



Rousay, Egilsay and Wyre Development Trust is a charitable company limited by guarantee. Co. Reg. No: SC318527
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*From the community
For the community*

THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

of

ROUSAY, EGILSAY AND WYRE DEVELOPMENT TRUST

This is a print of the Articles of Association as altered by special resolution passed on 07 September 2013, 22 November 2014, 07 November 2015, 12 November 2016, 28 October 2017 & 10 November 2018, 30 January 2021 & 27 February 2021

Latest Articles of Association as approved at 2021 AGM.

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION of

ROUSAY, EGILSAY AND WYRE DEVELOPMENT TRUST¹

1. The company's name is Rousay, Egilsay and Wyre Development Trust
2. The company's registered office is to be situated in Scotland.
3. The company has been formed to benefit the community of the islands of Rousay, Egilsay and Wyre in Orkney which comprises the following postcodes

KW17 2PR
KW17 2PS
KW17 2PT
KW17 2PU
KW17 2PY
KW17 2PZ
KW17 2QA
KW17 2QD

¹ Memorandum of Association and Articles of Association merged into one new document as altered by special resolution passed on 07 September 2013.

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Constitution of the Company

The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

Interpretation

1. In these articles, unless the context requires otherwise:

'Act'	means the Companies Act 2006; any reference in these articles to a provision of the Act shall be taken to include any statutory modification or re-enactment of that provision which is in force at the time;
'Charitable Body' or 'Charity'	means a body on the Scottish Charity Register within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its objectives are limited to charitable purposes;
'Charitable Object'	means a charitable purpose under section 7 of the Charities and Director Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
'Community'	means the community of Rousay, Egilsay & Wyre having the following postcodes: KW17 2PR, KW17 2PS, KW17 2PT, KW17 2PU, KW17 2PY, KW17 2PZ, KW17 2QA, KW17 2QD;
'Document'	includes, unless otherwise specified, any document sent or supplied in electronic form;
'Electronic Form'	has the meaning given in section 1168 of the Act;
'Electronic Communication'	has the same meaning as is assigned to that expression in the Electronic Communications Act 2000.
'Eligible Director'	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
'Model Articles'	means the model articles contained in Schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles;
'OSCR'	means the Office of the Scottish Charity Regulator;
'Property'	means any property, heritable or moveable, wherever situated;
'Scottish Charity'	means a 'Scottish Charity' within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005;

'Subsidiary'	has the meaning given in section 1159 of the Act;
'Directors'	means the directors for the time being of the company.

Reference in these articles to the singular shall be deemed to include the plural.

- 1.1 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Act shall have the same meanings in these articles.
- 1.2 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles
- 1.3 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) Any subordinate legislation from time to time made under it, and
 - (b) Any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.4 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms. Reference in these articles to the singular shall be deemed to include the plural.
- 1.5 These articles shall apply to the company to the total exclusion of the Model Articles.

Objectives²

2. The Trusts' objectives are to benefit the community via the advancement of community development, including the advancement of urban/rural regeneration.
 - 2.1 The advancement of education.
 - 2.2 The advancement of citizenship.
 - 2.3 The advancement of environmental protection or improvement.
 - 2.4 The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; including the provision, maintenance and/or improvement of public open space and other public amenities.
 - 2.5 The advancement of the arts, heritage, culture or science.
 - 2.6 The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

² As altered by special resolution passed on 22 November 2014.

2.7 The prevention or relief of poverty.

2.8 The relief of unemployment.

Powers

3. In pursuance of those aims (but not otherwise), the company shall have the following powers:

3.1 To establish, maintain, develop and/or operate a centre or centres providing facilities for childcare, community learning, healthy living initiatives, educational and cultural activities, training activities, leisure pursuits and accommodation for community groups, and for public sector agencies which provide services of benefit to the Community, and which may include refreshment facilities.

3.2 To advise in relation to, prepare, organise, conduct and/or support training courses, educational and training events and activities of all kinds.

3.3 To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio visual recordings, multimedia products and display materials, and to create and maintain a website or websites.

3.4 To promote, operate, co-ordinate, monitor, and/or support other projects and programmes (which may include workspace projects) which further the aims of the company.

