

THE COMPANIES ACT 1985

A COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION  
OF  
NFU SCOTLAND

REGISTERED IN SCOTLAND NUMBER SC214564

11 February 2016

INTERPRETATION

1. In these Articles:-

"the Act" means the Companies Act 1985 and any statutory modification or re-enactment thereof from time to time in force;

"agriculture" includes the meanings given to it in Section 85 of the Agricultural Holdings (Scotland) Act 1991

"the Appointed Day" means 1<sup>st</sup> January, 2001, or such other date as the Directors may resolve;

"the Association" means the unincorporated association named The National Farmers' Union of Scotland;

"Associate" means an associate or supporter under the provisions of Articles 8 and 9;

"the Auditors" means the Auditors for the time being of the Company;

"Board of Directors" means the Board of Directors of the Company;

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"clear working days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect and weekends and public holidays;

"the Company" means NFU Scotland.

"Director" means a director of the Company;

"Member" shall mean any Member of the Company as defined in Articles 3 to 6;

"the Memorandum" means the Memorandum of Association of the Company

"the National Council" means the National Council of the Company:"

"the Objects and Powers" means the objects and powers set out in the Memorandum from time to time in force;

"the Registered Office" means the Registered Office of the Company from time to time;

"Regional Board" means the Board elected from the members in each organisational region of the Company, in accordance with procedures set out in the Standing Orders;

"Regional Board Member" means a member of one of the Regional Boards of the Company;

"of unsound mind" means suffering from mental disorder and either:-

- (a) admitted to hospital in pursuance of an application for admission under the Mental Health (Scotland) Act 1984 or in England and Wales, an application for admission for treatment under the Mental Health Act 1983, or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for detention or for the appointment of a curator bonis, receiver or other person to exercise powers with respect to property and affairs;

"the Secretary" means the Company Secretary appointed under Article 63;

"Standing Orders" means the rules relating to the detailed organisation, management financial control and structure of the Company, the regulations detailing the management of which are laid down in Articles 107 to 110.

## 2. In these Articles:-

- a) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a legible form.
- b) Unless the context otherwise requires, words importing the masculine gender shall include the feminine gender.
- c) Words importing persons shall include corporations, firms and any other entities having separate legal personae.
- d) References to any statute shall be construed as relating to any statutory amendment or reenactment for the time being in force.
- e) References to periods of service as an office bearer, director or other elected representatives shall be construed so that periods of service as an office bearer, director or other elected representative in the equivalent position in the Association prior to the Appointed Date shall be deemed to be service in that position in the Company and shall be taken into account in calculating the total period of service for the purposes of the Articles and the Standing Orders.

## MEMBERS AND MEMBERSHIP

- 3. All those who are existing, fully paid up members of the Association as at the Appointed Date and such other persons, firms, companies, corporations, societies, agricultural colleges or institutes as shall be admitted according to the procedures set down hereafter, shall be members of the Company.
- 4. Every member or potential member of the Company other than the existing fully paid up registered members of the Association who shall become Members under Article 3 shall sign a written application form or consent to become a member and shall be approved and admitted to membership under delegated authority from the Board of Directors.
- 5. Membership shall subsist for so long as the member has paid the current annual subscription fee or life membership fee as set from time to time by the Board of Directors and the member abides by the Memorandum and Articles of the Company. The Board of Directors may set different fees according to the business and/or status of the Members as they think fit. The rights of a member shall not be transferable and as well as ceasing on non payment of annual subscription fees, expulsion of the member as detailed at Article 12 or withdrawal of membership by the member as detailed at Article 10. Membership shall also cease on death, dissolution, or winding up in the case of a body corporate.
- 6. Membership shall be open to all persons, firms, companies, corporations, societies, agricultural colleges or institutes engaged in the actual practice of agriculture, or farming, or in the primary production of livestock or related produce; and the term "persons" shall include:-
  - an employee engaged in agriculture,
  - a person retired from working in agriculture, or
  - a spouse, close relative or partner of a principal engaged in agriculture or

- a director or business partner of a principal engaged in agriculture.

