in the opinion of the board should be admitted as Associates.
- (b) Associates shall not be Members of the Company.
- (c) Associates may attend General Meetings of the Company but may not vote at such meetings.
- (d) Associates shall not be eligible for election as Directors.

GENERAL MEETINGS (Meetings of Members)

- 16. The Board shall convene an AGM in each year, at such time as it may determine, although the first AGM need not be held in the first year provided that it be held within 18 months after the date of incorporation of the Company. Thereafter, not more than 15 months shall elapse between one AGM and the holding of the next.

17. The business of each AGM shall include:
- (a) the report by the Chairman on the activities of the Company;
 - (b) the election of Directors;
 - (c) fixing of annual subscriptions;
 - (d) the report of the auditor;
 - (e) approval of the accounts of the Company; and
 - (f) the appointment of the auditor.
18. The provisions with regard to EGMs are as follows:
- (a) all General Meetings, other than AGMs, shall be called Extraordinary General Meetings.
 - (b) the Board may convene an EGM whenever it thinks fit; and
 - (c) the Board must convene an EGM within 28 days of a valid requisition. To be valid, such requisition must be signed by not less than 10% 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.
19. Subject to the terms of Articles 65 to 67, the provisions regarding notice of a General Meeting are as follows:
- (a) 21 clear days' notice at the least shall be given of every General Meeting to each member, Director, the Company Secretary and the auditor;
 - (b) 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 25;

- (c) 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.

CHAIRMAN OF GENERAL MEETINGS

20. The Chairman of the Company, whom failing the Vice-Chairman of the Company (if any), shall act as chairman of each General Meeting. If neither the Chairman nor the Vice-Chairman is present or willing to act as chairman 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 chairman of this meeting.

QUORUM AT GENERAL MEETINGS

21. The quorum for a General Meeting shall be the lesser of 20 members or 10% of the Ordinary Members present in person. No business shall be dealt with at any General Meeting unless a quorum is present.
22. 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 chairman of the meeting.

VOTING AT GENERAL MEETINGS

23. The chairman of the meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote.
24. The provisions regarding voting are as follows:

- (a) each Ordinary Member and each Nominated Member shall have one vote, to be exercised in person by a show of hands (unless a secret ballot is demanded by the chairman of the meeting, or by at least two Ordinary Members present at the meeting and entitled to vote, which may be demanded only before any show of hands takes place and shall be taken immediately at the same meeting, shall be conducted in such a manner as the chairman of the meeting may direct and the result of which shall be declared at the same meeting at which the ballot was demanded and, in that event, the chairman of the meeting shall appoint and instruct tellers, who may cast their own personal votes if Ordinary Members):
- (b) on a ballot votes may be given either personally or by proxy;
- (c) An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and 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 Directors may approve):-

SEALLADH NA BEINNE MOIRE

I/WE, _____, of _____, being a member/members of the above-named company, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name(s) and on my/our behalf at the annual/extraordinary general of the company to be held on _____ 20____, and at any adjournment thereof. Signed this _____ day of _____ 20____.

- (d) Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a 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 directors may approve):-

SEALLADH NA BEINNE MOIRE

I/We, _____, of _____, being a member/members of the above-named company, hereby appoint _____ of _____, or failing him _____ of _____,

resolution may consist of several documents in the same form, each signed by or on behalf of one or more Ordinary Members.

27. The chairman of the General Meeting may, with the consent of a majority of the Ordinary Members present and voting thereat, adjourn the General Meeting to such time and place as he or she may determine.

APPOINTMENT OF DIRECTORS

28. The affairs, property and funds of the Company shall be directed and managed by a Board of Directors. 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 Members in a General Meeting, and subject always to these Articles and to the provisions of the Act.
29. The minimum number of Directors for the purposes of incorporation, admitting the first members other than the subscribers, and convening the Inaugural General Meeting shall be two; thereafter the minimum number of Directors shall be three. Unless otherwise determined by Ordinary Resolution of the Company the Board shall consist of not more than twelve Directors, seven of whom shall be elected by the Ordinary Members in accordance with Regulation 30 hereof and who are hereinafter referred to as “Elected Directors” and five of whom shall be co-opted in accordance with Regulation 31 hereof and who are hereinafter referred to as “Co-opted Directors”.
30. The Elected Directors of the Company shall be elected by the Ordinary Members at the Inaugural General Meeting and shall hold office until the third Annual General Meeting thereafter. The Elected Directors shall then be subject to retirement by rotation and three shall retire at the third Annual General Meeting and every three years thereafter and two at each of the fourth and fifth Annual General Meetings and every three years thereafter. All elections of Directors shall be by ballot and members voting by proxy shall be given the opportunity of indicating their voting intentions on the proxy form which intentions shall be included in the reckoning of those elected.