3.5 To provide information, advisory support and/or consultancy services which further the aims of the company.

3.6 To liaise with local authorities, central government authorities and agencies, local enterprise companies, charitable / community benefit bodies and others, all with a view to furthering the aims of the company.

3.7 To carry on any further activities which further any of the above objects.

3.8 To promote companies whose activities may further one or more of the above objects or may generate income to support the activities of the company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the company, all such functions as may be associated with a holding company.

3.9 To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the company's activities.

3.10 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities.

- 3.11 To register an interest in land and to exercise the right to buy under the provisions of Part 2 of the Land Reform (Scotland) Act 2003 (including any statutory amendment or re-enactment of those provisions which may be in force from time to time).
- 3.12 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company.
- 3.13 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company.
- 3.14 To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- 3.15 To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company.
- 3.16 To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- 3.17 To engage such consultants and advisers as are considered appropriate from time to time.
- 3.18 To effect insurance of all kinds (which may include officers' liability insurance).
- 3.19 To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- 3.20 To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
- 3.21 To establish and/or support any other charitable body, and to make donations for any charitable purpose falling within the company's objects.
- 3.22 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
- 3.23 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).

3.24 To oppose, or object to, any application or proceedings which may prejudice the company's interests.

3.25 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charitable body.

3.26 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

And it is declared that:

(i.) In this clause, where the context so admits, "property" means any property, heritable or moveable, real or personal, wherever situated;

(ii.) In this clause, and throughout these articles of association,

a) The expression "charity" or "charitable body" shall mean a "Scottish charity" within the meaning of section 13 of, and paragraph 5 of schedule 4 to, the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 96 of the Charities Act 1993.

b) The expression "charitable purpose" shall have the meaning assigned to it by section 7 of the Charities and Trustee Investment (Scotland) Act 2005.

c) The expression "charitable" shall mean a charitable purpose under section 7 of the Charities and Director Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of sections 505 and 506 of the Income and Corporation Taxes Act 1988.

(iii.) Any reference in these articles of association to a provision of any legislation shall include any statutory modification or re-enactment of that provision in force from time to time.

(iv.) In this clause and throughout these articles of association "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

Use of Company Assets.

4. Subject to article 5:

4.1 The income and property of the company shall be applied solely towards promoting the company's objects (as set out in article 2) and in particular (but without limiting the generality of that provision) any surplus funds or assets of the company must be applied for the benefit of the Community.

4.2 No part of the income or property of the company shall be paid or transferred (directly or indirectly) to the members of the company, whether by way of dividend, bonus or otherwise (but such that the company may make any payment to any individual who is a member of the company, where such payment is in direct furtherance of the charitable purposes of the company)³;

4.3 No Director of the company shall be appointed as a paid employee of the company; no Director shall hold any office under the company for which a salary or fee is payable;

4.4 No benefit (whether in money or in kind) shall be given by the company to any Director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company; (iii) a payment in direct furtherance of the charitable purposes of the company⁴.

5 The company shall, notwithstanding the provisions of article 4, be entitled:

5.1 To pay interest at a rate not exceeding the commercial rate on money lent to the company by any Director or member of the company; and

5.2 To pay rent at a rate not exceeding the open market rent for premises let to the company by any Director or member or purchase assets from, or sell assets to, any Director or member of the company providing such purchase or sale is at market value.

Liability of Members

6 The liability of the members is limited.

6.1 Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Winding-Up

³ As altered by special resolution passed on 07 September 2013.

⁴ As altered by special resolution passed on 07 September 2013.

7 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; instead, that property shall (subject to paragraph 7.2 of this clause 7 be transferred to such other community body or bodies or to a crofting community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being first approved by the Scottish Ministers).

7.1 If the members do not resolve to transfer any property of the nature referred to in paragraph 7 to a community body or bodies or crofting community body or bodies approved by Scottish Ministers, such property shall instead be transferred to the Scottish Ministers or to such charity as the Scottish Ministers may direct.

7.2 No property shall be transferred under paragraph 7 or 7.1 of this clause 7 to any body unless it is a Scottish charity.

