


**Scottish Pelagic Fishermen's Association Limited**

**Registered No. SC016725**

**SPECIAL RESOLUTION**

THAT with effect from the conclusion of the Extraordinary General Meeting of the Members of the Scottish Pelagic Fishermen's Association Limited ("the Association") held on 30<sup>th</sup> May 2019, the Articles of Association attached to this Resolution were adopted as the Articles of Association of the Association in substitution for, and to the exclusion of, the Association's existing Articles of Association.

  
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Secretary  
Scottish Pelagic Fishermen's Association Limited

**Date: 30<sup>th</sup> May 2019**



**Company Number SC016725**

**The Companies Act 2006**

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

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**ARTICLES OF ASSOCIATION**

**SCOTTISH PELAGIC FISHERMEN'S ASSOCIATION LIMITED  
(the "Association")**

**(Adopted by Special Resolution passed on 30<sup>th</sup> May 2019)**

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## **1. INTERPRETATION**

### **1.1 In these Articles:-**

<b>"Accountants"</b>	means the accountants of the Association, appointed from time to time by the Directors;
<b>"Act"</b>	means the Companies Act 2006 and any regulations made thereunder and reference to any provision of the Act shall, where the context so admits, be construed as a reference to such provision as modified and for the time being in force;
<b>"Articles"</b>	means these Articles of Association or as from time to time altered by Special Resolution passed in accordance with the Act;
<b>"Branch"</b>	means any branch of the Association established in accordance with Article 17.1;
<b>"Branch Secretary"</b>	means any person for the time being appointed as Secretary of a Branch in accordance with Article 17.2;
<b>"Chairman"</b>	has the meaning given in Article 12.4;
<b>"Chief Executive"</b>	means any person for the time being appointed as Chief Executive of the Association in accordance with Article 18.1;
<b>"Committee of Directors"</b>	means any committee established by the Directors in accordance with Article 14.3;
<b>"Director"</b>	means any director of the Association for the time being appointed in accordance with Article 12.2, and <b>"Directors"</b> means the Directors acting pursuant to these Articles or the Act;
<b>"Fishing Rights"</b>	means FQA units or any other fishing rights allocated by a competent authority in the United Kingdom or any part thereof;
<b>"Member"</b>	means a person or entity whose name is entered in the Register of Members, and <b>"Membership"</b> shall be construed accordingly;
<b>"Month"</b>	means a calendar month;
<b>"Office"</b>	means the registered office for the time being of the Association;
<b>"Pelagic Fish"</b>	means herring, mackerel, horse mackerel, sprats, sandeels, blue whiting and any other pelagic fish;

<b>"Pelagic Vessel"</b>	means a fishing vessel registered in the United Kingdom which engages primarily in fishing for Pelagic Fish;
<b>"Register of Members"</b>	means the register of Members of the Association;
<b>"Register of Vessels"</b>	means the register of Pelagic Vessels owned by Members;
<b>"Secretary"</b>	means any person for the time being appointed as Secretary of the Association in accordance with Article 16.1;
<b>"United Kingdom"</b>	means Great Britain and Northern Ireland;
<b>"Vice-Chairmen"</b>	has the meaning given in Article 12.4;
<b>"Year"</b>	means a calendar year.

**1.2** Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to e-mail, other electronic communication and any other modes of representing or reproducing words in visible form.

**1.3** Words importing one gender shall include both genders and words importing the singular only shall include the plural and vice-versa.

**1.4** Save as aforesaid, any words or expressions contained in these Articles shall, unless the context otherwise requires, bear the same meaning as in the Act.

## **2. OBJECTS**

**2.1** The objects for which the Association are established are:-

- (a) To promote and protect the interests of the Members as the owners of Pelagic Vessels or as the holders of Fishing Rights for Pelagic Fish.
- (b) To promote, support, or oppose any measures, whether international, parliamentary, governmental, local or otherwise, in the interests of the Members.
- (c) To organise common action on behalf of the Members, either by the Association acting alone or in conjunction with any other association, society or body having objects compatible with those of the Association.
- (d) To collect information and support scientific research on all matters which may be for the benefit of the Members, and to advise the Members thereon.
- (e) To make representations to any international, parliamentary, governmental, local or other body having authority on matters which may be for the benefit of the Members.
- (f) To improve the technical and general knowledge of the Pelagic Fish sector and to encourage innovations which may be capable of being used by such sector.
- (g) To form Committees of Directors within the Association for the purpose of dealing with questions which concern primarily or solely the Members or a group of Members.