7. The Secretary shall keep an accurate Register of Members of the Company.

#### ASSOCIATES.

8. The Board of Directors may make such provision as they think fit from time to time in respect of Associates and other supporters of the company, including providing for different classes of Associate Member and supporters, setting procedures for the admission and renewal of Associate Membership, fixing subscription rates for Associate Members or particular classes of Associate Members and making provision as to which benefits particular classes of Associate Member shall be entitled.
9. Associates shall not be Members of the Company and for the avoidance of doubt shall not:-
- a) be entitled to receive notice of, attend or vote at General Meetings or any meetings of any Region or District Branch of the Company.
  - b) be liable to contribute in the event of insolvency of the Company

#### CESSATION OF MEMBERSHIP.

10. Any member may withdraw from the Company by giving one month's notice in writing to the Secretary of his intention so to do. Any person ceasing by any means to be a member shall remain liable for and shall pay to the Company all monies due from him to the Company at the time of his ceasing to be a member or for which he may become liable under the provisions of the Articles.
11. The sole right of admission to membership shall be vested in the Board of Directors who may without showing any cause refuse to admit any person as a member of the Company but nothing herein contained shall entitle the Board of Directors to discriminate in any way between applicants by reason of race, colour, creed, sex or sexual orientation..
12. Subject to Article 11, the members may also expel and refuse to continue to allow any person to remain as a member of the Company by a resolution passed by a majority of not less than three fourths of such members as are present and vote in person or where proxies are allowed, by proxy, at a General Meeting, provided the member in question has been given reasonable notice and a reasonable opportunity of being heard in his own defence at such General Meeting being convened (solely or not) for the purpose of considering such resolution. If such resolution be so passed then, subject to Article 10, such person shall cease to be a member and his name shall be removed from the Register of Members.

#### COMPANY ORGANISATIONAL STRUCTURE.

13. The Company shall have the following structure, for the purpose of regulating and running its affairs on behalf of the members:-
- a) District Branches, which will organise the activities of the Membership at a local level, within a defined geographical area.
  - b) Regions which shall be administered by Regional Boards. Regional Boards shall be elected by the membership of the District Branches in accordance with these Articles, to undertake at a local level management and member services functions of the Company as may from time to time be delegated by the Board of Directors.
  - c) A Board of Directors, which shall have the powers laid down in Article 70 and elsewhere in the Articles.
  - d) A National Council, which shall be the body responsible for the election of the President and Vice Presidents of the Company in accordance with Article 61. The National Council shall initially be comprised of the members of the nine Regional Boards as at the Appointed Date, and thereafter, members of all Regional Boards elected under the procedures laid down in these Articles. Members of the National Council shall serve no longer than five consecutive years on the National Council save that any period of membership by virtue of appointment as President or Vice President or chairman or vice chairman of a Regional Board shall be disregarded in counting that period.

## GENERAL MEETINGS

14. The Company shall in each year hold an Annual General Meeting in addition to any other General Meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. The Annual General Meeting shall be held at such time and place as the Board of Directors shall appoint and all members shall be entitled to receive notice of, attend and vote at the Annual General Meeting.
15. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
16. The Board of Directors may whenever they think fit convene at Extraordinary General Meeting.
17. An extra-ordinary general meeting shall also be convened by the Directors on:-
  - a) requisition by members (under Section 368 of the Act); or
  - b) on requisition by a resigning auditor (under Section 391 of the Act).

## NOTICE OF GENERAL MEETINGS

18. An Annual General Meeting and an Extraordinary General Meeting shall be called by giving, at least, twenty one clear days notice in writing, to all members of the Company. The notice shall specify the place, the day and the hour of the meeting and, in the case of a special resolution the terms of that proposed resolution as well as the general nature of that business and shall be given in the manner herein mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting or determined by the Board of Directors to all members of the Company.
19. 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 meeting.

## PROCEEDINGS AT GENERAL MEETINGS

20. All business which is transacted at an Extraordinary General Meeting and also which is transacted at an Annual General Meeting shall be deemed special and require a three quarters majority with the exception of the consideration of the Accounts, Balance Sheets and the Report of the Board of Directors and Auditors, the appointment of the Auditors and any procedural matters, which shall be deemed ordinary and require a simple majority.
21. No business shall be transacted at any General Meeting unless a quorum of members entitled to attend and vote thereat is present at the time when the meeting proceeds to business, except where the conditions arise as laid down in Article 22, forty members present in person or by proxy shall be a quorum.
22. If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened on the requisition of members, shall be dissolved and in any other case 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 Board of Directors may determine. If at such adjourned meeting a quorum is not present within half an hour of the time appointed for holding the meeting, or if during the meeting a quorum ceases to be present, the members present who are entitled to attend and vote at the meeting shall be a quorum.
23. The President of the Company or in his absence either of the Vice Presidents shall preside as Chairman at every General Meeting of the Company or if there is no such President or Vice President or if he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the Meeting or if at any meeting no Director is willing to act as Chairman, or if no Director is present within fifteen minutes after the time appointed for the holding of the meeting, the members present shall choose one of their number to be Chairman of the Meeting.
24. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished 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 as in the case of an 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.