Competition

8 The Trust shall take reasonable steps to ascertain whether any project or grant funded activity is likely to have a significant and adverse effect on the activities of a commercial business in Rousay, Egilsay or Wyre. Should a potentially adverse effect be identified, feedback will be sought from the affected commercial business(es) as to what impact the progression of the project will have on their business activities.

If the feedback states that there will not be an adverse impact on the business' activities, the project will proceed, according to Trust direction. If the feedback states that there will be an adverse impact, the Trust, acting reasonably, will determine whether to proceed with the project.

Considering the feedback received where an adverse impact has been identified by a business, in the event that the identified need for the project creates significant benefits within the community, the Trust shall seek a full community mandate to proceed.

Members shall be encouraged to bring any concerns to the attention of the Trust, but, ultimately, the Trust, acting reasonably, reserves the right to be the sole judge of whether any action is necessary⁵.

General Structure

9 The structure of the company consists of: -

9.1 The MEMBERS - have the right to attend any general meeting, the annual general meeting (and any extraordinary general meeting). The Full Members (as defined in article 10) have important powers under the articles of association and the Act; in particular, Full Members elect people to serve as directors and take decisions in relation to changes to the articles themselves⁶;

⁵ As altered by special resolution passed on 12 November 2016.

⁶ As altered by special resolution passed on 28 October 2017.

9.2 The DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.

Categories of Members

10 For the purposes of these articles: -

'Full Member' means a member admitted under article 11; **'Full Membership'** shall be construed accordingly;

'Associate Member' means a member admitted under article 13; **'Associate Membership'** shall be construed accordingly;

Qualifications for Membership

11 The members of the company shall consist of the subscribers to the articles of association and such other persons as are admitted to membership under articles 12 to 189.

12 Full Membership shall (subject to articles 15 and 18) be open to any person aged 18 years or over who:

- (a) is ordinarily resident in the Community (as defined in the articles of association of the company);
- (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
- (c) supports the aims and activities of the company;

an individual once admitted to Full Membership shall cease to be a member if he/she ceases to be eligible for Full Membership in terms of this article 12.

13. Associate Membership shall (subject to articles 15 and 18) be open:

- (a) to any individual aged 18 years or over whom is not eligible for Full Membership but wishes to support the aims and activities of the company⁷;
- (b) to any individual who has been nominated for membership by a voluntary organisation wherever located which wishes to support the aims and activities of the company.

14. No more than one individual nominated under paragraph (b) of article 13 by each voluntary organisation may be a member of the company at any given time.

⁷ As altered by special resolution passed on 07 September 2013.

15. Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

Application for Membership

16. Any person who wishes to become a member must sign, and lodge with the company, a written application for membership; an application for membership must be accompanied by a remittance to meet the full amount of the membership subscription applicable to the category of membership for which he/she is applying (if any); in the case of an application under paragraph (b) of article 13, the application must also be signed by an appropriate office bearer of the voluntary organisation which is nominating him/her for membership.
17. A person applying for membership shall lodge with his/her application such evidence (if any) in support of his/her application as the directors may request.
18. Each application for membership shall be considered by the directors at the first meeting of the directors which is held after receipt by the company of the written application (and, if required by the directors, supporting information and evidence) required under article 17 in order to ensure in each case that the applicant fulfils the relevant membership qualifications; for the avoidance of doubt, the directors shall have no power to refuse admission to membership to any individual fulfilling the relevant membership qualifications referred to above, unless, in relation to an application for Associate Membership, admission of that individual would result in the company ceasing to comply with the requirements of article 21.
19. The directors shall, within a period of ten working days⁸ after the meeting at which an application for membership is considered, notify the applicant in writing as to whether he/she has been admitted to membership (which decision will have been based solely on an individual meeting the qualifications for membership as specified in article 12 or, in relation to an application for Associate Membership, articles 13 and 21; if the decision was to refuse admission in accordance with this article, the directors shall return to the applicant the remittance lodged by him/her under article 16.

Minimum Number of Members

20. The minimum number of Full Members is 20.
21. The number of Full Members must exceed the number of Associate Members.
22. In the event that the number of Full Members falls below 20 or that the number of Associate Members is equal to or exceeds the number of Full Members, the directors shall not conduct any business other than to ensure the admission of

⁸ As altered by special resolution passed on 07 September 2013.

sufficient Full Members to achieve the minimum number and/or to ensure that the number of Full Members exceeds the number of Associate Members.