- (h) To establish or assist in establishing Branches of the Association.
- (i) To make bye-laws, rules and regulations governing the organisation, administration and conduct of the Association or any Branches of the Association, and to entrust the management thereof to local Branches subject to the proviso that no bye-laws, rules and regulations shall be made which would amount to such an addition to or alteration of these Articles as could only legally be made by Special Resolution passed in accordance with the Act.
- (j) To contribute to any fund for any purpose for the benefit of the Association or the Members or having charitable objects.
- (k) To take such action as may be from time to time be determined upon for the alteration and improvement of existing laws, contracts, usages, and customs which in the opinion of the Association may be altered and improved in the interests of the Members.
- (l) To collect and circulate statistics and other information in relation to, *inter alia*, catch uptakes, fishing quotas or any information in relation to the Pelagic Fish sector or any related trade or business.
- (m) To raise on behalf of Members all questions which may arise between them and other persons or entities employed or engaged in the Pelagic Fish sector or any related trade or business.

### **3. POWERS**

**3.1** In pursuance of the objects set out in Article 2, the Association has the power to:-

- (a) Take and otherwise acquire and hold shares in any other entity having objects altogether or in part similar to those of the Association or carrying on any business capable of being conducted so as directly or indirectly to benefit the Association.
- (b) Purchase, sell, lease, or otherwise deal with ground, houses, offices and generally any real or heritable, or personal or moveable, property or estate.
- (c) Raise or borrow money for the purposes of the Association with or without security as may from time to time be determined and to make, accept, endorse and execute payments and to grant receipts.
- (d) Invest the moneys of the Association not immediately required, in such manner as may be from time to time determined upon by the Directors.
- (e) Pay out of the Association's funds all expenses of and incidental to the operation of the Association.
- (f) Employ such employees and engage such service providers as from time to time may be determined by the Directors.
- (g) Do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

#### **4. MEMBERSHIP**

##### **4.1 Eligibility**

The Association may admit to Membership any person, partnership, limited liability partnership, limited company or other recognised corporate entity which:-

- (a) is the owner of a Pelagic Vessel; or
- (b) is the holder of Fishing Rights for Pelagic Fish,

which applies to the Association for Membership in accordance with the application process and for which such application is approved by the Directors, in accordance with Article 4.2.

##### **4.2 Application**

- (a) A party eligible for Membership and wishing to apply for Membership shall obtain from the Branch Secretary for the area in which the party has its principal address a form of application approved by the Directors. The form shall require the applicant to state (a) its full name, address and e-mail address and (b) the name and port letters and numbers of the Pelagic Vessel of which it is the owner and to which the application relates and/or the FQA units (or other such Fishing Rights) for Pelagic Fish of which it is the holder. The form shall be completed and signed by the applicant and lodged with the Branch Secretary who shall satisfy himself that the form is properly completed, certify its correctness and lodge it with the Secretary who shall submit the application form to the Chairman and a Vice-Chairman who shall decide whether to accept the application on behalf of the Directors. If for any reason the Chairman and a Vice-Chairman are not prepared to accept the application, they shall cause such application to be considered at the next meeting of the Directors who shall then accept or reject such application, without assigning or being bound to disclose any reason therefor.
- (b) An applicant must enter into Membership in respect of all Pelagic Vessels owned by the applicant and accordingly must simultaneously submit a separate application form in respect of each Pelagic Vessel owned by the applicant.

##### **4.3 Membership**

The rights and obligations of Membership shall arise on the acceptance by the Association of an application for admission to Membership in accordance with Article 4.2. The Member on receiving from the Secretary written notice that its application has been accepted and it has been admitted into Membership shall become liable for payment of the membership fee and other payments specified in, and shall be bound by these Articles and all bye-laws, rules and regulations made thereunder and from time to time in effect.

