

**THE COMPANIES ACT 1985**

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

**STANDING ORDERS  
OF  
NFU SCOTLAND**

**REGISTERED IN SCOTLAND NUMBER SC214564**

**INTERPRETATION**

1. In these Standing Orders:-

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

"**the Company**" means NFU Scotland.

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

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

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

"**Articles**" means the Articles of Association of the Company

"**Former Areas**" means the former areas of the unincorporated association named The National Farmers' Union of Scotland;

2. In these Standing Orders:-

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 re-enactment for the time being in force

**STANDING ORDERS GENERAL**

3. These Standing Orders are 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.

4. The Chief Executive and/or the Secretary of the Company has the right to make all reasonable enquiries in the event of a breach of the law or the Memorandum, Articles or these Standing Orders.

## MEMBERSHIP

5. Membership of the Company is offered under the following categories:-
- a) Honorary Life Membership is open to those individuals, who are appointed from time to time, by the Board of Directors, in recognition of outstanding contribution to agriculture in Scotland.
  - b) Farming Membership is 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 or those who own land used for agriculture.
  - c) Horticulture Membership is open to those engaged in horticulture.
  - d) Crofting Membership is open to those who farm solely on crofting land as defined in the Crofting Acts.
  - e) a spouse, close relative or partner of a principal engaged in agriculture or a director or business partner of a principal engaged in agriculture, provided the principal is a member under any one of categories (a) to (d).
  - f) an employee engaged in agriculture
  - g) a person retired from working in agriculture
6. Associate Membership (As per Articles 8 and 9). These categories may be varied as described in the Articles
- (i) Membership for a corporation or partnership which supports the Company, and which does not meet the criteria of categories of membership set out in Article 5.
  - (ii) Any other supporter of the Company.
7. The Board of Directors will annually set the subscription rates, the conditions and the benefits for each category of Member and Associate.

## GENERAL MEETINGS

8. The proceedings at General Meetings are set down in Articles 20 to 31. In addition the business at an Annual General Meeting will be as follows:-
- (1) To receive apologies for absence
  - (2) To approve the minutes of the previous Annual General Meeting and any intervening Extraordinary General Meetings.
  - (3) To consider items arising from these minutes.
  - (4) To receive a report from the Auditor and to lay the Annual Accounts before the meeting.
  - (5) To receive reports from the President and Company Secretary on behalf of the Board of Directors.
  - (6) To consider any previously intimated resolutions
  - (7) To appoint an Auditor for the ensuing year.
  - (8) Any other competent business.
9. The business of an Extraordinary General Meeting will be as follows:-
- (1) To receive apologies for absence
  - (2) To receive a reports from the President and Company Secretary on behalf of the Board of Directors.
  - (3) To consider any previously intimated resolutions
  - (4) Any other competent business.

## **OTHER MEETINGS OF THE COMPANY**

10. In addition to the procedures laid down in the Articles the following procedures will govern the conduct of meetings within the Company unless otherwise specified.
11. The Board of Directors may amend the remits of the Committees and Sub-Committees of the Board of Directors.
12. The conduct and reporting methods of Working Groups, as referred to in Article 90, shall be the same as detailed for Committees and it shall be open to each Committee, with the approval of the Board of Directors, to define the composition of Working Groups according to need and expertise.
13. A copy of the minutes of all meetings of Committees and Sub-Committees of the Board of Directors will be available for inspection prior to the succeeding meeting of the Board of Directors and a brief report, on any items requiring decisions based on recommendations of these meetings, circulated with the Board of Directors papers. Approval of the reports as presented will signify approval of the recommendations and the action to be taken.
14. The Chief Executive, or the staff member delegated by him, shall ensure that the National Council, Board of Directors, Regional Boards and Committees and Sub-Committees of the Board of Directors are properly briefed. Information provided must be clear, concise and readable.
15. A schedule of all meetings of the National Council, Board of Directors, Regional Boards and Committees and Sub-Committees of the Board of Directors will be presented, as far as possible, each year to the Board of Directors at the earliest opportunity after the Annual General Meeting. Time between meetings should allow for the necessary reports to be prepared.
16. The notice of the meetings detailed in Article 40 should include:-
  - (1) Details of time, date and location of the meeting
  - (2) An agenda,
  - (3) Minutes of the last meeting
  - (4) Details of any resolution to be considered
  - (5) Any reports to be considered.
17. In special circumstances where it is not possible to send out a report or details of a resolution, referred to in Standing Order 16, seven days in advance of a meeting of the Board of Directors, Regional Board or Committees and Sub-Committees of the Board of Directors, these may be tabled at the meeting but only with the permission of the Chief Executive or President and, in this case, if a majority of the members of the meeting so decide, consideration of these reports or resolutions can be delayed until their next meeting.
18. All meetings must take into consideration the financial consequences for the Company of all recommendations and decisions.
19. The chairman of each meeting of the National Council and the chairman and members of each meeting of the Board of Directors, Regional Boards or Committees or Sub-Committees of the Board of Directors shall receive, whenever reasonably practicable, draft minutes of that meeting for comment within 14 days of the meeting being held.
20. Resolutions which members want placed on the agenda of their meetings should be submitted as follows. For National Council, Board of Directors or President's Sub-Committee to the Chief Executive; for Regional Boards; to their Regional Manager; for Committees of the Board of Directors to their Policy Manager; and for the Finance Sub-Committee to the Finance Director, in writing, at least eight clear days before the meeting for circulation. Resolutions following on from any agenda items included in the Notice of Business should be submitted in writing to the relevant member of staff, as detailed above, prior to the meeting, or taken from the members of the relevant committee at the meeting at the discretion of the Chairman.
21. A resolution, passed by a Branch or Regional Board to be forwarded to the National Council, Board of Directors, Regional Board or Committee or Sub-Committee of the Board of Directors, should be forwarded in writing to the appropriate Regional Manager, who will ensure that it is forwarded to the appropriate committee and that a reply is sent back to the Branch or Region.