Membership Subscription

23. The Full Members may, by ordinary resolution, determine the amount (if any) of the annual membership subscription for each category of membership; unless otherwise determined, there shall be no annual membership subscription.
24. The annual membership subscription (if any) shall be due on each accounting reference date of the company and shall (subject to articles 16 and 27) be taken to cover the period from one accounting reference date to the date falling immediately prior to the next accounting reference date.
25. The directors shall give to the members at least 10 working days⁹ notice of each accounting reference date; each notice shall specify the amount of the membership subscription (if any) which will be due and shall state the possible consequence (under the following article) of failure to make payment.
26. If the company has not received a member's annual membership subscription within 10 working days¹⁰ after the accounting reference date on which it fell due, the directors may by resolution expel that person from membership; if, however, proper notice under article 25 was not given, a member shall not be liable to be expelled under this article unless he/she fails to pay the subscription within one calendar month¹¹ after notice requiring payment has been given to him/her.
27. A person who ceases to be a member shall not be entitled to any refund (total or partial) of the membership subscription.

Register of Members

28. The directors shall maintain a register of members, setting out the full name and address of each member, the category of membership into which he/she falls, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member; in the case of a member who was admitted under paragraph (b) of article 13, the entry against his/her name shall also include details of the voluntary organisation which nominated him/her for membership.

Withdrawal from Membership

29. Any person who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, he/she shall cease to be a member.

⁹ As altered by special resolution passed on 07 September 2013.

¹⁰ As altered by special resolution passed on 07 September 2013.

¹¹ As altered by special resolution passed on 07 September 2013.

30. A voluntary organisation which has nominated an individual for membership may withdraw its nomination at any time by written notice to the company to that effect; on receipt of the notice by the company, the individual in question shall automatically cease to be a member of the company.

Expulsion from Membership

31. Subject to articles 32 to 35, the company may, by special resolution, expel any individual from membership.

32. Any member who wishes to propose at any meeting a resolution for the expulsion of any individual from membership shall lodge with the company written notice of his/her intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than six weeks before the date of the meeting.

33. The company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned, and the member concerned shall be entitled to make written representations to the company with regard to the notice.

34. If representations are made to the company in pursuance of the preceding article, the company shall (unless such representations are received by the company too late for it to do so): -

- (a) state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed; and
- (b) send a copy of the representations to every individual to whom notice of the meeting is or was given.

35. Whether or not a copy of written representations has been given to each of the individuals entitled to receive notice of the meeting, the member concerned shall be entitled to be heard on the resolution at the meeting.

36. Failure to comply with any of the provisions of articles 32 to 35 shall render any resolution for the expulsion of an individual from membership invalid.

37. An individual expelled from membership under articles 31 to 35 shall cease to be a member with effect from the time at which the relevant resolution is passed; any person expelled from membership under article 31 shall not be eligible for re-admission to membership for a period of 12 months following his/her expulsion.

Termination/Transfer

38. Membership shall cease on death.

39. A member may not transfer his/her membership to any other individual or body.

General meetings (meetings of members)

40. The directors shall convene an annual general meeting in each year, notwithstanding that an AGM is not required under the Act¹², (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
41. Not more than 15 months shall elapse between one annual general meeting and the next.
42. The business of each annual general meeting shall include: -
- (a) a report by the chair on the activities of the company;
 - (b) consideration of the annual accounts of the company; and
 - (c) the election/re-election of directors, as referred to in articles 71 to 77.
 - (d) The appointment of accountants.
43. The directors may convene an extraordinary general meeting at any time.
44. The directors must convene an extraordinary general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

45. Unless consent to short notice is given by the members in accordance with Section 307 of the Act¹³, at least 21 clear days' notice must be given of (a) an annual general meeting or (b) an extraordinary general meeting at which a special resolution (see article 50) or a resolution requiring special notice under the Act, is to be proposed; all other extraordinary general meetings shall be called by at least 21 clear days¹⁴ notice.
46. The reference to 'clear days' in article 45 shall be taken to mean that, in calculating the period of notice, the day after the notice is sent, and also the day of the meeting, should be excluded.
47. A notice calling a meeting shall specify the time and place of the meeting; it shall
- (a) indicate the general nature of the business to be dealt with at the meeting and

¹² As altered by special resolution passed on 07 September 2013.

