

**DURNESS DEVELOPMENT GROUP LIMITED MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT 1985**

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

**MEMORANDUM OF ASSOCIATION  
Of  
Durness Development Group Limited**

1. The company's name is Durness Development Group Limited
2. The company's registered office is to be situated in Scotland.
3. This clause shall be interpreted as if it incorporated an over-riding qualification limiting the powers of the company such that any activity which would otherwise be permitted by the terms of the clause may be carried on only if that activity furthers a purpose which is regarded as charitable for the purposes of section 505 of the Income and Corporation Taxes Act 1988 (including any statutory amendment or re-enactment for the time being in force). Subject to that over-riding qualification, the company's objects are: -
  - a) To promote the benefit of the inhabitants of Durness and its environs (being the parish of Durness polling district C01H, as defined by the postcode units IV27 4QQ, IV27 4SL, IV27 4QG, IV27 4UL, IV27 4UJ, IV27 4UN, IV27 4QD, IV27 4QE, IV27 4QB, IV27 4PZ, IV27 4QH, IV27 4PP, IV27 4QA, IV27 4QF, IV27 4PU, IV27 4PY, IV27 4PR, IV27 4PN, IV27 4PW, IV27 4PX, IV27 4PT, IV27 4PS, IV27 4SN “the Community” hereinafter referred to as “the Operating Area”) with the following objects (“the Objects”): without distinction of sex, sexuality, political, religious or other opinions by associating the local statutory authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide facilities, or assist in the provision of facilities in the interest of social welfare for recreation and other leisure-time occupation so that their conditions of life may be improved.

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- b) To relieve poverty among the residents of the Operating Area who are in necessitous circumstances
- c) To advance education and to promote training programmes and opportunities for the benefit of the residents of the Operating Area particularly among young people and the unemployed;
- d) To protect and / or preserve the environment, in consultation with conservation bodies, for the benefit of the general public.
- e) To promote trade and industry for the benefit of the general public;
- f) To provide or assist in the provision of housing for people in necessitous circumstances within the Operating Area;
- g) To promote, establish and operate other schemes for the benefit of the community within the Operating Area provided that always that such schemes are charitable in law
- h) To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment, where 'sustainable development' means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

All the above clauses (3(a) to 3(h)) will be carried out following the principals of sustainable development (where sustainable development means development which meets the needs of the present without compromising and ability of future generations to meet their own needs).

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

- a) To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the company.
- b) To register an interest in land and to exercise the right to buy under Part 2 of the Land Reform (Scotland) Act 2003 including any statutory amendment or re-enactment thereof for the time being in force (“**the Land Reform Act**”).

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- c) To promote community enterprises and companies whose activities may further one or more of the above objects, acquire and hold shares, stocks, debentures and other interests 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.
- d) To purchase, take on feu, lease, hire, take in exchange, and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the company.
- e) To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the company.
- f) To sell, feu, let, hire, license, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the company.
- g) To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person.
- h) To borrow money and give security for the payment of money by, or the performance of other obligations of, the company or any other person.
- i) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques and other negotiable or transferable instruments.
- j) To remunerate any individual in the employment of the company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual who is or was at any time in the employment of the company and the spouse, widower, relatives and dependents of any such individual; to establish, subsidise and subscribe to any institution, association, club and fund which may benefit any such person.
- k) To oppose or object to any application or proceedings which may prejudice the company's interests.

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- l) 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 obtain from any such organisation, government or authority any right, privilege or concession.
- m) To enter into any arrangement for co-operation or mutual assistance with any charitable body, whether incorporated or unincorporated
- n) To effect insurance against risks of all kinds
- o) To invest funds not immediately required for the purposes of the company's activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirement) and to dispose of and vary such investments and securities.
- p) To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the company and to promote any company or other incorporated body formed for the purpose of carrying,) on any activity which the company is authorised to carry on.
- q) To subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any charitable purpose connected with the activities of the company or with the furtherance of its objects.
- r) To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the objects of the company.
- s) To take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the company, whether by way of subscriptions, grants, loans, donations or otherwise.
- t) To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity and through an agent, contractor, sub-contractor,

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trustee or any person acting in any other capacity and either alone or in conjunction with others.