##### **4.4 Registration**

- (a) On admission to Membership, a Member shall be entered in the Register of Members and any Pelagic Vessel in relation to such Membership shall be entered in the Register of Vessels, which shall for all purposes be conclusive evidence of the fact of Membership.

- (b) One Member shall be entered in the Register of Members in respect of each Pelagic Vessel entered in the Register of Vessels. A Member shall therefore have a separate Membership in respect of each Pelagic Vessel owned by that Member and for the time being entered in the Register of Vessels. A Member admitted as the holder of Fishing Rights only shall be deemed to have one Membership.

#### **4.5 Vessel Acquisition or Disposal**

In the event of a Member acquiring or disposing of a Pelagic Vessel of which it is the owner, it shall give notice in writing to the Secretary of such acquisition or disposal and, unless otherwise determined by the Directors, any such acquired Pelagic Vessel shall be entered in the Register of Vessels and any such disposed of Pelagic Vessel shall be removed from the Register of Vessels. A Member which upon any such disposal does not own any Pelagic Vessel shall continue as a Member provided it is the holder of Fishing Rights for Pelagic Fish.

#### **4.6 Default**

A Member shall not be entitled to the benefits or exercise any of the privileges of Membership until it shall have paid all monies due and payable by it to the Association and if it shall for 3 months make default in any such payment, it shall at the discretion of the Directors cease to be a Member.

#### **4.7 Resignation**

- (a) A Member may at any time resign its Membership by submitting notice of such resignation in writing to the Secretary, but such resignation shall not become effective until a period of 12 months shall have elapsed from the date on which such notice of resignation was received by the Secretary. The Directors may agree however, at their discretion, that the resignation be effective from an earlier date if requested by the Member.
- (b) A Member submitting its resignation shall remain a Member and shall be entitled to all the privileges of Membership and be liable to the Association for any annual subscription due and all calls made before its resignation becomes effective.
- (c) A Member who has notified its resignation shall be entitled to withdraw the resignation provided that such withdrawal is communicated in writing to the Secretary and is received by the Secretary prior to the date on which the resignation would otherwise become effective.

### **5. DISCIPLINARY**

#### **5.1 Procedure**

A Member who shall in the decision of the Directors be deemed to have failed in the observance of any obligation imposed upon it by these Articles or by any bye-laws, rules or regulations made under the powers herein contained, or who shall have been guilty of any act, practice or conduct inconsistent with the interests of, or considered calculated to bring discredit on the Association, may be excluded from Membership and its name removed from the Register of Members by a resolution of the Directors at a meeting of the Directors



specially convened for this purpose provided that (a) not less than 7 clear days' notice shall be given by the Secretary to each Director and to the Member concerned that it is intended to propose a resolution to have the Member excluded from Membership; (b) not less than 6 of the Directors for the time being shall be present at the meeting at which the resolution is proposed; (c) to become effective, the resolution shall be approved by not less than 75% of the Directors present and voting at the meeting; and (d) the Member proposed to be excluded (and the Director appointed by that Member) shall be entitled to be present at the meeting during the time the resolution is being considered and make such statement as it desires but shall not in any event be present at the time when the voting on the resolution takes place.

## **5.2 Appeal**

In the event of a Member being excluded under the provisions of Article 5.1, notice in writing of the fact of its exclusion shall be sent to it by the Secretary within 48 hours of the decision of the Directors. The excluded Member shall have the right of appeal against the decision of the Directors to an extraordinary general meeting of Members provided it sends notice of appeal in writing to the Secretary within 14 days of the date of sending by the Secretary of the said written notice of the decision of the Directors. Within 7 days of receiving any such notice of appeal, the Secretary shall call an extraordinary general meeting of Members and shall at the same time send notice thereof to the excluded Member who shall, if it so desires, be entitled to appear before the meeting and make such statement as it desires after which it shall withdraw from the meeting. In order to succeed, any such appeal shall require to be supported by not less than 75% of those Members present, entitled to vote and voting at the meeting and if the appeal is so supported, the appellant shall be reinstated as a Member as from the date of its exclusion by the Directors. Notice in writing of the decision of the meeting shall be sent by the Secretary to the appellant within 48 hours of the conclusion of the meeting.