¹³ As altered by special resolution passed on 07 September 2013.

¹⁴ As altered by special resolution passed on 07 September 2013.

(b) if a special resolution (see article 50) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.

48. A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called an extraordinary general meeting.

49. Notice of every general meeting shall be given (either in writing or, where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication, by way of electronic communications, on our website, complying with the requirements of section 309 of the Act, and via social media i.e. Facebook)¹⁵ to all the members and directors, and (if there are auditors in office at the time) to the auditors.

Special Resolutions and Ordinary Resolutions

50. For the purposes of these articles, a 'special resolution' means a resolution passed by 75% or more of the votes cast on the resolution at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 45 to 49; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

51. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution: -

- (a) to alter its name;
- (b) to alter its articles of association with respect to the company's objects;
- (c) to alter any provision of these articles or adopt new articles of association.

52. For the purposes of these articles, an 'ordinary resolution' means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against, providing proper notice of the meeting has been given in accordance with articles 45 to 49¹⁶).

Procedure at General Meetings

53. No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 12 persons entitled to vote,

¹⁵ As altered by special resolution passed on 07 September 2013.

¹⁶ As altered by special resolution passed on 07 September 2013.

each being a Full Member or a proxy for a Full Member; for the avoidance of doubt, no account shall be taken of the presence of any Associate Member in determining whether a quorum is present.

54. If a quorum is not present within 30 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
55. The Chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the Chair of the company is not present and willing to act as chairperson within 30 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
56. The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
57. Full Members shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy; Associate Members shall not be entitled to vote.

Postal Voting¹⁷

- (a) The Charity may, in exceptional circumstances, and if directors so decide, allow the members to vote by post to make a decision on any matter that is being decided at a general meeting of the members.
- (b) The directors must appoint at least two persons independent of the Charity to serve as scrutineers to supervise the conduct of the postal ballot and the counting of votes.
- (c) If postal voting is to be allowed on a matter, the Charity must send to members of the Charity not less than 10 days before the deadline for receipt of votes cast in this way, a notice by post to all full members, including a written explanation of the purpose of the postal vote and the voting procedure to be followed by the member; and a postal voting form containing details of the resolution being put to a vote, or of the candidates for election, as applicable.
- (d) The voting procedure must require all forms returned by post to be in an envelope with the membership number, name and signature but nothing else, on the outside, inside another envelope addressed to "The Scrutineers

¹⁷ As altered by special resolution passed on 30 January 2021.

for Rousay, Egilsay and Wyre Development Trust” at the Charity’s principal office or such other postal address as is specified in the voting procedure.

- (e) The voting procedure must specify the closing date and time for receipt of votes, and must state that any votes received after the closing date or not complying with the voting procedure will be invalid and not be counted.
- (f) For postal votes, the scrutineers must retain the internal envelopes (with the member’s name and signature).
- (g) Votes cast by post must be counted by all the scrutineers before the meeting at which the vote is to be taken. The scrutineers must provide to the person chairing the meeting written confirmation of the number of valid votes received by post, and the number of votes received by post which were invalid.
- (h) The person chairing the meeting will declare the result of the postal ballot during the meeting.
- (i) Following the final declaration of the result of the vote, the scrutineers must provide to a director or other authorised person bundles containing the evidence of members submitting valid postal votes and evidence of invalid votes.
- (j) Any dispute about the conduct of a postal ballot must be referred initially to a panel set up by the directors, to consist of two directors and two persons independent of the Charity. If the dispute cannot be satisfactorily resolved by the panel, it must be referred to the Electoral Reform Services.

Content of Proxy Notices

58. Every notice of an AGM or EGM will include a statement notifying each member of their right to appoint a proxy if they so wish¹⁸.

59. A member who wishes to appoint a proxy to vote on his/her behalf at any meeting: -

- (k) shall lodge with the company, at the company’s registered office, not less than 48 hours before the time for holding the meeting, a written instrument of proxy (in such form as the directors require), signed by him/her; or
- (l) shall send to the company at such address as may have been notified to the members by the company for that purpose, an electronic communication containing the appointment of a proxy, providing such electronic communication is received by the company at such address not less than 48 hours before the time for holding the meeting.