- u) To do anything which may be incidental or conducive to the attainment of any the objects of the company

And it is declared that

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

B) In this clause, and throughout this memorandum of association the word "charitable" shall have the meaning ascribed to it for the purposes of section 505 of the Income and Corporation Taxes Act including any statutory amendment or re-enactment for the time being in force

5.

- a) The income and property of the Company shall be applied solely towards promoting the Purposes and do not belong to the members. Any surplus income or assets of the Company are to be applied for the benefit of the Community.
- b) No part of the income or property of the Company shall be paid or transferred (directly or indirectly) to the members of the Company, or to any other individual, whether by way of dividend, bonus or otherwise, except in the circumstances provided for in Clause 5(d).
- c) 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.
- d) 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.

6.

The liability of the members is limited. 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,

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and for the adjustment of the rights of the contributories among themselves.

### **7 DISSOLUTION**

7.1 The winding-up of the Company may take place only on the decision of not less than 75% of its Ordinary Members who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose.

7.2 If, on the winding-up of the Company, any property remains, after satisfaction of all its debts and liabilities, such property (including any land acquired by it in terms of the Land Reform Act) shall be given or transferred to such other community body or bodies or crofting community body or bodies as may be:

- (a) determined by not less than 75% of the Ordinary Members of the Company who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose; and
- (b) approved thereafter by the Scottish Ministers; under declaration that, if the Company is a charity at or before the time of its winding up, then the community body or bodies or crofting community body or bodies referred to above must also be a charity or charities.

7.3 If no such community body or crofting community body is determined by the Ordinary members and approved by the Scottish Ministers in terms of Clause 7.2, such property referred to in Clause 7.2 shall be transferred to the Scottish Ministers or to such charity or charities as the Scottish Ministers may direct.

7.4 In Clause 7, “community body” and “crofting community body” have the meanings ascribed to them respectively in Sections 34 and 71 of the Land Reform Act and “charity” has the meaning ascribed to it in Section 34(8) of the Land Reform Act.

### **ACCOUNTS**

8.1 The Board shall cause accounting records to be kept in accordance with the requirements of the Act and other relevant

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regulations.

8.2 The accounting records shall be maintained by the Treasurer (if there is one) and overseen by the Principal Officer (if there is one), or otherwise by, or as determined by, the Board. Such records shall be kept at such place or places as the Board shall think fit and shall always be open to the inspection of the Directors.

8.3 The accounts of the Company shall be independently examined regularly: either once in every year, or less frequently if a longer accounting period is provided for by the Act. An independent examiner shall be appointed for this task by the Board on the direction of members in General Meeting.

8.4 At each AGM, the Board shall provide the members with a copy of the accounts for the period since the last preceding accounting reference date or (in the case of the first account since the incorporation of the Company). The accounts shall be accompanied by proper reports of the Board and the independent examiner. Copies of such accounts shall, not less than 21 clear days before the date of the General Meeting at which they fall to be approved, be delivered or sent to all members, Directors, the Company Secretary and the independent examiner, or otherwise be available for inspection on the website of the Company (with all members, Directors, the Company Secretary and the independent examiner being made aware that they are so available for inspection there).

We the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum

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Names and addresses of subscribers

1.

2.

3.

4.

5.

6.

7.

8.

Dated

Witness to the above signatures



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**THE COMPANIES ACT 1985**

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**COMPANY LIMITED BY GUARANTEE AND NOT**

**HAVING A SHARE CAPITAL**

**ARTICLES of ASSOCIATION**

**Of**

**Durness Development Group Limited**

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**Membership**

1. The subscribers to the memorandum of association and such other persons as are admitted to membership under articles 4 to 11 shall be the members of the company.
2. Membership shall cease on death.

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3. A member may not transfer his/her membership to any other person.

**Qualifications for membership**

4. The members of the Company shall consist of the Subscribers (being those Ordinary Members who sign the original Memorandum and Articles of Association) and such other persons and organisations as are admitted to membership in terms of these Articles.

