

NEW
ARTICLES OF ASSOCIATION

of

THE MORAY FIRTH
PARTNERSHIP

Adopted by the Partnership on
• 2018

MORTON FRASER 
LAWYERS

MO624x005/IM/AEB

THE COMPANIES ACT 1985 and 1989

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

THE MORAY FIRTH PARTNERSHIP (the **Partnership**)¹

GENERAL

1 Name

The Partnership's name is THE MORAY FIRTH PARTNERSHIP.

2 Interpretation

2.1 In these Articles, if not inconsistent with the subject or context:-

2.1.1 the **Act** means the Companies Act 2006 and every statutory modification, amendment or re-enactment thereof for the time being in force;

2.1.2 these **Articles** means these Articles of Association, or other regulations of the Partnership from time to time in force;

2.1.3 electronic **communication** has the meaning given to it by the Electronic Communications Act 2000;

2.1.4 the **Secretary** means the Secretary of the Partnership appointed in accordance with Part 12 of the Act;

2.1.5 the **Partnership Manager** means the manager or principal employee of the Partnership as appointed by the Board from time to time;

2.1.6 the **Board** means the Board of Directors as elected or co-opted from time to time;

2.1.7 **month** means calendar month;

2.1.8 **Person** means any person and includes any firm or corporation;

2.1.9 the **Objects** means the objects of the Partnership set out in Article 4 (*Objects*) below;

2.1.10 the **Office** means the Moray Firth Partnership office at Great Glen House, Leachkin Road, Inverness, IV3 8NW, or such other address as the Partnership may notify to its members from time to time;

2.1.11 the **Register** means the Register of Members of the Partnership;

2.1.12 **The United Kingdom** means Great Britain and Northern Ireland;

¹ Adopted by Special Resolution passed on • 2018.

- 2.1.13 **in writing** means includes references to any method of representing or reproducing words in a legible and non-transitory form, including by way of electronic communication;
- 2.1.14 **working days** means any working day, Monday to Friday, not including statutory or public holidays; and
- 2.1.15 **year** means calendar year.
- 2.2 Where the context so admits words importing the singular number only shall include the plural number and vice versa.
- 2.3 Where the context so admits words importing the masculine, feminine or neuter gender only shall include either or both of the others.
- 2.4 Words importing persons shall include corporations.
- 2.5 Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

3 Limited Liability

- 3.1 The liability of the Company Members is limited.
- 3.2 Every Company Member of the Partnership (as defined in Article 7 (*Appointment of Company Members*) below) undertakes to contribute to the assets of the Partnership in the event of the same being wound up while such Company Member is a Company Member, or within one year after such Company Member ceases to be a Company Member, for payment of the debts and liabilities of the Partnership contracted before such Company Member ceases to be a Company Member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £1 sterling.
- 3.3 If on break up or on the winding up or dissolution of the Partnership there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Partnership, but shall be given or transferred to some other charitable institution or institutions having objects similar to the Objects of the Partnership, and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as imposed on the Partnership under or by virtue of Article 6 (*Application of Income and Property*) hereof, such institution or institutions to be determined by the Company Members of the Partnership at or before the time of dissolution, and if and so far as effect cannot be given to the foregoing provisions then to some other charitable object.

4 Objects

- 4.1 The objects for which the Partnership is established are for the benefit of the local communities living and working within the area of the Moray Firth and the public generally to promote the wise and sustainable use and conservation of the resources of the Moray Firth, and (where it has an impact on the foregoing) the land surrounding the Moray Firth. (For the purposes of this Article 4 (*Objects*), the **Moray Firth** shall include that

part of the territorial waters of the Moray Firth that extends from Duncansby Head to Fraserburgh and the landward area where it has impact upon the Moray Firth (hereinafter called the **Principal Objective**); and

