

THE COMPANIES ACT, 1985

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
(Adopted by Special Resolution passed 26 August 2004)

of

THE MACAULAY LAND USE RESEARCH INSTITUTE

INTERPRETATION AND GENERAL

1 In these Articles unless there be in the context anything inconsistent therewith:

“the Act” means the Companies Act, 1985 and every other Act for the time being in force concerning companies and affecting the Institute;

“the Appointment Code” means the Appointments Code of Practice for the Institute as adopted from time to time by the Governing Body or any authorised committee;

“the Chairman” means the person appointed in accordance with Article 36;

“the First Minister” means the person designated as the First Minister by the Scotland Act 1998 or any person or body authorised by him;

“Governing Body” means the Body established in accordance with Article 26 hereof;

“the Institute” means the above named Institute;

“Member” means a member of the Institute;

“the Office” means the registered office of the Institute;

“the Register” means the Register of Members required to be kept pursuant to Section 352 of the Act;

“the Secretary” means any person appointed to perform the duties of Secretary of the Institute;

“the United Kingdom” means Great Britain and Northern Ireland.

Expressions referring to being in writing shall, unless the contrary intention appears, be construed as including references to hand-writing, printing, lithography,

photography and other modes of representing or reproducing works and meanings in visible form.

Unless the contrary intention appears:

- (a) words importing the singular number only shall include the plural number and vice versa;
- (b) words importing the masculine gender only shall include the feminine gender; and
- (c) any reference to persons shall include references to individuals, firms, corporations and any entities having separate legal personae.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act and any statutory modification thereof in force at the date when these Articles become binding on the Institute.

MEMBERS

- 2 The Members shall consist of members of the Governing Body appointed in writing by the Governing Body on such terms and conditions as the Governing Body may from time to time determine.
- 3 The number of Members shall not exceed sixteen but the Institute may from time to time register an increase in the number.
- 4 The provisions of Section 352 of the Act shall be observed by the Institute, and every Member shall either sign a written consent to become a Member or sign the Register of Members on becoming a Member.

GENERAL MEETINGS

- 5 The Institute shall hold a general meeting in each calendar year as its Annual General Meeting at such time and place as the Governing Body shall decide, and shall specify the meeting as such in notices calling it, provided that every Annual General Meeting shall be held not more than fifteen months after the holding of the preceding Annual General Meeting.
- 6 All general meetings, other than the Annual General Meetings, shall be Extraordinary General Meetings.
- 7 Extraordinary General Meetings may be called by the Chairman or the Governing Body at any time, and may also be convened on such requisition or, in default, by such requisitionists as are provided by Section 368 of the Act.

NOTICE OF GENERAL MEETINGS

- 8 Twenty-one days' notice in writing, at the least, of every Annual General Meeting, and of every meeting convened to pass a Special Resolution, and fourteen days' notice in writing, at the least, of every other general meeting (exclusive, in every case, of both the day on which it is served or deemed to be served and the day of the meeting), specifying the time and place of the meeting and the general nature of the business to be transacted thereat shall be given in the manner hereinafter mentioned, to such persons (including the Auditors) as are, under these Articles, or under the Act, entitled to receive such notices from the Institute; but with the consent of all Members having right to attend and vote thereat, or of such proportion of them as is prescribed by the Act in the case of general meetings other than Annual General Meetings, a general meeting may be convened by such notice as those Members think fit.
- 9 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 general meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 10 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting shall be deemed special with the exception of the consideration of the income and expenditure account and balance sheet and the reports of the Governing Body and of the Auditors, and the appointment of, and the fixing of the remuneration of the Auditors.
- 11 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided three Members present shall be a quorum. A Member may be present either personally or in the person of a proxy. The First Minister shall be entitled to attend and speak at any General Meeting, but he shall not be entitled to vote thereat or to be counted in the quorum.
- 12 If, within half an hour from the time appointed for the holding of a general meeting 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 to such other day and at such other time and place as the Chairman may determine and if, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the Members (or their proxies) present shall be a quorum.
- 13 The Chairman, whom failing, the Vice-Chairman, of the Governing Body shall preside as Chairman at every general meeting of Members but, if there be no such Chairman or Vice-Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or if he shall be unwilling to preside, the Members shall choose some other member of the Governing Body as Chairman.