22. All resolutions, other than those which must, by the Articles, be passed in accordance with a specific procedure, must be formally proposed and seconded and should thereafter be put to the vote by a show of hands. Where an amendment to a resolution is proposed and seconded, the acceptance of the amendment is voted on first, before the original or amended resolution is put to the meeting.
23. Reports and minutes should be kept for at least six years after the date of the meeting at which they were presented or to which they refer. Minutes of General Meetings and Board of Directors' Meetings should be kept as a permanent record.
24. A decision by the National Council, Board of Directors, a Regional Board or Committee or Sub-Committee of the Board of Directors in respect of matters within the authority and power of that committee, shall continue to be binding so that no inconsistent motion may be passed or considered by that body, until six months have passed since the time of the original decision, unless material changes take place in the information used to arrive at that decision.
25. Any items requiring press comment will be referred to the President, Chief Executive or Communications Manager for action. However in certain circumstances, when prior general approval has been given, Regional Boards may issue comments to the press on local issues. In these cases a details of the comments should be forwarded to the Communications Manager.
26. Where major policy decisions are necessary between meetings of the Board of Directors these should be dealt with by the President's Sub-Committee and details of the decision and any action taken should be the basis of a written report by the Chief Executive explaining why the item cannot wait until a regular meeting and the written report should be circulated with the papers for retrospective approval at the next available meeting.

## **BOARD OF DIRECTORS**

27. The Board of Directors is responsible for the management of the affairs of the Company as laid down in Article 70. In carrying out this responsibility the Board of Directors shall focus on establishing the vision, mission and values of the Company and setting the strategy and structure of the Company, delegating the implementation to management as appropriate, while ensuring accountability to members.

## **DIRECTORS**

28. A Director shall
  - a) Act in good faith on behalf of the Company and not allow his personal interests to prejudice his acts.
  - b) Disclose any conflict of interest he may have under the terms of either the Act or the Articles or both.
  - c) Ensure that the Company fulfils its legal obligations.
  - d) Ensure that proper accounts are prepared, circulated to members and delivered to Companies House within the time allowed.
  - e) Know and understand the rules of the Company laid down in the Memorandum, Articles of Association and these Standing Orders.
  - f) Understand the limits of the Company's powers and if in doubt seek professional advice.
  - g) Know the extent of his powers, responsibilities and obligations and if in doubt seek professional advice.
  - h) Ensure that the Company Secretary undertakes the duties required of the Company by the Act.

- i) Take part in the decision making process of the Board of Directors and abide by the decisions taken by the Board of Directors.
- j) Ensure that internal controls and reporting, on finance and other matters, are effective and adhered to.
- k) Ensure that he understands the nature and scope of matters which are delegated to staff or other committees and the Board of Directors' role in monitoring or approving them.
- l) Promote the objectives, policies and good name of the Company and do nothing to bring the Company into disrepute.

#### **COMPANY SECRETARY**

29. The Company Secretary shall ensure that the Company complies with all legal duties required by the Act and in particular shall
- a) File the Company's accounts and annual returns at Companies House as required by the Act.
  - b) Establish and maintain the Company's registered office as the address for any formal communications and deal promptly with any such communications.
  - c) Maintain the Company's statutory books and records.
  - d) Ensure the security of the Company's legal documents.
  - e) Be responsible for informing Companies House, on the appropriate form of any significant changes in the Company's structure or management.
  - f) Be responsible for summoning meetings of Directors and Members under the procedures stated in the Articles and these Standing Orders and for ensuring that the proceedings are properly recorded.