4.2 (without prejudice to the foregoing generality) to:-

- (i) improve the communication and exchange of information relating to the Principal Objective by bringing together representatives or organisations with an interest in the Principal Objective;
- (ii) promote the development and implementation of a management strategy (or management recommendations) that will identify and assess issues and opportunities and reconcile any problems in the achievement of the Principal Objective;
- (iii) collect and disseminate information on all matters relevant to the work of the Partnership in relation to the Principal Objective or any of the other Objects of the Partnership;
- (iv) promote encourage and lead joint initiatives amongst the members of the Partnership and other persons and organisations with an interest in the Principal Objective in respect of the Principal Objective;
- (v) promote education to extend awareness and understanding of issues related to the Principal Objective;
- (vi) co-ordinate, monitor and review progress of work initiated by the Partnership in furtherance of its Objects; and
- (vii) create links with national and international estuarine groups to promote the Principal Objective and good practice and integrated action generally.

5 Powers

In furtherance of the above-mentioned Objects but for no other purpose, the Partnership shall have the following powers, namely:-

- (a) to purchase, take on lease or in exchange by way of excambion or by other means acquire and hold any feudal, freehold, leasehold or other property or lands, tenements and hereditaments and any rights, privileges, servitudes and easements over or in respect of any property;
- (b) to manage, maintain, improve, repair, renovate, develop and expend money in maintaining, improving or adding to such holdings;
- (c) to sell, feu, sub-divide, let or dispose of all or part of any property or rights for the benefit of the Partnership and its Objects;
- (d) to repair, renovate, restore, rebuild, , act as adviser and generally promote the preservation and conservation of any land or building vested in the Partnership or in any other charitable body;

- (e) to provide, purchase, take on lease, furnish and fit out, maintain and manage, such land or building as may be required for any purpose of the Partnership;
- (f) to purchase, take on lease, acquire and use for any purpose of the Partnership any machinery, stock-in-trade and other property, rights, privileges and interests and other rights of whatever kind, real or heritable, and personal or moveable or any of them; and to hold exercise, develop, improve, sell, lease, hire, exchange, mortgage, alter, pledge or otherwise deal with or dispose of them;
- (g) to take any gift of property, whether or not subject to any special trust or conditions, for any purpose within the purposes of the Partnership, provided that such special trust is not inconsistent with the Objects;
- (h) to establish or promote or concur in establishing or promoting any partnership or companies or body or bodies for any purpose which may seem directly or indirectly calculated to benefit the Partnership;
- (i) to pay all preliminary expenses of the Partnership and of any company promoted and formed by the Partnership or of any company in which the Partnership or its Members are interested;
- (j) to carry on the business or activity of a holding company in all its branches, to co-ordinate the policy and administration of any companies or undertakings in which the Partnership is a member or participant of which are controlled by or associated with the Partnership in any matter, to assist financially, subsidise or enter into subvention agreements with any such companies or undertakings and to provide for them administrative executive secretarial banking and accountancy services or staff office accommodation or social welfare services and facilities and to act as secretaries, directors, registrars and agents thereof and to do anything which will or may promote the efficiency and profitability of the businesses or the efficiency of the activities carried on by any such companies or undertakings;
- (k) to take steps by personal or written appeal, public meetings, publications, etc. expedient for the purpose of procuring contributions to the funds of the Partnership or funds applicable for any particular charitable purpose by means of donations, covenants, subscriptions or other means;
- (l) to borrow or raise or secure money for the purpose of the Partnership in such manner and on such terms as to security and otherwise as the directors may think fit and to redeem, purchase or pay-off such securities;
- (m) to invest any monies of the Partnership not immediately required for its purpose in or upon such investments, securities, or property as the Partnership thinks fit and to lend any such monies to other charitable companies, institutions, societies, foundations or associations, having objects similar to those of the Partnership, or to

individuals or firms for any purpose similar to the Objects on such terms as the Partnership thinks fit;