- 14 The Chairman may, with the consent of any meeting of Members 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/been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as if 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.
- 15 At any general meeting of Members a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the Chairman or by at least three Members (or their proxies) present; and, unless a poll is so demanded, a declaration by the Chairman of the meeting 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 Minute Book of the Institute shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against that resolution. The demand for a poll may be withdrawn.
- 16 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman of the meeting directs.
- 17 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
- 18 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll is demanded.

VOTES OF MEMBERS

- 19 Subject as hereinafter provided, every Member shall have one vote both on a show of hands and on a poll.
- 20 On a poll, votes may be given personally by the Member or by proxy.
- 21 The instrument appointing a proxy shall be in writing subscribed by the Member or by his Attorney appointed by him in a duly executed Power of Attorney. A proxy need not be a Member.
- 22 The instrument appointing a proxy and the Power or Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney shall be deposited at the Office in a letter addressed to the Secretary not less than twenty four hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the Instrument proposes to vote or, in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll 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.

23 A vote given in accordance with an instrument of proxy shall be valid notwithstanding the occurrence of the following events prior to the vote, viz: the death or insanity of the Member by whom or on whose behalf the instrument was granted or the revocation of the instrument or other event disentitling the said Member from voting, provided that the proxy voting had no knowledge of the event at the time of voting.

24 An instrument appointing a proxy shall be in the following form or as near thereto as circumstances admit:-

“I (full name) of (full address) being a Member of The Macaulay Land Use Research Institute, hereby appoint (name) of (address or other identifying description) and, failing him (name) of (address or other identifying description) to vote for me/us and on my/our behalf at a (special Annual or Extraordinary or Adjourned or otherwise as the case may be) General Meeting of the Institute to be held on (date) and at any adjournment thereof.

Signed this (date).

(Signature)”.

The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll.

25 Subject to the provisions of the Act a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be valid and effective as if the same had been passed at a General Meeting duly convened and held.

GOVERNING BODY

26 Members of the Governing Body shall be deemed to be directors for the purposes of the Act. The Governing Body shall comprise not less than five nor more than sixteen persons, who may or may not be Members appointed or re-appointed by ordinary resolution of the Governing Body in accordance with the Appointment Code and having regard to the need for specific and practical knowledge and experience relevant to the objects of the Institute. If there is any conflict between the Appointment Code and these Articles, the terms of these Articles shall apply. The Institute may by Ordinary Resolution from time to time increase or reduce the minimum or maximum number of members of the Governing Body.

POWERS AND DUTIES OF THE GOVERNING BODY

27 The business of the Institute shall be managed by the Governing Body who may exercise all the powers of the Institute, and may exercise and do on behalf of the Institute and in its name all such powers and acts as may be exercised and done by the

Institute and as are not by statute or by these Article required to be exercised and done by the Institute in general meeting.

- 28 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts and discharges for monies paid to the Institute, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Governing Body shall from time to time decide.
- 29 The continuing members of the Governing Body may act notwithstanding any vacancies, but if and so long as the number of members of the Governing Body is reduced below the minimum number fixed by or in accordance with these Articles, the continuing members or member of the Governing Body may act for the purpose of summoning a general meeting of the Institute but for no other purpose.
- 30 A member of the Governing Body who is in any way, directly or indirectly, interested as an individual in any contract or proposed contract or arrangement to which the Institute is or may be or may become a party shall declare the nature of his interest to the Governing Body as soon as practicable, and, unless the Governing Body otherwise resolves (having regard to the nature of the interest involved) he shall not vote in respect thereof at any meeting of the Governing Body held after his interest shall have become known to him and, if he shall so vote, his vote shall not be counted, nor shall he be counted in the quorum present at the meeting.