## **6. GUARANTEE**

**6.1** The liability of each Member is limited to £1.00 (One Pound), being the amount that each Member undertakes to contribute to the assets of the Association in the event of its being wound up while it is a Member or within one year after it ceases to be a Member, for:-

- (a) payment of the Association's debts and liabilities contracted before it ceases to be a Member;
- (b) payment of the costs, charges and expenses of the winding up; and
- (c) adjustment of the rights of the contributories among themselves.

**6.2** The liability under the guarantee described in Article 6.1 shall be in addition to, and not in substitution for the liability, if any, of any Member under these Articles which may from time to time be imposed for any subscription or call.

## **7. FINANCIAL**

### **7.1 Funding**

Funds required by the Association for carrying on its business may be obtained by means of (a) membership fees (b) annual subscriptions and (c) calls from time to time as the Directors shall think fit to be made upon the Members.

### **7.2 Membership Fee**

A Member on admission to Membership shall pay to the Association a membership fee of the amount hereinafter prescribed or of such other amount as shall from time to time be determined by an ordinary resolution of the Association in general meeting. The membership fee shall be the sum of £50 (Fifty Pounds).

### **7.3 Annual Subscription**

The Directors or a Committee of Directors shall determine the amount and/or the basis for calculation from time to time of the annual subscription for Membership, and whether such annual subscription may be paid by instalments and the dates when such instalments shall be due.

### **7.4 Calls**

- (a) The Directors or a Committee of Directors shall determine the amount and/or the basis for calls upon the Members. Without the previous sanction of an Ordinary Resolution of the Association in general meeting, the total amount of any call or calls made upon any Member in any Year shall not exceed the amount of the annual subscription payable by that Member in that Year.
- (b) A call shall be deemed to have been made on the date when the resolution of the Directors or of the Association, as the case may be, authorising the call was passed.
- (c) Notice of a call having been made and of the amount thereof, the time when and the manner in which the call is to be paid shall be given in writing by the Association to each Member not less than 21 days before the time at which such call is to be paid.

### **7.5 Donations Received**

The Directors shall be entitled to receive on behalf of the Association and apply for its purposes such donations as may be given to the Association by any party who supports its objects.

### **7.6 Outstanding Payments**

Interest at such rate, not exceeding 10 per cent per annum, as the Directors shall determine shall be payable on the amount of all membership fees, annual subscriptions and calls outstanding from the date on which payment thereof became due until the same are paid.

## **8. GENERAL MEETINGS**

### **8.1 Annual General Meeting**

The Association shall in each Year hold a general meeting as its annual general meeting in addition to any other general meetings in that Year and shall specify the meeting as such in the notice calling it. Not more than 15 months shall elapse between the date of one annual general meeting of the Association and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.

### **8.2 Extraordinary General Meetings**

- (a) All general meetings other than annual general meetings shall be called extraordinary general meetings.
- (b) The Directors may, whenever they think fit, convene an extraordinary general meeting and extraordinary meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any 2 Members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by Directors.

## **9. NOTICE OF GENERAL MEETINGS**

### **9.1 Notice**

An annual general meeting and an extraordinary general meeting shall be called by at least 12 days' notice in writing. The notice period shall include the day on which it is called and the day of the meeting, and the notice shall specify the place, the day and hour of the meeting and in case of special business, the general nature of that business, and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting, to all Members.

### **9.2 Shorter Notice**

Provided that a meeting of the Association shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-

- (a) in the case of a meeting called as the annual general meeting, by all the Members; and
- (b) in the case of any other meeting, by at least 50% of the Members.

### **9.3 Omission**

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Member shall not invalidate the proceedings at that meeting.

## **10. PROCEEDINGS AT GENERAL MEETINGS**

### **10.1 Business**

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, with the exception of the consideration of the accounts, balance sheets and the reports of the Directors and the Accountants and the appointment of the Accountants.

### **10.2 Quorum**

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, at least 25% of the Members represented in person shall be a quorum.