- (n) to enter into any partnership, arrangement for sharing of profits, union of interests, reciprocal concessions or co-operation with any persons, companies or societies carrying on or about to carry on any business which the Partnership is authorised to carry on or any business or transactions capable of being conducted as to directly or indirectly benefit the Partnership and the furtherance or attainment of any of its Objects;
- (o) to adopt such means of making known the business of, the services, and facilities provided by the Partnership, for the promotion of any of its Objects and to make known to the public the existence of educational, historical and recreational facilities, features and services through the publications of any newspaper, periodical, books, leaflets, pamphlets or advertisements as may be considered desirable and of keeping the same before the public;
- (p) to undertake any research or survey as a charitable activity which directly or indirectly promotes any of the Objects of the Partnership;
- (q) to remunerate any person, association, firm or partnership for services rendered or to be rendered to the Partnership under terms and conditions as the Partnership may deem fit and employ or secure the services of any employees or staff and provide remuneration and other benefits for such employees or staff and allocate their services to any person, partnership, firm or other organisation on such terms as the Board may consider appropriate and give, award or contribute to pensions and annuities and superannuation for employees, staff and former employees and staff of the Partnership;
- (r) to retain or employ professional and technical advisers and servants as may be required for the purposes of the Partnership and to pay such fees, costs or other monies for or in connection with their services as may be thought expedient and to make all reasonable and necessary provisions for the payment of pensions and superannuation to or on behalf of employees and their family and dependants;
- (s) to establish and support or aid in the establishment and support of any other society, charitable foundation or association formed for all or any of the Objects of the Partnership, or connected in any way with the purposes of the Partnership or calculated to further its Objects;
- (t) to co-operate and collaborate with any local or public authority or any other body concerned to achieve the Objects of the Partnership;
- (u) to amalgamate with or assume responsibility for any one or more charitable companies, institutions, etc., having objects altogether or largely similar to the Partnership;
- (v) to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any one or more of

the charitable companies, institutions, societies, foundations or associations with which the Partnership is authorised to amalgamate; and

- (w) to do all such other lawful things as will properly and necessarily further the attainment of the Objects of the Partnership.

Provided that:-

- (I) nothing in this Clause shall authorise the Partnership to do anything which is not both exclusively charitable according to the law of Scotland for the time being and according to Section 505 of the Income and Corporation Taxes Act 1988 as subsequently amended or re-enacted;
- (II) in case the Partnership shall take or hold any property which may be subject to any trusts, the Partnership shall deal with or invest the same only in such manner as allowed by law, having regard to such trusts.

6 Application of Income and Property

6.1 Subject to Article 6.2:-

6.1.1 the income and property of the Partnership, shall be applied solely towards the promotion of its Objects;

6.1.2 no portion thereof shall be paid directly or indirectly by way of dividend, bonus or otherwise to members of the Partnership; and

6.1.3 no member of its Board of Directors shall be appointed to any office of the Partnership paid by salary or fees or *receive* any remuneration or other benefit in money or monies worth from the Partnership, other than repayment of out-of-pocket expenses.

6.2 Notwithstanding the provisions of Article 6.1 the Partnership shall be entitled to pay reasonable and proper remuneration to any Member of the Partnership or of its Board in return for services actually rendered to the Partnership (other than those carried out normally or habitually by any Director, officer or employee of the Partnership) and to reimburse any out-of-pocket expenses incurred by any such person on behalf of the Partnership in furtherance of its Objects.

MEMBERS

7 Appointment of Company Members

Any person appointed a director of the Partnership shall forthwith upon such appointment apply to be admitted to membership of the Partnership (a **Company Member**) and, upon such person delivering to the Partnership an application for membership in such form as the directors require executed by such person, the directors shall admit such person to membership of the Partnership.