¹⁸ As altered by special resolution passed on 07 September 2013.

- (m) Subject to clause 59, in relation to each resolution proposed at a members' meeting, an individual shall not be entitled to cast more than 3 (three) votes as a proxy (in addition to any vote to which she/he is entitled personally if she/he is a full member)¹⁹.
60. An instrument of proxy, or electronic communication containing the appointment of a proxy, which does not conform with the provisions of article 59 or which is not lodged or sent in accordance with such provisions, shall be invalid; a member shall not be entitled to appoint more than one proxy to attend the same meeting.
61. A proxy need not be a member of the company.
62. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting.
63. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two Full Members present in person at the meeting); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
64. If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.
65. Associate Members shall be entitled to attend and speak at any general meeting.

Categories of directors

66. For the purposes of these articles

'Elected Director' means a director elected, re-elected or appointed under articles 70 to 76.

'Co-opted Director' means a director appointed or re-appointed under articles 77 to 79.

Number of Directors

67. The maximum number of directors shall be 16²⁰, of whom no more than 12 may be Elected Directors and no more than 4²¹ may be Co-opted Directors.
68. Minimum number of directors and the quorum shall be 5.
69. The Elected Directors shall at all times constitute a majority of the directors.

¹⁹ As altered by special resolution passed on 10 November 2017.

²⁰ As altered by special resolution passed on 07 November 2015.

²¹ As altered by special resolution passed on 07 November 2015.

Election, Retiral, Re-election: Elected Directors

70. Any Full Member who wishes to be considered for election as a director at an annual general meeting must lodge with the company a written notice (in such form as the directors require), confirming that he/she is willing and eligible²² to be appointed; the notice must be signed by him/her and must be lodged with the company at least fourteen²³ days before the date of the annual general meeting.
71. At an annual general meeting the Full Members may (subject to article 67) elect as a director (**'an Elected Director'**) by a majority vote²⁴, any Full Member who has confirmed his/her willingness and eligibility²⁵ to be appointed in accordance with article 70.
72. The directors may at any time appoint any Full Member (providing he/she is willing to act) to be a director (**'an Elected Director'**), either to fill a vacancy or (subject to article 67) as an additional director.
73. At the first annual general meeting, all the Elected Directors shall retire from office.
74. At each annual general meeting (other than the first)
- (a) any Elected Director who was appointed by the directors (under article 72) in the period from the date of the last annual general meeting shall retire from office; and
 - (b) out of the remaining Elected Directors, one-third (to the nearest round number) shall retire from office.
75. The directors to retire under paragraph (b) of article 73 shall be those who have been longest in office since they were last appointed or re-appointed; if two or more directors were appointed or re-appointed on the same date, the question of which of them is to retire under paragraph (b) of article 74 shall be decided by some random method.
76. The Full Members may (subject to article 67) at any annual general meeting re-elect any Elected Director who retires from office at the meeting under article 73 or 74 (providing he/she is willing to act); if any such Elected Director is not re-appointed, he/she shall retain office until the meeting appoints someone in his/her place or, if it does not do so, until the end of the meeting.

Appointment, Vacating of Office, Re-appointment: Co-opted Directors

77. (a) Subject to article 67, the directors may at any time appoint any individual (other than an employee of the company) to be a director (**'a Co-opted Director'**) providing he/she is willing so to act, either on the basis that he/she has special

²² As altered by special resolution passed on 07 November 2015.

²³ As altered by special resolution passed on 30 January 2021.

²⁴ As altered by special resolution passed on 07 November 2015.

²⁵ As altered by special resolution passed on 07 November 2015.

skills or experience which would be of assistance to the board or on the basis that he/she has been nominated by an organisation or agency with which the company has close contact in the course of its activities. A co-opted director would have the right to attend all Board, EGM & AGM meetings, and to speak and vote at these meetings. It will not be a requirement for a co-opted director to be a resident of Rousay, Egilsay or Wyre but they must be an associate member for the Development Trust²⁶.