### **10.3 Adjournment**

- (a) If within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon 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 Directors may determine, and if at the adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the Members present shall be a quorum.
- (b) The Chairman of the meeting may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **10.4 Chairman of Meeting**

- (a) The Chairman, whom failing a Vice-Chairman, shall preside as chairman at every general meeting of the Association or if there is no Chairman or a Vice-Chairman, or if neither the Chairman nor a Vice-Chairman shall be present within 15 minutes after the time appointed for the holding of the meeting, or if neither the Chairman nor a Vice-Chairman is willing to preside at the meeting, the Directors present shall elect one of their own number to be chairman of the meeting.
- (b) If at any meeting, no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairman of the meeting.

### **10.5 Resolutions**

- (a) At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

- (i) by the Chairman of the meeting; or
  - (ii) by at least 25% of the Members.
- (b) Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
  - (c) The demand for a poll may be withdrawn.
  - (d) If a poll is duly demanded, it shall be taken in such manner as the Chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
  - (e) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
  - (f) A poll demanded on the election of a Chairman of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll had been demanded may be proceeded with pending the taking of the poll.

#### **10.6 Votes**

At any general meeting of the Association, on a show of hands each Member represented in person shall have one vote. On a poll, each Member represented in person shall have one vote for each Membership pursuant to Article 4.4(c).

#### **10.7 Entitlement**

No Member shall be entitled to vote at any general meeting unless all monies presently payable by it to the Association have been paid.

#### **10.8 Resolution in Writing**

Subject to the provisions of the Act, a resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a general meeting of the Association duly convened and held.

### **11. REPRESENTATIVES**

- 11.1** A partnership, limited liability partnership, limited company or other recognised corporate entity which is a Member shall be represented at any general meeting of the Association by the Director appointed by such Member or by a partner, member, director, official or employee of such Member appointed for that purpose by notice in writing to the Secretary

given prior to commencement of the meeting, and such representative be entitled to exercise the same powers on behalf of the Member which he represents as that Member could exercise.

- 11.2** A Member shall appoint a separate representative pursuant to Article 11.1 in respect of each Membership held by that Member.

## **12. NUMBER, APPOINTMENT AND REMUNERATION OF DIRECTORS**

### **12.1 Number**

Unless otherwise determined by an ordinary resolution of the Association, the maximum number of Directors shall be the number equivalent to the number of Members (in respect of each Membership) entered in the Register of Members plus one.

### **12.2 Eligibility**

Any Member and any partner, member, director, official or employee of a Member shall be eligible for appointment as a Director. Each Member shall in respect of each Membership, and by notice in writing to the Secretary, appoint one Director and may from time to time replace that Director.

### **12.3 Alternate**

It shall be competent for a Director who is for any reason unable to be present at a meeting of the Directors or a Committee of Directors to be represented at such meeting by an alternate provided that the alternate is himself a Director or is eligible to be a Director, that the alternate is appointed by the absent Director and that such appointment is notified in writing to the Secretary before the commencement of the meeting for which the alternate has been appointed to act. Any such alternate shall be entitled to speak and vote at any such meeting.

### **12.4 Chairman/Vice Chairmen**

- (a) The Directors shall appoint a chairman of Directors ("**Chairman**") who shall preside at all meetings of the Directors and of the Association at which he is present. The Directors shall also appoint a maximum of 2 vice-chairmen of Directors ("**Vice-Chairmen**") who shall agree between them who shall preside at any such meetings at which the Chairman is absent. Such appointment shall continue until otherwise resolved by the Directors or until an appointee resigns by notice in writing to the Secretary.
- (b) During the period of appointment of a Chairman, the Member which had appointed the Chairman as a Director of the Association shall be entitled to appoint a second Director of the Association by notice in writing to the Secretary and may from time to time replace that second Director.

### **12.5 Remuneration**

The remuneration of the Chairman, the Vice-Chairmen and of the other Directors shall be fixed by resolution of the Directors and the amounts so fixed shall be paid to the Chairman,

the Vice-Chairmen and the other Directors thereafter until altered by a subsequent resolution of the Directors. The Directors shall be reimbursed for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or Committees of Directors or general meetings of the Association or in connection with the business of the Association.