#### **CHIEF EXECUTIVE**

30. The Chief Executive as referred to in Article 62 will have all powers, rights and duties given to him by the Articles and these Standing Orders. It is his duty to implement the policies of the Company, including the supervision of all administrative activities of the Company, the management of all internal controls as approved by the Board of Directors, the recruitment and supervision of staff and the supervision of any premises and contents thereof acquired by the Company.

#### **SUB-COMMITTEES**

31. The President's Sub-Committee, as detailed in Article 87, acts on behalf of the Board of Directors between meetings of the Board of Directors and in particular it shall:-
- a) Oversee the management of the Company on behalf of the Board of Directors.
  - b) Co-ordinate the work done by Committees of the Board of Directors.
  - c) Take decisions between meetings where necessary as detailed in Standing Order 26.
32. The Finance Sub-Committee, as detailed in Article 87 reports directly to the Board of Directors on all financial matters in the Company In particular it shall have the following responsibilities:-
- a) To oversee the principal budget and principal financial decisions of the Company

- b) To recommend levels of remuneration for the Chief Executive and honoraria for Directors of the Company
  - c) To oversee the annual audit of the Company's accounts
  - d) To oversee the Company's investment portfolio.
  - e) To regularly review the effectiveness of the internal financial control systems of the Company.
33. Sub-Committees appointed under Article 88 shall be composed of members of the Board of Directors and may also include co-options from outwith the Board of Directors but always approved by the Board of Directors.

### **REGIONS**

34. Each Regional Board will hold regular meetings but at not less than six monthly intervals and including the Annual Meeting. The Regional Boards will be responsible for conducting any business, in their Regions, delegated to them or directed by the Board of Directors or laid down in the Articles or these Standing Orders.
35. The Regional Boards shall ensure that the Company is managed efficiently and effectively in their Regions in line with the policies of the Company and the Board of Directors and in particular shall:-
- a) Undertake any powers and duties of the Board of Directors as delegated under Article 71 of the Articles.
  - b) Organise Regional meetings, open to groups of members or all members, on policy, market and technical matters, in such a way as to reflect the needs of District Branches and members in the Region.
  - c) Form relationships with partners and sponsors who would have an interest in working with the NFUS members and also promoting the work of the NFUS beyond the ordinary traditional farming constituencies.
  - d) Recruit members generally to the District Branches within the Regions by organising specific recruitment campaigns, developing services to existing members and to ensure that annual members rejoin in each year.
  - e) Work with the Group Secretaries assigned to each District Branch and the Regional Managers assigned to individual Regions, to ensure that members' views are effectively relayed into the various Committees and Sub-Committees as well as the National Council and Board of Directors.
  - f) Organise a meeting open to all members prior to any election of the President or a Vice President of the Company. The meeting shall be held not less than two weeks prior to the election and all candidates nominated for any vacancy shall be invited to attend and speak.

### **DISTRICT BRANCHES**

36. Each District Branch will organise local events and meetings, with open meetings for all its members, campaign on local issues relative to agriculture in their areas and will respond to consultations where appropriate by the Regional Boards and the Board of Directors on matters of policy likely to affect members' interests, in order to take the views of those members into account when determining policy.
37. The District Branches will be responsible for conducting any business, in their Districts, delegated to them or directed by the Board of Directors or laid down in the Articles or these Standing Orders.

38. At the Annual General Meeting of the District Branch, referred to in **Article 94** the following items of business will be included:-
- a) The consideration of the minutes of the previous Annual General Meeting and any intervening General Meetings
  - b) A report on the preceding years work of the District Branch.
  - c) The annual Income and Expenditure of the District Branch
  - d) Details of the membership of the District Branch.

#### **EXPENSES**

39. The NFUS will reimburse reasonable travel expenses and the cost of subsistence for Office Bearers, National Council members and Directors engaged on Company business which has been authorised for support, on submission of an appropriate claim form duly authorised by the Chief Executive. Travel expenses will be reviewed regularly by the Board of Directors. Regional Boards will set and administer such reasonable expenses for Regional Board members in accordance with guidance given from time to time by the Board of Directors.
40. The Board of Directors of the Company may pay to any National Council member or Director who holds specific office or carries out duties on behalf of the Company an honorarium, set at such rate as the Board of Directors may decide.