25. 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 declaration of the result of the show of hands) demanded:-
- a) by the Chairman of the Meeting;
  - b) by at least three members present in person or by proxy;.
26. Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or lost and an entry to that effect in the book containing the Minutes of Proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution. The demand for a poll may be withdrawn.
27. Save as may otherwise be expressly provided in these Articles, questions arising and all resolutions proposed at Annual General Meetings and Extraordinary General Meetings shall be decided and passed by a majority of votes of such Members as are present and vote in person or, where proxies are allowed, by proxy at such Annual General Meeting or Extraordinary General Meeting.
28. Except as provided in Article 25, if a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to resolve the item of business, for which the poll was demanded.
29. In the case of a tied vote, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
30. 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 as the Chairman of the Meeting directs and any business other than that upon which a poll is demanded may be proceeded with pending the taking of the poll.
31. Notwithstanding any other provision of the Memorandum, Articles or Standing Orders, any matter or thing which may under these Articles be dealt with by resolution and is not required by law to be so dealt with in General Meeting may if the Directors so resolve be determined by a postal ballot to be conducted in such manner as the Directors think fit and any resolution declared by the Directors to have been carried by the requisite majority of the members voting on such ballot shall have effect in all respects as if it were a resolution duly passed at a meeting of the Company duly convened and held.

#### VOTES OF MEMBERS.

32. On a show of hands every member present in person shall have one vote at General Meetings. On a poll, every member present in person or by proxy shall have one vote. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed shall be valid and counted. Any objection made in due time shall be referred to the Chairman who decision shall be final and conclusive.
33. A curator bonis, receiver or other person exercising powers with respect to his property or affairs appointed in respect of a member of unsound mind may vote in place of that member whether on a show of hands or on a poll and on a poll such vote may be by proxy.
34. The instrument appointing a proxy shall be in writing signed by the appointer or notarially executed on his behalf or signed by a person duly authorised by power of attorney to sign on his behalf. A proxy need not be a member of the Company.
35. The instrument appointing a proxy and the power of attorney if any under which it is signed or a notarially certified copy of that power shall be deposited at the Registered Office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting not less than two clear working days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
36. An instrument appointing a proxy shall be in such form as the Directors may from time to time specify.
37. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
38. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or

revocation as aforesaid shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### CORPORATION ACTING BY REPRESENTATIVES AT MEETINGS

39. Any corporation, company or body corporate which is a member of the Company may by resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. A corporation, company or body corporate so represented is deemed present in person at such a meeting.

#### PROCEEDINGS OF THE NATIONAL COUNCIL, BOARD OF DIRECTORS, REGIONAL BOARDS AND COMMITTEES AND SUB-COMMITTEES.

40. Notices of all meetings of the National Council and annual meetings of Regions and District Branches shall be sent to their respective members at least twenty-one clear days in advance of any meeting. Notices of all other meetings of the Board of Directors and Regional Boards and Committees and Sub-Committees of the Board of Directors shall be sent to their respective members at least seven clear days in advance of any meeting.
41. The notice of the meetings detailed in Article 40 should include such matters as may be laid down from time to time in the Standing Orders.
42. In special circumstances, where it is not possible to give seven days notice of a meeting of the National Council, Board of Directors and Regional Board or Committees and Sub-Committees of the Board of Directors, a shorter period of notice may be given but only with the permission of the Chief Executive or President.
43. All business at meetings of the National Council, Board of Directors, Regional Board or a Committee or Sub-Committee of the Board of Directors will be decided on the basis of each member, of the relevant meeting, present in person or in the case of National Council in person or, where allowed, by proxy having one vote. In the case of a tied vote the Chairman of the meeting will have a second or casting vote.
44. The Chairman of the National Council, Board of Directors, Regional Board or Committee or Sub-Committee of the Board of Directors will direct the business of any meeting and his ruling on any matter of procedure shall be final.
45. No business shall be transacted at any meeting of a Regional Board or a Committee or Sub-Committee of the Board of Directors unless a quorum of one third of members (rounded up to the nearest whole number) entitled to attend and vote thereat is present at the time when the meeting proceeds to business.
46. Except where otherwise stated in these Articles, all business carried out at The National Council, Regional Boards and Committees or Sub-Committees of the Board of Directors is done by delegated authority from the Board of Directors and is subject to ratification by the Board of Directors.

#### CONFLICT OF INTEREST

47. A National Council Member, a Director or a member of a Committee or a Sub-Committee of the Board of Directors or a Regional Board member:-
- a) shall not take part in the deliberations of the National Council or Board of Directors or of a Committee or a Sub-Committee of the Board of Directors or Regional Board on any contract or proposed contract in which he has an interest or any other matter in which he has, directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interest of the Company.
  - b) shall not vote at a meeting of the National Council or Board of Directors or of a Committee or Sub-Committee of the Board of Directors or Regional Board on a resolution concerning such a contract or other matter unless the National Council members, Directors, members of the relevant Committee or Sub-Committee of the Board of Directors or Regional Boards decide that to do any such thing will not prejudicially affect their consideration of such contract or other matter. For the purposes of this Article an interest of a person who is connected with a National

Council member, Director, member of a Committee or Sub-Committee of the Board of Directors or Regional Board member shall be treated as an interest of the said member.