31. As soon as practical after the Inaugural General Meeting the Board shall co-opt up to five Ordinary Members to be Directors of the Company entirely at the Board's discretion. The Co-opted Directors shall hold office until the third Annual General Meeting when they shall retire and the Elected Directors shall as soon as practical after the third Annual General Meeting co-opt up to five further Directors in similar fashion and every three years thereafter.
32. (a) A retiring Elected or Co-opted Director shall retain office until the close or adjournment of the meeting;
- (b) a retiring Elected or Co-opted Director shall be eligible for re-election or 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;
- (c) if no other Director has or Directors have decided or agreed to retire, the Elected Directors to retire at each AGM 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;
- (d) 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
- (e) election of the Elected Directors shall be by vote of the Ordinary Members, each Ordinary Member being able to vote for any number of nominees up to the number of vacancies to be filled at the General Meeting in question; the vacancies shall be filled in order of number of votes cast for each nominee. In the event of a tie for the last one or more vacancies the result shall be determined by lot.

33. Employees of the Company may not be nominated as or become Directors.
34. The Board may from time to time 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 until the next AGM provided the number of Elected Directors actually elected always exceeds the number of Co-opted Directors, otherwise the vacancy must be filled as soon as practical by election at an EGM called for the purpose.
35. 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.
36. A Director shall retire or be deemed to retire if:
 - (a) being an Elected Director, he or she ceases to be an Ordinary Member in terms of either Articles 7(a) or 14;
 - (b) 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
 - (c) he or she is employed by or holds any office of profit under the Company (except where the provisions of Clause 5.D.ii. of the Memorandum shall apply); or
 - (d) 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
 - (e) 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

- (f) by written notice to the Registered Office, he or she resigns as a Director.

CHAIRMAN AND VICE-CHAIRMAN

37. The Board shall meet as soon as practicable immediately after the Inaugural General Meeting and each AGM to appoint a Chairman, and if desired a Vice-Chairman, from the Elected Directors (both of whom must be Ordinary Members).

PERSONAL INTERESTS

38. 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.
39. 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.
40. Whenever a Director finds that there is a personal interest, as defined in Article 38, he or she has a duty to declare this to the Board meeting in question. It will be up to the chairman of the meeting in question to determine:
- (a) whether the potential or real conflict simply be noted in the Minutes of any relevant meeting, or

- (b) 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
- (c) whether the Director in question should be required to be absent during that particular element of the meeting and, in terms of Article 42, 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

- 41. The quorum for Board meetings shall not be 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.
- 42. 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

- 43. 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.
- 44. 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 25 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.

45. 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.
46. The Chairman, whom failing the Vice-Chairman (if any), shall be entitled to preside as chairman of all Board meetings at which he or she shall be present. If at any meeting neither the Chairman nor the Vice-Chairman is present and willing to act as a chairman of the meeting within 15 minutes after the time appointed for holding the meeting, the remaining Directors may appoint one of the Directors to be chairman of the Board meeting, which failing the meeting shall be adjourned until a time when the Chairman or Vice-Chairman will be available.
47. The chairman 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 chairman of the meeting shall have a casting vote as well as a deliberative vote.
48. 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.
49. 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

chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

50. 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.
51. 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.
52. The Board may act notwithstanding any vacancy in it, but where the number of Directors falls below the minimum number specified in Article 29 may not conduct any business other than to appoint sufficient Directors to match or exceed that minimum.
53. 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.
54. 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**

55. The Board shall appoint a Company Secretary for such term and upon such conditions as it may think fit. The Company Secretary may be removed by the Board at any time.

56. The Board may appoint a Minute Secretary, for the purposes of Article 49, 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.
57. The Board may appoint a Treasurer for such term and upon such conditions as it may think fit. The Treasurer may be removed by the Board at any time. Whilst in post, the Treasurer may be required to attend (but shall have no vote at) Board meetings during his or her tenure as Treasurer, except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board wish to keep confidential to itself.

FINANCES

58. 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.
59. 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.
60. The Board shall ensure that all funds and assets of the Company are applied towards achieving the Objects.

ACCOUNTS

61. The Board shall cause accounting records to be kept in accordance with the requirements of the Act and other relevant regulations.
62. The accounting records shall be maintained by the Treasurer (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.

63. Once at least in every year, or as otherwise provided for by the Act, the accounts of the Company shall be audited by an auditor, who shall be appointed by the Board on the direction of members in General Meeting.
64. At each AGM, 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 21 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

65. 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.
66. Any notice whether served by post or otherwise, shall be deemed to have been served on the day following that on which the letter containing the same is put into the post or is otherwise despatched.
67. 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

68. 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.

ALTERATION TO THE MEMORANDUM and ARTICLES OF ASSOCIATION

69. Any alteration to the Memorandum and/or these Articles may be made only upon the following conditions:
- (a) upon the decision of not less than 75% of the Ordinary Members present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose in terms of Article 25.
 - (b) 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
 - (c) with the written consent of IR Charities (and its successors) in confirmation that such changes shall not adversely affect the Company's recognition or registration as a Scottish charity.

DISSOLUTION

70. Clause 7 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 address of subscribers:

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Isle of Lewis
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Dated: 12 September 2005

Witness to above signatures:-

Jean Margaret Mackenzie
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Isle of Lewis
HS2 9PT