(b) The Board of Directors of the Rousay, Egilsay and Wyre Development Trust shall include at least: one member of the Rousay, Egilsay, Wyre and Gairsay Community Council; one resident of Rousay; one resident of Egilsay; and one resident of Wyre²⁷. The Board shall endeavour to meet these criteria through co-option if not met through election.

78. At the conclusion of each annual general meeting, all the Co-opted Directors shall vacate office.

79. At the first board meeting following each annual general meeting, the directors may (subject to article 67) re-appoint any person who, as a Co-opted Director, vacated office under the preceding article at the conclusion of the annual general meeting; the directors may alternatively appoint someone in his/her place or resolve not to fill the vacancy. After an AGM, the previous office bearers shall remain in post until the next board meeting when the new Chair, Vice-Chair & Treasurer will be elected by and from the board²⁸.

Termination of Office

80. A director shall automatically vacate office if: -

- (a) He/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director;
- (b) He/she becomes debarred under any statutory provision from being involved in the administration or management of a charity (within the meaning of section 106 of the Charities and Trustee Investment (Scotland) Act 2005);
- (c) He/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months;
- (d) He/she becomes an employee of the company;
- (e) In the case of an Elected Director, he/she ceases to be a Full Member of the company;

²⁶ As altered by special resolution passed on 07 September 2013.

²⁷ As altered by special resolution passed on 27 February 2021.

²⁸ As altered by special resolution passed on 28 October 2017.

- (f) He/she resigns office by notice to the company;
- (g) He/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and a 75% vote of the whole board of directors resolve to remove him/her from office²⁹;
- (h) He/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- (i) He/she brings the organisation (including subsidiaries) into disrepute whether by action or inaction and/or causes significant financial loss due to action or inaction and has a 75% vote of the whole board of directors resolve to remove him/her from office³⁰.

80.1³¹ Any director who wishes to propose at any board meeting a resolution for the removal of another director from the REW DT board or any of its subsidiaries, shall lodge with the company secretary written notice of his/her intention to do so (identifying the director concerned and specifying the grounds for the proposed removal) not less than one week before the date of the meeting.

- (a) The company secretary shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the director concerned, and the director concerned shall be entitled to make written representations to the company secretary or in person at the next board meeting, with regard to the notice.
- (b) If representations are made to the company secretary in pursuance of the preceding article, the company secretary shall (unless such representations are received too late for it to do so): -
 - (i) state the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed; and
 - (ii) send a copy of the representations to every director to whom notice of the meeting was given.
- (c) Failure to comply with any of the provisions of articles 80 (a) to 80 (i) shall render any resolution for the removal of an individual as a director invalid.
- (d) An individual removed as a director under articles 80(a) to 80 (i) shall cease to be a director with immediate effect from the time at which the relevant resolution is passed; any person removed as a director under article 80(i) shall not be eligible for re-election to the REW DT board or

²⁹ As altered by special resolution passed on 07 November 2015.

³⁰ As altered by special resolution passed on 07 November 2015.

³¹ As Altered by special resolution passed on 10 November 2018.

any of its subsidiaries for a minimum period of 12 months following his/her removal.

Register of Directors

81. The directors shall maintain a register of directors, setting out full details of each director, including the date on which he/she became a director, and also specifying the date on which any person ceased to hold office as a director.

Officebearers

82. The directors shall elect from among themselves a Chair and a Treasurer, and such other office bearers (if any) as they consider appropriate.

83. A director shall not be eligible for appointment as the Chair or Treasurer if he/she is a Co-opted Director.

84. All the office bearers shall cease to hold office at the conclusion of each annual general meeting but shall then be eligible for re-election.

85. A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Powers of Director

86. Subject to the provisions of the Act, and the articles of association, and subject to any directions given by special resolution, the company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the company.

87. A meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

Personal Interests

88. A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 102) from voting on the question of whether or not the company should enter into that arrangement.

89. For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director (or any other party who/which is deemed to be connected with him/her for the purposes of section 252 of the Act), has a personal interest in that arrangement.