48. A National Council member or a Director or a member of any Committee or Sub-Committee of the Board of Directors or a Regional Board member who has a material interest in terms of Article 47, shall disclose the nature and extent of such interest.
49. For the purposes of Article 48
- a) any National Council member or a Director or a member of any Committee or Sub-Committee of the Board of Directors or a Regional Board member who has a material interest in terms of Article 47, shall disclose the nature and extent of such interest by giving a general notice to the Chief Executive or Board of Directors detailing the aforementioned interest and this shall be deemed to be sufficient disclosure by the member concerned. The Chief Executive will inform any other affected committee of the details of the notice; and
  - b) an interest of which a National Council Member or Director or any member of a Committee or Sub-Committee of the Board of Directors or a Regional Board member has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
50. A National Council member or a Director or any member of a Committee or Sub-Committee or Regional Board shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
51. If a question arises at a meeting of the National Council or Board of Directors or of a Committee or Sub-Committee of the Board of Directors or Regional Board as to the right of a National Council member, Director, Regional Board member or a member of a Committee or SubCommittee of the Board of Directors to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any such person other than himself shall be final and conclusive.
52. All acts bona fide done by any meeting of the National Council, Board of Directors, a Committee or Sub-Committee of the Board of Directors or of a Regional Board shall remain valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such persons acting aforesaid or that they or any of them were disqualified and shall in all such cases be as valid as if every such person had been duly appointed and was qualified to be a National Council member, Director or a member of a Committee or Sub-Committee of the Board of Directors or Regional Boards.

#### NATIONAL COUNCIL

53. The National Council shall meet twice yearly, one of such meetings shall be held immediately following the Annual General Meeting. The members of the National Council shall be responsible for electing the Presidents and Vice Presidents of the Company. The conduct of the meetings of the National Council shall be in accordance with these Articles and any Standing Orders applicable from time to time herein governing General Meetings and National Council Meetings of the Company so far as the same are applicable and the provisions for appointment and voting of proxies, detailed therein, shall apply where applicable.
54. The National Council comprises:-
- (i) all members of Regional Boards, elected from the members organised in District Branches in each Region as defined in these Articles.
  - (ii) the President and Vice Presidents.
  - (iii) the Honorary Treasurer shall be entitled to attend and speak at meetings of the National Council, but shall not vote unless he is entitled to do so by virtue of his office as a Regional Board Member.
55. Each member of the National Council shall serve for as long as he shall hold the office entitling him to a place on the National Council.
56. The President of the Company shall be the Chairman of the National Council. The Vice Presidents shall be deemed to be the Vice Chairmen of the National Council.

57. If at any meeting, the Chairman or Vice Chairmen are not present within fifteen minutes after the time appointed for holding the same, the National Council members or Directors present may choose one of their number to be the Chairman of the meeting.
58. The quorum for a meeting of the National Council shall be forty.
59. All matters to be decided at a National Council Meeting shall be decided on the basis of each individual National Council member having one vote, which can be used in person or, where allowed, by proxy.
60. A resolution in writing signed by all National Council members shall be as valid and effectual as if it had been passed at a meeting of the National Council duly convened and held and may consist of several documents in like form each signed by one or more National Council members.