Membership of the Company is open to:

Ordinary Members: those individuals aged 18 and over who:

- (a) are ordinarily resident in the Community; and
- (b) are entitled to vote at a local government election in a polling district that includes the Community or part of it; and
- (c) who support the Objects;

declaring that, if an Ordinary Member ceases to comply with these criteria, he or she will be reclassified as an Associate Member and be notified of this by the Company.

Associate Members: those individuals who are not ordinarily resident in the Community and those organisations wherever located that support the Objects. Associate Members are neither eligible to stand for election to the Board nor to vote at any General Meeting.

Junior Members: those individuals who are aged between 12 and 17 who support the Objects. Junior Members are neither eligible to stand for election to the Board nor to vote at any General Meeting.

5. The following conditions apply to membership:

- 5.1 The Company shall have not fewer than 20 members at any time; and
- 5.2 The majority of the members of the Company shall consist of Ordinary Members;

and, in the event that the number of members falls below 20 or that the majority of members of the Company does not consist of Ordinary Members, the Board may not conduct any business other than to ensure the admission of sufficient Ordinary Members to achieve the minimum number and/or maintain the majority.

- 6 The Board shall promptly consider applications for membership, made in such written form as it shall prescribe from time to time, determining if the terms of Article 4 apply and into which category of membership each applicant shall belong, and

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immediately thereafter shall approve any valid application provided the applicant is not excluded by virtue of Article 5 or has previously been a member of the Company and excluded from membership by virtue of Article 11

- 7 The Board shall maintain a Register of Members, setting out the name and postal address of each member, the relative category of membership and the date of the member's appointment.

### **MEMBERSHIP SUBSCRIPTIONS**

- 8 Ordinary Members may at any or each AGM fix the annual subscriptions (and, if relevant, different rates thereof for different categories).
- 9 members shall be required to pay the appropriate annual membership subscription, where fixed. Only those members who have paid their current subscription, where fixed, are entitled to take part in and vote at any General Meeting.
- 10 individual who, or organisation which, ceases to be a member (for whatever reason) shall not be entitled to any refund of membership subscription.

### **Withdrawal from membership**

- 11 Any person who wishes to withdraw from membership shall lodge with the company written notice of retiral (in such form as the directors require), signed by him/her; on receipt of the notice by the company he/she shall cease to be a member.
- 12 Any person who ceases to be a member shall not be entitled to any refund (total or partial) of the annual membership subscription.

### **General meetings**

- 13 All general meetings other than annual general meetings are to be called extraordinary general meetings.
- 14 The directors must convene an extraordinary general meeting if there is a valid requisition by members (under section 368 of the Act) or a requisition by a resigning independent examiner (under section 392A(2) of the Act).
- 15 Subject to the preceding article and to the requirements under

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section 366 of the Act (which lay down the maximum period which can pass before the first annual general meeting and the maximum period between one annual general meeting and the next), the directors may convene general meetings whenever they think fit.

### **Notice of general meetings**

- 16 At least twenty one 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 26) or a resolution requiring special notice under the Act is to be proposed; all other extraordinary general meetings shall be called by at least fourteen clear days' notice.
- 17 The reference to "clear days" in article 2i shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, and also the day of the meeting, should be excluded.
- 18 A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of any business to be dealt with at the meeting and (b) if a special resolution (see article 26) (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.
- 19 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 20 Notice of every general meeting shall be given to all the members and directors and (if there are independent examiners in office at the time) to the independent examiners.

### **Special resolutions and ordinary resolutions**

- 21 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 21 and 23; 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.
- 22 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,

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- a) To alter its name
- b) (Subject to the provisions of the Act) to alter its memorandum of association with respect to the company's objects
- c) To alter any provision of these articles or to adopt new articles of association

23 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 cast against, and (as applicable) the chairperson's casting vote) at an annual general meeting or extraordinary general meeting providing proper notice of the meeting has been given in accordance with articles 21 and 23.