90. Provided

- (a) He/she has declared his/her interest
 - (b) He/she has not voted on the question of whether or not the company should enter into the relevant arrangement and
 - (c) The requirements of articles 92 are complied with,
- a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 89) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

Director Remuneration and Expenses

91. No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
92. Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then
- (a) The maximum amount of the remuneration must be specified in a written agreement and must be reasonable
 - (b) The directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and
 - (c) Less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
93. The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

Procedure at Directors' Meetings

94. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
95. Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall (subject to article 96) have a casting vote.
96. The chairperson of the meeting shall not be entitled to have a casting vote if he/she is a Co-opted Director.
97. (a) No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article 98) be five.

(b) Directors participating in the meeting by means of a teleconferencing facility shall be deemed to be present at the meeting and shall contribute to a quorum.

98. A quorum shall not be deemed to be constituted at any meeting of directors unless the Elected Directors form a majority of the total number of directors' present at the meeting.
99. If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
100. Unless he/she is unwilling to do so, the Chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the Chair of the company is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
101. The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
102. A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
103. For the purposes of article 102, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited company of which he/she is a substantial shareholder or director, has a personal interest in that matter.
104. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
105. A personal interest held by a director who has appointed an alternate/proxy director shall be treated as a personal interest of the alternate/proxy director.
106. The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 102 to 105.

Conduct of directors

107. Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must

- (a) Seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects (as set out in the memorandum of association)
- (b) Act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
- (c) In circumstances giving rise to the possibility of a conflict of interest between the company and any other party
 - (i) Put the interests of the company before that of the other party, in taking decisions as a director
 - (ii) Where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question
- (d) Ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Director Investment (Scotland) Act 2005.

Delegation to Sub-committees

108. The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the Chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.

109. Any delegation of powers under article 108 may be made subject to such conditions as the directors may impose and may be revoked or altered.

110. The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of Bank Accounts

111. The signatures of two out of the bank signatories appointed by the directors shall be required in relation to all non internet banking operations (other than lodgement of funds) on the bank and building society accounts held by the company; as per the bank mandate and as agreed by directors the internet banking system (including payments to staff, directors and for invoices received), can be operated by one bank signatory with access to the internet banking system³².

³² As altered by special resolution passed on 07 September 2013.

Secretary

112. The company secretary shall be appointed by the directors for such term, at such remuneration (if any), and upon such conditions, as they may think fit; the company secretary may be removed by them at any time.

Minutes

113. The directors shall ensure that minutes are made of all proceedings at general meetings, directors' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

Accounting Records and Annual Accounts

114. The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements. Such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.

115. The accounting records shall be maintained by the Treasurer³³ and overseen by the Chair, or otherwise by, or as determined by, the directors; such records shall be kept at such place or places as the directors think fit and shall always be available for inspection by the directors.

116. The directors shall prepare annual accounts, complying with all relevant statutory requirements.

- (a) Subject to article 116(b), the directors shall ensure that an audit of such accounts is carried out by an auditor.
- (b) Notwithstanding the provisions of article 116(a), an audit (within the meaning of the Act) by a company auditor shall not be required, in a case where the company is exempt (under the Act) from the requirement to have an audit, if and to the extent that proper arrangements for the auditing of the company's accounts are made in a manner which satisfies the requirements of the Act and paragraph (f) of subsection 34(1) of the Land Reform (Scotland) Act 2003.

117. No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company.

³³ As altered by special resolution passed on 07 September 2013.

Notices

118. Any notice to be given in pursuance of these articles shall be given either in writing or by way of an electronic communication.
119. The company may give any notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at its registered address or by leaving it at that address, in the case of a member who has notified the company of an address to be used for the purposes of electronic communications, the company may give any notice to that member by way of an electronic communication.
120. A member may give any notice to the company either by sending it by post in a pre-paid envelope addressed to the company at its registered address or by leaving it at that address; in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) by way of an electronic communication.
121. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting, 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.
122. Any notice contained in an electronic communication shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purposes of proving that any electronic communication was sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

Winding-up

123. If the company is wound up, the liquidator shall give effect to the provisions of clause 7 of these articles of association.

Indemnity

124. Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office including, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the company.
125. For the avoidance of doubt, the company shall be entitled to purchase and maintain for any director insurance against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her

office, and such insurance may (subject to the provisions of section 68A) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).

Names, signatures and addresses of subscribers

Each subscriber to these articles of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Dated

Witness by: -