#### PRESIDENTS AND VICE PRESIDENTS.

61. The President and two Vice Presidents of the Company shall be elected and the election ratified by the National Council at a meeting to be held immediately following the Annual General Meeting in each year or such other meeting as is arranged under Article 61 (e) of these Articles in accordance with the following provisions:-
  - a) The term of office of the President shall be two years. The first term of office for a Vice President shall be two years. If a Vice President is re-elected for a second consecutive term, the term of office shall be one year.
  - b) Any Member, other than a retiring President prevented by Article 61(d), who is willing to stand and is not barred from becoming a Director may stand for the positions of President and Vice President, provided he is proposed by two other Members of the Company.
  - c) Nominations for the post of President or Vice President shall be made in writing to the Secretary at the Registered Office at least fifty six clear days prior to the date of the meeting of the National Council where elections are to take place. If the required number of nominations is not forthcoming or if the required number is subsequently not reached because of withdrawals of nominees, the Board of Directors, at a properly convened meeting of the Board of Directors, may suspend this rule.
  - d) A member shall not be eligible to serve for more than two consecutive terms in the office of President. For the purposes of this Article, any period of office as President followed by a break in service as President of at least one year shall not be taken into account.
  - e) If a vacancy shall occur in the office of President or Vice President the vacancy may be filled by election in accordance with this Article 61, to take place at the next meeting of the National Council to be held, provided that if the vacancy is in the office of President, not less than three months notice of the intention to hold the meeting of the National Council shall be given to the members of the National Council.
  - f) Elections for President and Vice President shall be conducted by a poll. Each member of the National Council shall have one vote for the position of President and one vote for each position of Vice President. The votes may be cast in person or by proxy. Proxies must be appointed under the conditions laid down in Articles 32 to 39.
  - g) In the election for President, if a candidate obtains over 50% of the votes in the first vote then he shall be declared President. If a retiring President is standing for re-election, he shall withdraw from the election if he does not gain more than 50% of the votes in the first vote. If no candidate obtains over 50% of the votes cast there shall be further voting rounds between the remaining candidates using the progressive elimination system until such time as one candidate has achieved over 50% of the votes cast whereupon he will be declared to be President.
  - h) In the election for Vice Presidents, where there are three or more candidates, the progressive elimination system shall be used. When only two candidates remain, they shall be declared to be Vice Presidents.
  - i) A person holding the office of President or Vice President shall be deemed to have vacated office if he shall cease to be a Director or member by virtue of any of these Articles or for any other reason.
  - j) A record of the votes cast by each member shall be retained for a period of at least one year after the election.



## THE OFFICE OF CHIEF EXECUTIVE OF THE COMPANY

62. The Directors will from time to time appoint a Chief Executive who will also be a Director of the Company, for such period and on such terms as they may think fit. The Directors shall also have power to specify the powers, rights and duties to be delegated by the Board of Directors to the Chief Executive. The Chief Executive shall (save as provided below) be entitled to receive notice of and to attend and speak at General Meetings, meetings of the National Council and Regional Boards and to receive notice of and to attend, speak and vote at meetings of the Board of Directors and Committees and Sub-Committees of the Board of Directors.

## COMPANY SECRETARY

63. A Company Secretary, shall be appointed by the Directors for such time at such reasonable remuneration and upon such conditions, consistent with the Memorandum, Articles and Standing Orders, as they may think fit and any Secretary so appointed may be removed by them. The Directors may from time to time appoint an assistant or depute secretary and anyone so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting and any such assistant or depute secretary may be removed by the Directors.

## HONORARY TREASURER

64. The Honorary Treasurer shall have an overview of all financial aspects of the Company, as required by the Board of Directors .
65. The Honorary Treasurer will be chairman of the Finance Sub Committee and report to the Board of Directors and to the Annual General Meeting.

## DIRECTORS AND THE BOARD OF DIRECTORS

66. Unless otherwise determined by the members of the Company in a General Meeting, the number of Directors shall not exceed twenty two.
67. The Board of Directors shall comprise the following:-
- a) The Chairmen of the nine Regional Boards of the Company.
  - b) The President and two Vice Presidents of the Company,
  - c) The Chief Executive for the time being, while in post as Chief Executive.
  - d) The Chairmen of the eight Committees of the Board of Directors, such Chairmen to be elected in accordance with Article 82.
  - e) One co-optee, who shall be Honorary Treasurer, to be elected by the Board of Directors at the first meeting of the Board of Directors after the Annual General Meeting in each year, to serve for one year.
68. Directors, with the exception of the co-optee who shall be elected annually or for such other period as decided by the Board of Directors, will serve for the length of time which they remain in office as either Chairman of a Regional Board, President or Vice President of the Company, Chairman of a Committee of the Board of Directors or Chief Executive.
69. The President of the Company shall be the Chairman the Board of Directors. The Vice Presidents shall be deemed to be the Vice Chairmen of Board of Directors. If at any meeting, the Chairman or Vice Chairmen are not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the Chairman of the meeting.

## POWERS AND DUTIES OF DIRECTORS

70. Subject to the Act and the Memorandum and Articles and to any resolutions of the Members of the Company, the business of the Company shall be managed by the Board of Directors through the Directors who may exercise all the powers of the Company as are not by the Articles required to be exercised by the Company in General Meeting. No alteration of the Memorandum or Articles and no such direction made shall invalidate any prior act of the Board of Directors and the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board of Directors or Directors by the Memorandum or the Articles and a meeting of the Board of Directors at which a quorum is present may exercise all powers exercisable by the Board of Directors.