#### **12.6 Observers**

- (a) Each Director shall be entitled to be accompanied at a meeting of the Directors by an observer provided that such observer is himself eligible to be a Director and that the identity of the observer shall have been notified in writing by the Director to the Secretary before the commencement of the meeting at which the observer is to attend. Any such observer shall be entitled to speak but not vote at any such meeting.
- (b) The Directors shall be entitled to invite any other person to attend at a meeting of the Directors as an observer. Any such observer shall be entitled to speak but not vote at any such meeting.

### **13. POWERS AND DUTIES OF DIRECTORS**

#### **13.1 Powers**

The business of the Association shall be managed by the Directors who may exercise all such powers of the Association as are not, by the Act or by these Articles, required to be exercised by the Association in general meeting, subject to these Articles, to the provisions of the Act and to such regulations, being not inconsistent with the Act or these Articles, as may be prescribed by the Association in general meeting. No regulation made by the Association in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other of these Articles.

#### **13.2 Declaration of Interest**

A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement with the Association shall declare the nature of his interest in the manner required by the Act.

#### **13.3 Conflict of Interest**

A Director shall not vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to any contract or arrangement with any other entity in which he is interested only as an officer of that other entity or as a holder of its shares; and these prohibitions may at any time be suspended or relaxed to any extent, either generally or in respect of any particular contract or arrangement by the Association in general meeting.

### **13.4 Other Offices**

A Director may hold any other office of the Association (other than the office of Accountant) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine. The Directors may appoint any entity, of which one of their own number is a partner, member, director, official or employee, to any such office as aforesaid and fix and determine the remuneration of such entity.

### **13.5 Payments**

All payments made by the Association and all receipts for payments to the Association shall be made in such manner as the Directors shall from time to time by resolution determine.

### **13.6 Minutes**

The Directors shall cause minutes to be made in books provided for the purpose:-

- (a) of all appointments of officers of the Association;
- (b) of the names of the Members present or represented at each meeting of the Association;
- (c) of the names of the Directors present at each meeting of the Directors and of any Committee of the Directors;
- (d) of all resolutions and proceedings at all meetings of the Association, of the Directors and of Committees of Directors; and
- (e) a register of Persons with Significant Control.

### **13.7 Other Rules**

The Directors shall have power to make and issue from time to time bye-laws, rules and regulations governing the organisation and administration the Association and any Branch, subject to the proviso that no bye-law, rule or regulation shall be made under this Article or the power herein contained which would amount to such an addition to or alteration of these Articles as could only lawfully be made by a Special Resolution passed in accordance with the Act.

## **14. PROCEEDINGS OF DIRECTORS**

### **14.1 Votes**

The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit. At a meeting of Directors, each Director shall have one vote and shall have full authorisation to exercise that vote from the Member who has appointed the Director. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of at least 25% of the Directors shall, summon a meeting of the Directors.



## **14.2 Quorum**

- (a) The quorum necessary for the transaction of the business of the Directors may be fixed by resolution of the Directors and unless so fixed shall be at least 25% of the Directors.
- (b) The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Association, but for no other purpose.

## **14.3 Committees of Directors**

- (a) The Directors may delegate any of their powers to a Committees of Directors consisting of such Directors and such other persons as they think fit. Any Committee of Directors so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
- (b) A Committee of Directors may elect a chairman of its meeting and if no such chairman is elected, or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the same, the members of the Committee of Directors present may choose one of their number to be chairman of the meeting.
- (c) A Committee of Directors may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present, and in the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

## **14.4 Validity**

All acts done by any meeting of the Directors or of a Committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment 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 and was qualified to be a Director.

## **14.5 Resolution in Writing**

A resolution in writing signed by all the Directors for the time shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

## **15. CESSATION OF APPOINTMENT OF DIRECTORS**

### **15.1 Removal**

- (a) The Association may by Ordinary Resolution passed in accordance with the Act, of which special notice has been given in accordance with the Act, remove any Director notwithstanding anything in these Articles or in any agreement between the Association and such Director.