**Proceedings at general meetings**

- 24 No business shall be transacted at any meeting unless a quorum is present; eg. 5 or one third of members whichever is less, present in person, shall be a quorum.
- 25 If the quorum required under article 29 is not present within half an hour after the time appointed for the meeting, or if during a meeting such 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.
- 26 The convenor shall (if present and willing to act as chairperson) preside as chairperson of the meeting; if the convenor is not present and willing to act as chairperson within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson or, if there is only one director present and willing to act, he/she shall be chairperson.
- 27 A director shall, even if he/she is not a member, be entitled to attend and speak at any general meeting.
- 28 The chairperson may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.
- 29 A resolution put to the vote of a meeting shall be decided on a show of hands unless before the show of hands, or immediately after the result of the show of hands is declared, a secret ballot is demanded by the chairperson, or by at least two members present in person at the meeting.
- 30 If a secret ballot is demanded in accordance with the preceding article it shall be taken at once and shall be conducted in such

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manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

**Votes of members**

- 31 Ordinary members shall have one vote which (whether on a show of hands or on a secret ballot) must be given personally; associate and junior members are not entitled to vote.
- 32 In the case of an equality of votes, whether on a show of hands or on a ballot, the chairperson of the meeting shall be entitled to a casting vote in addition to any other vote he/she may have.

**Categories of directors**

- 33 For the purposes of these articles
- a) "Member Director" means a director (drawn from the membership of the company) appointed under articles 41 to 47.
- b) "Appointed Director" means a non-elected director appointed or re-appointed by the directors under articles 48 to 50.

**Number of directors**

- 34 Unless otherwise determined by special resolution, the maximum number of directors shall be 12, of whom 8 directors shall be Member Directors and a maximum of 4 directors shall be Appointed Directors. Subject to and in default of any such determination the minimum number of directors shall be eight.
- 35 The members Directors shall at all times constitute a majority of the directors

**Election, retiral, re-election: Member Directors**

- 36 Any 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 to be appointed; the notice must be signed by him/her and must be lodged with the company at any time before the commencement of the annual general meeting.
- 37 At an annual general meeting the company may elect as a

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director (a "Member Director") any member who has given notice of his/her willingness to accept appointment in accordance with the preceding article.

- 38 The directors may at any time appoint any member (providing he/she is willing to act) to be a director (a "Member Director"), either to fill a vacancy or as an additional director.
- 39 At the first annual general meeting, all the Member directors shall retire from office.
- 40 At each annual general meeting (other than the first)
- a) Any Member Director who was appointed by the directors (under article 43) in the period from the date of the last annual general meeting shall retire from office
  - b) Out of the remaining Member directors, the 2 directors who have been longest in office since they were last appointed or re-appointed shall retire from office.
- 41 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 45 shall be decided by some random method.
- 42 The company may at any annual general meeting re-elect any Member Director who retires from office at the meeting under article 44 or 45 (providing he/she is willing to act); if any such Member 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: Appointed Directors
- 43 In addition to their powers of appointment under article 43, the directors may at any time appoint any non-member (other than an employee of the company) to be a director (an "Appointed Director") providing he/she is willing to act, either to fill a vacancy or as an additional director.
- 44 At the conclusion of each annual general meeting (including the first) all Appointed Directors shall vacate office.
- 45 Immediately following each annual general meeting, the directors may re-appoint any person who, as an Appointed 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.
- 46 The directors shall exercise their powers under articles 48 and 50 in such away as to ensure that at any given time: -
- one of the directors is an individual nominated for office by the membership
  - one of the directors is an individual nominated for office by key local organisations

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**Disqualification and removal of directors**

47 A director shall vacate office if

- a) He/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director
- b) He/she is sequestered
- 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 6 months
- d) He/she becomes an employee of the company
- e) He/she resigns office by notice to the company
- f) He/she is absent for a period of more than 3 months (without permission of the directors) from meetings of directors held during that period and the directors resolve to remove him/her from office

Or

- g) He/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 303 of the Act.

**Appointments to office**

48 Directors shall be appointed to hold the offices of Convenor, Vice-convenor and Treasurer and any other offices which the directors may consider appropriate.

49 The appointments under the preceding article shall be made at meetings of the directors.

50 Each office shall be held (subject to article 56) until the conclusion of the annual general meeting which next follows appointment; a director whose period of office expires under this article may be re-appointed to that office under article 57 (providing he/she is willing to act).