71. Subject to the Act and Memorandum and Articles and to any resolutions of the members of the Company, the Board of Directors has ultimate and collective responsibility for setting the direction and delivering the objectives of the Company. It may in turn delegate this responsibility for certain activities to Directors, the Chief Executive, the Regional Boards, Committees and SubCommittees of the Board of Directors, officers or staff. Any such delegation may be made subject to any conditions the Board of Directors may impose for the conduct of such delegated business. All acts and proceedings of each such Director, the Chief Executive, the Regional Boards, Committees and Sub Committees of the Board of Directors, officers or staff, to whom powers have been so delegated, shall be reported back to Board of Directors for ratification as soon as possible, unless the Board of Directors has indicated that this reporting back is not required.
72. The Board of Directors shall be convened at least six times per year but may otherwise meet, adjourn and regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote. The Secretary, on the request of two Directors, shall at any time summon a meeting of the Board of Directors.
73. Save as herein otherwise provided the quorum necessary for the transaction of the business of the Board of Directors shall be eight.
74. The remaining members of the Board of Directors may continue to act, notwithstanding any vacancy in their number. However, if their number is reduced below the number necessary as a quorum of Directors as fixed by these Articles, the remaining Director or Directors may only continue to act for the purposes of increasing the number of Directors to that number or calling a General Meeting of the Company, but for no other purpose.
75. A resolution in writing signed by all Directors shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors duly convened and held and may consist of several documents in like form each signed by one or more Directors.

#### BORROWING POWERS

76. The Directors may exercise all the powers of the Company to borrow money and to grant securities over its undertaking and property or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

#### DISQUALIFICATION OF DIRECTORS

77. The offices of Director, Chairman of a Regional Board or Chairman of a Committee or Sub-Committee of the Board of Directors shall be vacated if the relevant person:-
- a) becomes bankrupt or his estate is sequestrated or he grants a trust deed for his creditors 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 Companies Acts, the Company Directors Disqualification Act 1986 or any legislation relating to corporate governance and qualifications for the holding of public office or the office as Director of a limited company; or
  - c) becomes incapacitated by virtue of being of unsound mind or unable or unfit to discharge his functions as a Directors; or
  - d) is convicted of any crime which brings the office or the Company into disrepute (other than minor traffic offences); or
  - e) resigns his office by notice in writing to the Company; or
  - f) if absent for more than three consecutive meetings, without the prior written permission of the Board of Directors, from meetings of the Board of Directors, and the Board of Directors resolve that his office be vacated.

#### COMMITTEES AND SUB-COMMITTEES OF THE BOARD OF DIRECTORS

78. Committees of the Board of Directors derive their authority from the Board of Directors in terms of Article 71. Committees are authorised to report regularly to the Board of Directors, who may ratify

and act on any recommendations made to them by the Committees. These Committees are specifically set up to be the bodies which discuss and formulate policy relating to defined areas of agriculture and production.

79. There shall be eight Committees of the Board of Directors as follows:-

- (1) Livestock
- (2) Milk
- (3) Combinable Crops
- (4) Less Favoured Areas
- (5) Environment and Land Use
- (6) Pigs and Poultry
- (7) Specialist Crops
- (8) Legal and Technical

80. The Committees will unless otherwise provided pursuant to Article 81 be constituted as follows:-

- a) One member elected by each Regional Board, but not necessarily a Regional Board Member.
- b) Up to four co-options from the particular area of the industry dealt with by the Committee, as confirmed by the Board of Directors who shall hold office until the next Annual General Meeting.
- c) No person shall serve on a Committee of the Board of Directors for more than five consecutive years, except that any period of service as Chairman or vice chairman of that committee will be disregarded in counting the five year period.
- d) No person shall serve as the Chairman of a Committee of the Board of Directors for more than five consecutive years

81. The Board of Directors may decide to vary the composition of a committee, if the importance of a committee's area of responsibility differs from one Region to another.

82. Each Committee shall give not less the 7 days notice to each Committee member of the first meeting to be held after the Annual General Meeting, and shall at that meeting elect a Chairman and a Vice Chairman from their number using the following procedure:-."

- a) The President, or a person nominated by the President, will act as chairman for the election of the Committee Chairman, where an independent chairman is required.
- b) Any Committee member who is willing to stand and is not barred from becoming a Director or becoming Chairman of the Committee by reason of Article 80(d) may stand for the position of Chairman, provided he is proposed by two other members of the Committee. Nominations for the post of Chairman shall be made in writing to a person nominated by the Board of Directors at least five days prior to the meeting. The Board of Directors, at a properly convened meeting of the Board of Directors, may suspend this rule.
- c) Any Committee member who is willing to stand may stand for the position of Vice Chairman, provided he is proposed by two other members of the Committee
- d) Each committee member present in person or by proxy at the meeting will have one vote in any election to any one office. Any proxy appointed shall be a Member and shall be entitled to attend, speak and vote at the meeting in relation to the election of the Chairman and Vice Chairman of the Committee only and no other matter. The instrument appointing a proxy shall be in writing signed by the appointer and shall be deposited at the Registered Office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting not less than two clear working days before the time for holding the meeting at which the person named in the instrument proposes to vote. An instrument appointing a proxy shall be in such form as the Directors may from time to time specify.
- e) The progressive elimination system will be used in any election. In the case of a tied vote, the Chairman of the meeting shall be entitled to a second or casting vote.
- f) The Chairman of the meeting shall at all times be the ruling authority of the conduct of the election, using the principles set down in these Articles and the Standing Orders.