8 Cessation of Company Membership

A Company Member shall forthwith cease to be a Company Member if (a) the Company Member shall cease to be a director; (b) the Company Member shall resign that Company Member's membership by giving notice in writing to the Partnership; (c) the Company Member is removed from membership by a resolution of the Board passed by a majority of three-fourths of the votes cast upon such resolution at a meeting specially convened to consider such resolution of which the Company Member shall have been given reasonable notice and at which the relevant Company Member shall have been given reasonable opportunity of attending and being heard; or (d) the Company Member is guilty of such conduct as is contrary to the Objects of the Partnership. Membership of the Partnership shall not be transferable and shall cease on death.

9 General Members

The Directors shall establish a class of person affiliated to the Partnership who as at the date hereof shall be called **General Members** but who are not members of the Board or Company Members but who, in exchange for such subscription (if any) as the Directors determine from time to time, shall (i) be entitled to participate in the activities of the Partnership; (ii) form a body with which the Partnership engages and consults in relation to matters of interest to it; and (iii) shall be entitled to receive certain benefits from the Partnership, but will not otherwise have any liability in respect of it. Those benefits shall include the right to participate in such conference(s) and other events as the Directors determine should be convened or held from time to time.

SUBSCRIPTIONS

- 10 An annual subscription may be introduced or varied by the Partnership if so decided by the Board. Any such decision shall establish the terms of any such subscription, including the provision of different rates of subscription for different classes of member or for different types of person.

OFFICE BEARERS OF THE PARTNERSHIP

- 11 Subject always to the terms of Article 16 (*Chair*) the Partnership shall have such office bearers as the Board shall determine from time to time. The Board may choose to appoint one or more of the directors or employees of the Partnership to fulfil a certain role or function, subject to agreement on, inter alia, the terms and duration of the appointment and any specific responsibilities.

THE BOARD OF DIRECTORS

12 Appointment of Directors

- 12.1 The directors of the Partnership shall be those persons who are directors of the Partnership as at the date of adoption of these Articles and such other persons as shall be appointed as directors in accordance with the following provisions of these Articles.
- 12.2 Any person who is appointed as a Director shall apply for membership as a Company Member in accordance with Article 8.
- 12.3 No Director may appoint an alternate director.
- 12.4 There shall be no age limit for Directors.

- 12.5 Any person who has served for a period of three consecutive years (including any term prior to the adoption of these Articles) without being re-appointed shall resign from office as a Director and may be re-appointed for a further term or terms of three years.
- 12.6 The Partnership may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.
- 12.7 The board shall have power from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles.
- 12.8 The Partnership may by ordinary resolution of which special notice has been given in accordance with Section 168 of the Act (which deals with a resolution to remove a Director), remove any Director before the expiration of that Director's period of office notwithstanding anything in these Articles or in any agreement between the Partnership and such Director.
- 12.9 The Partnership may by ordinary resolution appoint another person in place of a Director removed from office under Article 12.8. Without prejudice to the power of the board under Article 12.7 the Partnership in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if such person had become a Director on the day on which the Director in whose place such person is appointed was last elected a Director.

13 Disqualification and Removal of Directors

A Director shall vacate office if:-

- 13.1 that Director ceases to be a Company Member;
- 13.2 that Director ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;
- 13.3 that Director is sequestered;
- 13.4 that Director becomes incapable for medical reasons of fulfilling the duties of that Director's office and such incapacity is expected to continue for a period of more than 6 months;
- 13.5 that Director resigns office by notice to the Partnership;
- 13.6 that Director is absent for a period of more than 7 months (without permission of the other Directors) from meetings of Directors held during that period and the Directors resolve to remove that Director from office;
- 13.7 that Director is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act; or
- 13.8 that Director is required to resign by notice in writing signed by a majority of the other Directors in the circumstances contemplated by sub-section 66(5) of the Charities Act.

14 Number of Directors

Unless otherwise determined by ordinary resolution, there shall be a minimum of five and a maximum of ten Directors of the Partnership.

15 Qualification of Directors

For the avoidance of doubt, Directors shall be selected on the basis of their individual merits and not as representatives of their employer, sponsor or any body nominating them as directors.