DISQUALIFICATION OF MEMBERS OF THE GOVERNING BODY

- 31 The office of a member of the Governing Body shall be vacated if the member:
- (a) becomes bankrupt or his estate is sequestrated or he makes any arrangement or composition with his creditors;
 - (b) becomes of unsound mind;
 - (c) resigns office by written notice given to the Secretary;
 - (d) ceases to hold office by reason of any order made pursuant to the provisions of Section 1 of the Company Directors Disqualification Act, 1986, or any analogous provision in any other legislation pertaining to the holding of office as a director;
 - (e) is removed from office by a resolution duly passed pursuant to Section 303 of the Act;
 - (f) accepts remuneration or other benefit in contravention of Clause 4 of the Memorandum of Association other than as approved by the Governing Body;
 - (g) at the conclusion of his term of office is not reappointed;
 - (h) does not have their appointment confirmed at the end of a probationary period as agreed from time to time by the Governing Body.

- 32 In addition to, and without prejudice to the provisions of Section 303 of the Act, the Institute may be Extraordinary Resolution remove any member of the Governing Body from office before the expiration of his period of tenure of that office.

PROCEEDINGS OF THE GOVERNING BODY

- 33 The Governing Body may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless otherwise determined the quorum shall be three. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote.
- 34 Three members of the Governing Body may, and the Secretary on the requisition of three members of the Governing Body shall, at any time, call a meeting of the Governing Body by notice given to all members of the Governing Body.
- 35 If so agreed by the Chairman of the meeting, a member of the Governing Body may participate in a meeting of the Governing Body by means of conference telephone or similar telecommunications equipment whereby all persons participating can hear each other. Participation in a meeting in this matter shall be deemed to constitute presence in person at the meeting for the period of such participation. The meeting shall be deemed to take place at the location of the Chairman of that meeting and to have taken place at the time and date at that location.

CHAIRMAN

- 36 The Governing Body shall, in accordance with the Appointment Code, from time to time elect a Chairman and may elect a Vice Chairman and such other office bearers as may from time to time be decided upon and at such remuneration and upon such conditions as the Governing Body shall think fit. The Chairman shall be entitled to preside at all meetings of the Governing Body at which he shall be present. The Governing Body may decide for what period the Chairman shall hold office. If no Chairman be elected or, if at any meeting the Chairman shall not be present and willing to act when the meeting commences, the Vice-Chairman shall be the Chairman of the meeting or, if he shall not be present and willing to act, the members of the Governing Body shall choose one of their own number present to be Chairman of the meeting.

COMMITTEES

- 37 The Governing Body may delegate any of its powers (including the power to appoint a member of the Governing Body) to one or more committees consisting of not less than two members of the Governing Body together with such other person or persons as the Governing Body may select (including, without prejudice to the foregoing generality, individuals who have specific knowledge of, or expertise or interest in the

work of the Institute), and such committees shall have the powers and conform to any rules of procedure as the Governing Body may prescribe from time to time. A committee may appoint a chairman of its meetings who shall be a member of the Governing Body.

- 38 A committee of the Governing Body may meet together for the discharge of business and adjourn and subject to any rules of procedure promulgated by the Governing Body otherwise regulate their meetings as they think fit. Unless otherwise determined by the Governing Body, the quorum of a committee shall be one third of the members appointed to serve on such committee and shall include at least one member of the Governing Body. Questions arising at any committee meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote
- 39 All *bona fide* acts done by any meeting of the Governing Body or any committee of the Governing Body, or by any person acting as a member of the Governing Body shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any member of the Governing Body or of any member of a committee or of that persons, or that they or any of them were disqualified, be as valid as if such member or person as aforesaid had been duly and properly appointed and qualified.
- 40 A resolution in writing signed by all the members of the Governing Body, or of any committee for the time being entitled to receive notice of a meeting, shall be as valid and effectual as if it had been passed at a meeting of the Governing Body or of the committee as the case may be, duly convened and constituted.