#### **STAFF**

41. If any National Council Member, Director or Regional Board Member has a complaint about the conduct of any member of staff, other than the Chief Executive, this complaint will be made in writing to the Chief Executive, who shall investigate and report in accordance with Company procedures. In the case of a complaint about the Chief Executive, this shall be investigated by the President and the two Vice Presidents.
42. All matters relating to staff working under the Company's contracts of employment will be dealt with according to the Conditions of Service, and will in the first instance be delegated to the Chief Executive for advice and recommendations.
43. Staff members must ensure that they are aware of any duties delegated to them by the Chief Executive and any duties required of them by the Articles and these Standing Orders

#### **MANAGEMENT OF FORMER AREA FUNDS**

44. Funds and investments originating in Former Areas will be managed as follows
- a) A separate account shall be maintained for the purposes of holding these funds and investments.
  - b) Cheques will be issued only on the instruction of the representatives of the membership in the former area. The representatives shall be as decided by the Branch Committees of the District Branch or Branches most closely connected to the former area.
  - c) The said funds and investments will be managed as directed by the Board of Directors
  - d) Both capital and income of these funds and investments may be expended with such consent for any purpose connected with the former area or its membership provided that such purpose is not contrary to the objects and powers of NFU Scotland and its current policies.
  - e) Funds and investments shall also be applied to meet the maintenance costs or other outgoings of any heritable or leased property formerly held in the name of an area or district branch.

- f) Any income or other gains made on any investments will be applied to the funds in proportion to the contribution made by each area but under deduction of any payments made for that area. The Board of Directors will arrange for detailed accounting records to be maintained for this purpose and representatives will be provided with a statement of the funds held every six months, normally as at 31 October and 30 April.
  - g) All property whether heritable or leasehold shall be held in the name of the Company.
45. At the discretion of the Board of Directors, those acting for Former Areas may retain management of Former Area Funds, investments and property. In this case they will agree to the following.
- a) Income and Expenditure Budgets for these funds will be prepared and approved by the Board of Directors before the beginning of each financial year of the Company, and before any expenditure can take place.
  - b) Any proposed expenditure, which exceeds the budgeted amount, shall only take place if approved by the Chief Executive or if the expenditure is over £5000 by the Board of Directors.
  - c) Twice yearly statements will be sent to the Company in a standard format for 30 April and 31 October in each year to arrive within three weeks of these dates. Such other reports as the Board of Directors may from time to time request will also be provided within three weeks of the request.
46. Funds will be allocated to District Branches on a basis decided by the Board of Directors. The District Branches will use these funds for the purposes laid down by the Board of Directors and keep up to date records on the use of these funds. A copy of these records shall be sent to the Company when requested and at previously notified times.

#### **CODE OF CONDUCT**

47. It is important that all members of the National Council, Board of Directors, Committees and Sub-Committees of the Board of Directors and Regional Boards and members of staff and others within positions of authority and trust within the Company, are clear about the standard of conduct which is required of such persons in these responsible positions in the Company. No situation should arise where duty and personal interest might conflict and no situation should arise where the actions of such a person bring the Company into disrepute.
48. It is against Company policy to grant a benefit or make a payment to:-
- a) Any member of the National Council, Board of Directors, a Committee or Sub-Committee of the Board of Directors or a Regional Board, with the exception of an honorarium payable under Standing Order 40 or except for reasonable expenses in connection with duties as referred to in Standing Order 39.
  - b) Any staff member, except under their contract of employment.
  - c) Close relatives of any member of the National Council, Board of Directors, a Committee or Sub-Committee of the Board of Directors or a Regional Board or any member of staff.
49. A member of the National Council, Board of Directors, a Committee or Sub-Committee of the Board of Directors or a Regional Board should, in accordance with Articles 47 to 49, declare an interest if an item discussed at a meeting of any one of the above committees, of which he is a member, specifically concerns him or an organisation or business in which he is involved. If there are direct financial implications both associated with the item of business and associated with the involvement of any member of the committee which is considering that item of business, then the member should withdraw from the meeting.
50. Further requirements of any member of the National Council, Board of Directors, Committees and Sub-Committees of the Board of Directors and Regional Boards and any member of staff are as follows:-



- a) Never use his position within the Company for his own gain or that of his family or associates.
- b) To disclose any interest which could influence judgement or give the impression that any member of the National Council, Board of Directors, a Committee or Sub-Committee of the Board of Directors or a Regional Board or a member of staff is acting for personal motive.
- c) To withdraw from any meeting where a potential conflict could arise.
- d) To resign from the National Council, Board of Directors, Committee or Sub-Committee of the Board of Directors or Regional Board where any material breach occurs.
- e) To advise the National Council, Board of Directors or Committee or Sub-Committee of the Board of Directors or Regional Board if they consider another member of that committee or Staff member has an interest.

**CONFLICTS BETWEEN MEMORANDUM, ARTICLES AND STANDING ORDERS**

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