83. The Chairman of each Committee of the Board of Directors will become a Director and member of the Board of Directors.
84. Sub-Committees of the Board of Directors derive their authority from the Board of Directors, and are set up to consider the detailed aspects of the Company overall operation and management. They make specific recommendations to the Board of Directors for action, and may have executive authority delegated to them to act on behalf of the Board of Directors in relation to specific matters.
85. The Sub-Committees will comprise members of the Board of Directors, as well as specific cooptions as required, to be approved by the Board of Directors.
86. The membership of the Sub-Committees and their Chairmen will be confirmed at the first meeting of the Board of Directors following the Annual General Meeting,
87. There shall be constituted two Sub-Committees of the Board of Directors, namely:-
- a) The President's Sub-Committee of which the following Directors will be members.
    - (1) President, who shall be Chairman
    - (2) Two Vice Presidents,
    - (3) Honorary Treasurer (4) Chief Executive.
  - b) The Finance Sub-Committee, of which the following Directors shall be members.
    - (1) The Honorary Treasurer, who shall be chairman
    - (2) One Vice President
    - (3) Two other Board Members

The Board of Directors may approve additional appointments to the President's Sub-Committee or the Finance Sub-Committee as it sees fit.

88. Any other Sub-Committees may be appointed or dissolved by the Board of Directors as and when they decide that it is appropriate.
89. The regulation of meetings and proceedings of any Committee or Sub-Committee of the Board of Directors as is referred to in Article 71 shall be governed by the provisions outlined in these Articles and the Standing Orders regulating meetings and their proceedings.
90. Each Committee, with the consent of the Board of Directors, may set up specific Working Groups, with a specific remit and such Working Groups shall either be permanent standing Working Groups attached to a specific Committee, or operate for a finite time where the Committee perceives the need for detailed consideration and recommendations on a particular issue.

#### DISTRICT BRANCHES, REGIONS AND REGIONAL BOARDS

91. The District Branches will be the main point of contact between the Board of Directors and the membership. District Branches will operate within a geographically defined area as approved by the Board of Directors.
92. Each member will be allocated to one District Branch.
93. In all matters which require a vote at meetings of District Branches each member present will have one vote and in the case of a tied vote the chairman of the meeting will have a second or casting vote.
94. Before the end of each calendar year, each District Branch shall hold an Annual General Meeting for that District Branch. These meetings will be held as directed by these Articles and Standing Orders.
95. At the Annual General Meeting of the District Branch there shall be elected from the Members of that District Branch, for the ensuing year, officers of the District Branch and members to represent that District Branch on the Regional Board as indicated in the notice of the Meeting. The District Branch will be notified of the number of Regional Board members it may elect before the time of sending out the notice.
96. The procedure for District Branch elections will be as follows:-
- a) Any Member of that District Branch who is willing to stand for any post may do so provided he is proposed by two other Members of the same District Branch.