SECRETARY

- 41 The Secretary shall be appointed by the Governing Body for such time and at such remuneration and upon such conditions as the Governing Body shall think fit. The provisions of Section 283 and 284 of the Act shall apply. The Governing Body may from time to time appoint an Assistant or Deputy Secretary who may act in place of the Secretary if there be no Secretary or if there is for any other reason no Secretary capable of acting.

THE SEAL

- 42 The Seal of the Institute shall not be affixed to any instrument except by the authority of the Governing Body or of a duly authorised committee thereof. The Governing Body may determine who shall sign any instrument to which the Seal is affixed and unless so determined it shall be signed by two members of the Governing Body or by one such member and the Secretary.

ACCOUNTS

- 43 The Governing Body shall cause proper books of account to be kept with respect to (a) all sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure take place, and (b) the assets and liabilities of the Institute. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of affairs of the Institute and to explain its transactions.
- 44 The books of account shall be kept at the Office or at such other place or places the Governing Body shall think fit, and shall always be open to the inspection of members of the Governing Body.
- 45 The Governing Body shall, from time to time, determine whether and to what extent and at what times and places and under what conditions the accounts and books of the Institute or any of them shall be open to the inspection of members not being members of the Governing Body, and no Member (not being a member of the Governing Body) or other person shall have any right of inspecting any account or book or document of the Institute except as conferred by statute or authorised by the Governing Body or by the Institute in general meeting.
- 46 At the Annual General Meeting in every year the Governing Body shall lay before the Members an income and expenditure account for the period since the last preceding account made up to a date not more than nine months before such meeting, together with a balance sheet made up as at that date. Every balance sheet shall be accompanied by proper reports of the Governing Body and of the Auditors, and copies of such account, balance sheet and reports and of any other documents required by law to be annexed or attached hereto or to accompany the same shall, not less than twenty-one clear days before the date of the meeting, subject to Section 240 (4) of the Act, be sent to every Member, to the Auditors and to all other persons entitled to receive notices of general meetings, in the manner in which notices are hereinafter directed to be served.

AUDIT

- 47 Once at least in every year the accounts of the Institute shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by a properly qualified Auditor or firm of Auditors.
- 48 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

NOTICES

- 49 A notice may be served or given by the Institute on or to any Member by being given personally to the Member or to his representative or to any of his representatives, or by being sent through the post in a prepaid letter, addressed to such Member or to his

representative or to any of his representatives at the address of the Member appearing in the Register.

- 50 Any Member described in the Register by an address not within the United Kingdom who shall from time to time give to the Institute an address within the United Kingdom for the purpose of notices, shall be entitled to have notices served on or given to him at that address but, otherwise and save as provided by the Act, only those Members who are described in the Register by an address within the United Kingdom shall be entitled to receive notice from the Institute.
- 51 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 as a prepaid letter.
52. Subject to any rule of law, a notice shall be deemed to be fully served or given if it be transmitted by facsimile transmission.

INDEMNITY

53. Subject to the provisions of, and as far as permitted by Statute and by the Memorandum and Articles of Association, every member of the Governing Body and of any committee and every Auditor or other officer of the Institute shall be entitled to be indemnified by the Institute against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

DISSOLUTION

54. Clause 8 of the Memorandum of Association relating to the winding up of the Institute shall have effect as if the provisions thereof were repeated in these Articles.

Aberdeen, 26 August 2004

What is contained on this and the preceding nine pages is a print of the Articles of Association of the Macaulay Land Use Research Institute adopted by Special Resolution passed 26 August 2004.

ANDREW O E RAVEN
Chairman