- (b) The Member which appointed any Director removed under Article 15.1 shall appoint another person in place of such Director by notice in writing to the Secretary. Any such person must be eligible to be a Director in accordance with these Articles.

## **15.2 Cessation**

A Director shall cease to be a Director if he:-

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited from being a Director by reason of any order made under the Act; or
- (c) resigns his office by notice in writing to the Secretary.

## **16. SECRETARY**

- 16.1 The Secretary of the Association shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by the Directors.

## **17. BRANCHES**

- 17.1 The Association may establish and operate Branches in Fraserburgh, Lerwick and Peterhead and in such other area or areas as the Directors may determine. Each Member having its principal address in a Branch area shall be associated with that Branch. Such Members shall regulate the activities of the Branch but Branches shall not have any power to exercise the powers of the Association.

- 17.2 For each Branch, a Branch Secretary shall be appointed by the Members associated with that Branch.

- 17.3 The Directors may from time to time determine to award financial assistance to a Branch on such basis as the Directors shall decide.

## **18. CHIEF EXECUTIVE**

- 18.1 The Directors may from time to time determine that the Association shall employ a Chief Executive and/or any other employee of the Association at such remuneration and upon such terms and conditions as the Directors shall deem appropriate.

- 18.2 The Directors may confer upon the Chief Executive any of the powers exercisable by the Directors upon such terms and conditions as the Directors shall deem appropriate and may from time to time withdraw, alter or vary all or any of such powers.

- 18.3 The Chief Executive may also be appointed the Secretary of the Association.

## **19. ACCOUNTS**

### **19.1 Books and Accounts**

- (a) The Directors shall cause proper books of accounts to be kept with respect to:-
  - (i) all sums of money received and expended by the Association and the matters in respect of which the receipt and expenditure takes place;
  - (ii) all sales and purchases by the Association; and
  - (iii) the assets and liabilities of the Association.
- (b) Proper books shall not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the Association's affairs and to explain its transactions.
- (c) The books of account shall be kept at the Office or, subject to the Act, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

### **19.2 Accounts**

- (a) The Directors shall from time to time, in accordance with the relevant provisions of the Act, cause to be prepared and to be laid before the Association in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those provisions.
- (b) A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Association in general meeting, together with a copy of the Accountants' report, shall not less than 12 days before the date of the meeting be sent to every Member.

### **19.3 Surplus**

The amount by which the revenue of the Association for any financial period exceeds its expenditure for such period shall be dealt with in such manner as the Directors shall determine.

## **20. ACCOUNTANTS**

**20.1** Accountants shall be appointed by the Directors and their duties regulated in accordance with the relevant provisions of the Act.

## **21. INSURANCE**

- (a) The Association may purchase and maintain insurance, at the expense of the Association, for the benefit of any relevant Director in respect of any relevant loss.
- (b) In this Article:-

- (i) a "relevant Director" means any Director or former Director of the Association; and
- (ii) a "relevant loss" means any loss or liability which has been or may be incurred by a Relevant Director in connection with their Director's duties or powers in relation to the Association.

## **22. NOTICES**

- (a) A notice to be given by the Association to any Member in writing may be given by personal delivery or post to its address entered in the Register of Members or by e-mail or other form of electronic communication to such address for the time being given by the Member to the Secretary for that purpose.
- (b) Notice of every general meeting shall be given in any manner hereinbefore authorised to:-
  - (i) every Member; and
  - (ii) every person being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting.

## **23. ASSETS AND WINDING-UP**

### **23.1 Assets**

A Member shall not have any share or interest in the funds or assets of the Association or otherwise in the Association capable of being uplifted by it or transferred by assignment, operation of law or otherwise, except on the liquidation of the Association.

### **23.2 Winding Up**

In the event of the Association being wound up, the assets shall be charged with the expenses of winding up and the liabilities of the Association, and any surplus thereafter remaining shall belong to and be divided equally amongst the Members on the Register of Members at the date of the passing of the resolution to wind up the Association. On the winding up of the Association, each Branch shall dispose of any property or funds belonging to it (and not to the Association) in such manner as the Members associated with that Branch shall decide.

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**Figure 1**