- b) Each Member of that District Branch present at the meeting will have one vote in any election to any one office.
  - c) The progressive elimination system will be used in any election. In the case of a tied vote, the Chairman of the meeting shall be entitled to a second or casting vote.
  - d) The Chairman of the meeting shall at all times be the ruling authority of the conduct of the election, using the principles set down in the Articles and the Standing Orders.
97. Each District Branch will be entitled to elect one Regional Board member for every one hundred members, or part thereof. For the purposes of ascertaining the number of Regional Board members which each district branch may elect under this Article, the number of Associates shall be included in the count for each district branch in addition to the number of Members.
98. No member shall serve on a Regional Board for more than five consecutive years, except that any period of service as Chairman or Vice Chairman of that Regional Board will be disregarded in counting the five year period. No person shall serve as the Chairman of a Regional Board for more than five consecutive years.
99. District Branches will be organised together, on a geographic basis, into Regions.
100. There shall be nine Regions as follows:-
- (1) Orkney and Shetland
  - (2) Highland
  - (3) North East
  - (4) East Central
  - (5) Lothian & Borders
  - (6) Dumfries & Galloway
  - (7) Ayrshire
  - (8) Forth & Clyde
  - (9) Argyll & Islands
101. The Board of Directors may alter the geographical area of any Region.
102. A Regional Annual Meeting comprising all Members of District Branches within that Region will be held annually. The business of the Annual Meeting of each Region shall include giving members an Annual Report on all activities of the Company. The Annual Meeting shall be held as directed by these Articles but since this is a reporting meeting no quorum is necessary.
103. At least fourteen clear days prior to the Annual General Meeting of the Company, each Regional Board shall hold an Annual Meeting for that Regional Board. Each Member of that Regional Board will be given at least twenty-one days notice of that meeting.
104. The business of that meeting will be:-
- a) To receive reports of the performance of the Region and its Board during the preceding year
  - b) To elect a Regional Board Chairman and two Vice Chairmen and the previously notified number of representatives from that Region, to the Committees and Working Groups of the Board of Directors.
    - (i) Any Regional Board member who is willing to stand and is not barred from becoming a Director or becoming Chairman of the Regional Board by reason of Article 98 may stand for the position of Chairman provided he is proposed by two other members of the same Regional Board. Nominations for the post of Chairman shall be made in writing to a person nominated by the Board of Directors at least five days prior to the meeting. The Board of Directors, at a properly convened meeting of the Board of Directors, may suspend this rule.
    - (ii) Any member of that Regional Board who is willing to stand may stand for one of the positions of Vice Chairman provided he is proposed by two other members of the same Regional Board
    - (iii) Any member of a District Branch in that Region may stand for a position on a Committee or Working group of the Board of Directors.

- (iv) Each Regional Board member present in person or by proxy at the meeting will have one vote in any election to any one office. Any proxy appointed shall be a Member and shall be entitled to attend, speak and vote at the meeting in relation to the election of the Chairman and Vice Chairmen of the Regional Board only and no other matter. The instrument appointing a proxy shall be in writing signed by the appointer and shall be deposited at the Registered Office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting not less than two clear working days before the time for holding the meeting at which the person named in the instrument proposes to vote. An instrument appointing a proxy shall be in such form as the Directors may from time to time specify.
  - (v) The progressive elimination system will be used in any election. In the case of a tied vote, the Chairman of the meeting shall be entitled to a second or casting vote.
  - (vi) The Chairman of the meeting shall at all times be the ruling authority of the conduct of the election, using the principles set down in the Articles.
- c) Any other competent business.

105. The chairman of each Regional Board will be a Director and member of the Board of Directors.

106. Regional Boards and District Branches can make representations on local issues affecting their local area only to local organisations or to local divisions of national organisations in their own area. Representations to national organisations must be first confirmed by the Chief Executive as being in accordance with the policy of the Company. In a case where any proposed representation conflicts with a policy of the Company, it cannot be made in the name of the Company.

#### STANDING ORDERS

107. The Board of Directors shall have power to establish Standing Orders and all additions to and alterations or amendments of the Standing Orders shall be made only with approval of the Board of Directors, provided that such Standing Orders and any additions, alterations and amendments are not ultra vires and do not conflict with the Memorandum or Articles.

108. If there shall be any conflict between the provisions of the Memorandum or the Articles and the provisions of the Standing Orders then the provisions of the Memorandum or the Articles (as the case may be) shall prevail.

109. All Standing Orders for the time being in force shall be binding upon all members of the Company until the same ceases to have effect. Copies of such Standing Orders and any additions, alterations and amendments of the same shall be available to members at all times at the Registered Office and Branch Offices of the Company, on demand and free of charge.

110. No member shall be absolved from compliance with such Standing Orders by reason of his not having received a copy of the same or of any additions, alterations and amendments or having otherwise no notice of them.

#### ACCOUNTS

111. The Directors shall cause proper accounting records to be kept.

112. The accounting records shall be kept at the Registered Office or at such other place or places as the Board of Directors shall think fit, and shall, upon reasonable notice, be open to the inspection of the Directors on business days during normal business hours.

#### AUDITORS

113. Auditors of the Company shall be appointed and their duties regulated in accordance with the Act.

#### NOTICES

114. Any notice to be given in pursuance of these Articles shall be in writing; the Company may give any such notice to a member either personally or by sending it by post in a pre-paid envelope or by sending it electronically, to an address or number previously notified to the company by the member or by leaving it at that postal address.

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115. Any notice, if sent by post or electronically, shall be deemed to have been given at the expiry of twenty-four hours after posting or sending; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted or that a message was sent to the address or number notified to the Company by the member.

116. A member present at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

#### WINDING UP

117. If the Company is wound up, the liquidator shall transfer the assets of the Company to an appropriate body in accordance with the provisions of the Memorandum of Association.

#### INDEMNITY

118. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against any loss or liability which he may sustain or incur in connection with the execution of the duties of his office, including, without prejudice to that generality, any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.