16 The Chair

16.1 Subject to the provisions of these Articles, the Board shall have sole discretion to review and agree the procedures to be adopted for the selection and appointment of the Chair and the term of the Chair's appointment.

16.2 Any Board member may put themselves forward for election to the post of Chair.

16.3 Where there are the maximum ten Directors serving on the Board, the Board shall appoint one of those ten to act as Chair. Where there are nine or less Directors it shall be open to the Board to either elect one of those Directors as Chair or to elect someone from outwith the Board.

16.4 In the event that the Chair so elected is not already a Director the Chair shall be appointed as a Director by the Board.

16.5 For the avoidance of doubt, the Chair shall be selected by the Board on the basis of the Chair's individual suitability for the post and not as a representative of the Chair's employer or any body nominating the Chair.

16.6 The role, duties and responsibilities of the Chair will be as defined by the Board and as notified to and agreed from time to time with any candidate for the post of Chair.

MANAGEMENT OF THE BUSINESS OF THE PARTNERSHIP

- 17 Subject to Article 24 (*Board may delegate*) the business of the Partnership shall be managed by the Board, who may exercise all such powers of the Partnership and do on behalf of the Partnership all such acts as may be exercised and done by the Partnership, and which are not by statute or by these Articles required to be exercised or done by the Partnership in general meeting. However, no regulation made by the Partnership in general meeting shall invalidate any prior act of the Board that would have been valid if that regulation had not been made.

PROCEEDINGS OF THE BOARD

18 Board Meetings

Subject to the provisions of these Articles, the Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

19 Voting at Board Meetings

Subject as otherwise provided in these Articles:-

- 19.1 subject to Articles 19.4 and 19.5, each member of the Board shall have one vote;
- 19.2 questions arising at any meeting shall be decided by a majority of the members of the Board present and entitled to vote;
- 19.3 in case of an equality of votes and having failed to reach agreement by consensus, the Chair (or the chairperson of the meeting if the Chair is not present) shall have a second or casting vote;
- 19.4 a member of the Board who receives or is to receive remuneration in accordance with Article 62 (*REMUNERATION OF DIRECTORS*) may not attend, participate or vote at Board meetings at which that member of the Board's terms of appointment, conditions of service or remuneration are to be discussed; and
- 19.5 a director who is remunerated in terms of Article 62 (*REMUNERATION OF DIRECTORS*) may attend and participate, but may not vote, at Board meetings at which any employee's terms and conditions of employment are to be discussed.

20 Quorum for Board Meetings

The quorum for the transaction of business by the Board shall be as follows:-

- 20.1 where there are five or less Directors the quorum shall be three; and
- 20.2 where there are six or more Directors the quorum shall be four.

For the avoidance of doubt, where one or more directors is to be remunerated in terms of Article 62 (*REMUNERATION OF DIRECTORS*), the Board shall ensure that a majority of non-remunerated directors attends any meeting of the Board.

21 Right to require Board Meetings

A member of the Board may, by written notice to the Partnership Manager, request a meeting of the Board. The Chair for the time being of the Board may, at the Chair's sole discretion determine whether to grant such a request. If such a request is granted, the Partnership Manager shall summon a meeting of the Board by notice served upon the several members of the Board. A member of the Board who is absent from the United Kingdom shall not be entitled to notice of a meeting.

22 Chair of Board Meetings

The Chair shall be entitled to preside at all meetings of the Board at which and during the time for which the Chair is present. If at any meeting the Chair is not present within five minutes after the time appointed for holding the meeting or is unwilling to preside then the members of the Board present shall choose one of their number to be chairperson of the Meeting whilst the Chair- is absent or unwilling to preside.

23 Board Meeting to exercise Powers

A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers, and discretions by or under the regulations of the Partnership for the time being vested in the Board generally.

24 Board may delegate

The Board may delegate any of its powers to such committee, group or individual, (comprising members of the Board, non-members and employees) as the Board thinks fit; and any such committee, group or individual shall, in the exercise of the powers so delegated, conform to any regulations imposed on it or on such individual by the Board. The meetings and proceedings of any such committee, group or individual shall be governed by the provisions of these presents 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.

25 Board Minutes

The Board shall cause proper minutes to be made of all appointments made by the Board and of the proceedings of all meetings of the Partnership and of the Board and of committees of the Board. All business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the chairperson of such meeting, or by the chairperson of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

26 Resolutions in writing

A resolution in writing signed by a majority of the members for the time being of the Board shall be as valid and effectual as if it has been passed at a meeting of the Board. The resolution may consist of several documents in the like form, each signed by one or more members of the Board. Unless agreed otherwise by the Board, a Director may notify a Director's approval of a directors' resolution by e-mail or by any other appropriate means of electronic communication to the Partnership Manager or to any other person specified in the resolution for the receipt of such notification.

The same provisions shall apply to a resolution of any other properly convened and constituted committee or group.

ACTION AND SUB GROUPS

27 Board may establish groups

The Board may set up, allow to be set up, or facilitate, any number of action or sub groups (a **Group**), and may allow any other group to act under the auspices of or in the name of the Partnership, for such purposes and in such manner as the Board thinks fit, subject to terms of reference to be agreed by the Board from time to time in relation to each individual group.

28 Proceedings of groups

A Group, which may include non-members of the Partnership, shall conduct its proceedings and report to the Board in the manner laid down in the terms of reference for that Group.

29 Board action in respect of groups

In the event that the Board is concerned that a Group may be acting in a manner that is not wholly consistent with the aims of the Partnership, the Board shall take whatever steps it thinks appropriate to meet with the Group and to seek their co-operation in alleviating or resolving the cause for concern. If, after taking into consideration any representations by the Group, a majority of the Board is still not satisfied, the Board shall take such further action as it considers expedient, and may require that the Group in question is no longer considered a Group as defined in

these Articles, and ceases to act under the auspices of or in the name of the Partnership.

INTERACTION AND LIAISON BETWEEN THE BOARD, GROUPS AND MEMBERS

- 30 The Board shall take such steps as it considers necessary to develop and maintain systems and procedures for communication between the Board, any Groups or committees, the employees of the Partnership and Members, as well as with external bodies and individuals, in order to foster and enhance the spirit of co-operation and to promote the integrated management of the Partnership and of the Moray Firth, in a local, regional and national context.

GENERAL MEETINGS OF THE PARTNERSHIP

31 General meetings

All general meetings of the Members of the Partnership shall be called extraordinary general meetings. The Partnership may, but need not, hold an annual general meeting.

32 Requisition of general meeting

A general meeting of the Partnership shall be called if requisitioned by not less than 5% of those Company Members of the Partnership who, as at the date of the requisition, have the right to vote at general meetings of the Partnership.

The Partnership shall forthwith proceed to convene a general meeting for a date not later than 49 Days after receipt of the requisition.

NOTICE OF GENERAL MEETINGS OF THE PARTNERSHIP

33 Notice of general meeting

A general meeting called for the passing of a special resolution shall be called by at least fourteen days' clear notice in writing (exclusive in every case both of the day on which it is served or deemed to be served and of the day on which it is given), specifying the place, the day and the hour of the meeting, and the general nature of the business to be transacted at the meeting. Notwithstanding the foregoing a general meeting may be called by shorter notice if it is so agreed:-

- 33.1 in the case of an annual general meeting, by all the Company Members entitled to attend and vote thereat; and
- 33.2 in the case of any other meeting by a majority in number of the Company Members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the total voting rights at a meeting of all the Members.

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

PROCEEDINGS AT GENERAL MEETINGS OF THE PARTNERSHIP

34 Articles to apply

The provisions of Articles 35 (*Quorum for general meeting*) to 40 (*Only Company Members to vote*) shall apply to all general meetings.

35 Quorum for general meeting

No business shall be transacted at any meeting of the Partnership unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided:-

35.1 where there are five or less Company Members the quorum shall be three; and

35.2 where there are six or more Company Members the quorum shall be four,

in each case Company Members present in person or represented by their duly appointed representatives, entitled to attend and vote thereat.

36 Lack of quorum

If, within half an hour from the time appointed for the holding of a meeting of the Partnership, a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same date in the next week, at the same time and place or at such other time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting the Members present shall be a quorum.

37 Chair of general meeting

The Chair shall preside as chairperson at every general meeting but if there shall be no such Chair or if at any meeting the Chair shall not be present within fifteen minutes after the time appointed for holding the same or shall be unwilling to preside, some other member of the Board nominated by the members of the Board present shall preside whilst the Chair shall be absent or unwilling to preside. If there shall be no such Chair or member of the Board or none of them shall be present and willing to preside, the voting Members present shall choose some other voting Member of the Partnership who may be present to preside.

38 Adjournment

The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at the adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of the original meeting. Save as aforesaid, the Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS OF THE PARTNERSHIP

39 Votes of Company Members

Subject to any provision to the contrary contained in these Articles, 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 upon the declaration of the result of, the show of hands) demanded by (a) the chairperson or (b) at least one voting Company Member

present in person; and unless a poll be so demanded a declaration by the chairperson of the Meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Partnership, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn before the poll is taken but only with the consent of the chairperson and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

40 Polls

Subject to the provisions of Article 41 (*No poll on election of chairperson*), if a poll be demanded in manner aforesaid it shall be taken at such time and place, and in such manner as the chairperson of the Meeting shall direct, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the Meeting at which it is demanded. In any other case at least seven days' notice shall be given specifying the time and place at which the poll is to be taken.

41 No poll on election of chairperson

No poll shall be demanded on the election of a chairperson of a meeting, or on any question of adjournment.

42 Other business to continue

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the business in respect of which a poll has been demanded.

43 Votes of Company Members

Subject as may be otherwise provided in these Articles, each Company Member shall have one vote.

ACCOUNTS

44 Books of account to be kept

The members of the Board shall cause proper books of account to be kept with respect to:-

44.1 all sums of money received and expended by the Partnership and the matters in respect of which such receipt and expenditure take place;

44.2 all sales and purchases of goods or services by the Partnership; and

44.3 the assets and liabilities of the Partnership.

45 Books to show true and fair view

Proper books shall be deemed to be kept if they show a true and fair view of the state of the affairs of the Partnership and explain its transactions.

46 Books to be kept at Registered Office

The books of account shall be kept at the Partnership's registered office or, subject to Section 388 of the Act, at such other place or places as the Board shall think fit and shall be open to the inspection of the Members as the Board from time to time directs.

47 Accounts to be laid before AGM

At the annual general meeting in every year the Board shall lay before the Partnership a proper income and expenditure account for the period since the last preceding account together with a proper balance sheet made up at the same date. Every such balance sheet shall be accompanied by proper reports of the Board and the auditor (if appointed) or an independent financial examiner, and copies of such accounts, balance sheets and reports (all of which shall be made in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall, not less than twenty one days before the date of the Annual General Meeting, be sent to the auditor (if appointed) or the independent financial examiner and to all other persons entitled to receive notice of general meetings in the manner in which notices are hereinafter directed to be served. The auditor's report (as required by section 475 of the Act) or the independent financial examiner's report shall be published in accordance with Chapter 7 of the Act.

COMPANY SECRETARY

- 48 Subject to the provisions of the Act, a Company Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Company Secretary so appointed may be removed by the Board.

AUDIT

49 Examination of accounts

Once at least in every year the accounts of the Partnership shall be examined and (if required by the Act) the correctness of the income and expenditure account and balance sheet shall be ascertained by one or more properly qualified auditor or auditors if so appointed by the Board.

50 Audit

Where an audit is required, an auditor shall be appointed and the duties regulated in accordance with the Act.

NOTICES

51 Electronic communication

The business of the Partnership and all its correspondence with and notification to or from its Members may be conducted by post, fax or e-mail or other appropriate means of electronic communication, (except where that Member specifically requests all such correspondence and notification by post only). Equally, it may be publicised on the Partnership's website on the Internet (at www.morayfirth-partnership.org or such other website address as may be notified from time to time), as long as the Partnership has advised each Member of this and has taken due steps to notify by other means all those Members who do not have access to the Internet.

52 Means of service

Any notice may be given by the Partnership to any Member either personally or by sending it by post, fax, e-mail or by other appropriate means of electronic communication, addressed to such Member at the address as notified to the Partnership.

53 Time of service

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

53.2 Any notice served by fax shall be deemed to have been served at the time of transmission. A fax transaction report or fax generated log shall be sufficient proof of such service, or it shall be sufficient to prove that the fax transmission was transmitted on a tested line.

53.3 Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given where it is contained in an electronic communication at the expiration of 48 hours after the time that communication was sent.

54 Deemed notice

A Member present or represented at any general meeting of the Partnership shall be deemed to have received notice of the meeting and the purpose for which it was called.

55 Entitlement to receive notice

Notice of every meeting of the Partnership shall be given in any manner hereinbefore authorised to:-

6.1 every voting Company Member except those Company Members who have not supplied to the Partnership a postal address or fax number within the United Kingdom or an e-mail address for the giving of notices to them; and

6.2 the auditor (if appointed) or independent financial examiner for the time being of the Partnership.

CONFLICTS OF INTEREST

56 Conflicts to be declared

All Directors, Group or other committee members and employees of the Partnership have an obligation to declare any interests which might arise in respect of dealings by themselves or by parties with whom they are connected or associated, with the Partnership and, where such arise, to avoid conflicts of interest by way of such declaration and by ensuring that they take no part in discussions or decisions relating to such dealings.

57 Register of Interests

If considered appropriate at any time, the Board may require the Partnership Manager or Company Secretary to maintain a Register of Interests, on such terms and conditions as the Board may think fit.

INDEMNITY

- 58 Each member of the Board and the Company Secretary of the Partnership shall be entitled to be indemnified out of the assets of the Partnership against all losses or liabilities which such member of the Board or the Company Secretary may sustain or incur in or about the execution or discharge of the duties of such office or otherwise in relation thereto. This shall include any liability incurred by such member of the Board or the Company Secretary in defending any proceedings whether civil or criminal, in which judgment is given in favour of such member of the Board or the Company Secretary or in which such member of the Board or the Company Secretary is acquitted or in which the charge is found not proven in which relief is granted to such member of the Board or the Company Secretary by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Partnership. No member of the Board or the Company Secretary shall be liable for any loss, damage or misfortune which may happen to be incurred by the Partnership in the execution or discharge of the duties of such office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Chapter 7 of the Act.

DISTRIBUTIONS AND DISSOLUTION

59 Profits to be applied to Objects

The profits or other income of the Partnership shall be applied in promoting its objects.

60 No distributions

No distribution shall be made by way of dividends to any member of the Partnership.

EXPENSES

- 61 Any person carrying out business on behalf of the Partnership may be paid reasonable travelling, hotel and other expenses properly incurred by them, in accordance with any procedures or expenses limits agreed by the Board from time to time.

REMUNERATION OF DIRECTORS

- 62 The Partnership shall, notwithstanding any other provision contained in these Articles, be entitled to pay reasonable and proper remuneration to any Member of the Partnership or of its Board in return for services requested by and rendered to the Partnership (other than those carried out in the normal course of the duties of any Director or employee of the Partnership) and to reimburse any out-of-pocket expenses incurred by any such person on behalf of the Partnership in furtherance of its Objects.