51 The appointment of any director to an office under article 53 shall terminate if he/she ceases to be a director or if he/she resigns from that office by notice to the company.

52 If the appointment of a director to any office under article 53 terminates, the directors shall appoint another director to hold the office in his/her place.



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**Directors' interests**

- 53 Subject to the provisions of the Act and of clause 4 of the memorandum of association and provided that he/she has disclosed to the directors the nature and extent of any personal interest which he/she has (unless immaterial), a director (notwithstanding his/her office)
- a) May be a party to, or have some other personal interest in, any transaction or arrangement which the company or any associated company has an interest
  - b) May be a party to, or have some other personal interest in, any transaction in which the company or any associated company has an interest
  - c) May be a director or secretary of, or employed by, or have some other personal interest in, any associated company

And

- d) Shall not, because of his/her office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such company and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.
- 54 For the purposes of the preceding article an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers; the references to "associated company" shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.

**Directors' remuneration and expenses**

- 55 No director shall be entitled to any remuneration, whether in respect of his/her office as director or as holder of any office under article 53.
- 56 The directors may be paid all travelling and other expenses quarterly incurred by them in connection with their attendance at meetings of directors, general meetings or meetings of committees of directors or otherwise in connection with the carrying-out of their duties.

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**Powers of directors**

- 57 Subject to the provisions of the act, the memorandum of association and these articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company.
- 58 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

**Proceedings of directors**

- 59 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 60 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 61 Questions arising at a meeting of directors shall be decided by a majority of votes; in the case of an equality of votes, the chairperson shall have a second or casting vote.
- 62 The quorum for the transaction of the business of the directors may be fixed by the directors and, unless so fixed at any other number, shall be 4.
- 63 The continuing directors or a sole continuing director may act notwithstanding vacancies but if the number of remaining directors is less than the number fixed as the quorum, they or he/she may act only for the purpose of filling vacancies or of calling a general meeting.
- 64 Unless he/she is unwilling to do so, the convenor shall preside as chairperson at every meeting of directors at which he/she is present; if the convenor is unwilling to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.
- 65 A director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the company.
- 66 For the purposes of the preceding article, an interest of a person who is taken to be connected with a director for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the company), shall be treated as a personal interest of the director.

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- 67 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.
- 68 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 70 and 72.

**Delegation to committees of directors and holders of offices**

- 69 The directors may delegate any of their powers to any committee consisting of one or more directors; they may also delegate to the such convenor or a director holding any other office of their powers as they consider appropriate.
- 70 Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and may be revoked or altered.
71. Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings of directors so far as they are capable of applying.

**Secretary**

- 72 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

**Minutes**

- 73 The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the directors, and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present and the minutes of each meeting shall be signed by the chairperson of that meeting.

**Accounts**

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- 74 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorised by the directors or by ordinary resolution of the company.

**Social Audit**

- 75 The directors may issue a report each year to the members of the company (in such form as the directors may reasonably deem appropriate) setting out the social and community benefits which they consider the activities of the company to have achieved.
- 76 The directors may arrange for an objective assessment (such assessment being referred to in these articles as a "social audit") to be made on an annual basis of the social and community benefits achieved by the company; the social audit, in addition to examining the social benefits of the company in relation to pursuit of its objectives, shall address matters bearing on the welfare of employees.

**Notices**

- 77 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 addressed to the member at his/her registered address or by leaving it at that address.
- 78 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four 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.

**ALTERATION TO THE MEMORANDUM and ARTICLES  
OF ASSOCIATION**

- 79 Any alteration to the Memorandum and/or these Articles may be made only upon the following conditions:
- 80 upon the decision of not less than 75% of the Ordinary Members present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose in

**DURNESS DEVELOPMENT GROUP LIMITED MEMORANDUM  
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terms of Article 22;

- 82 with the written consent of IR Charities (and its successors) in confirmation that such changes shall not adversely affect the Company's recognition or registration as a Scottish charity.

**Winding Up**

- 83 If the company is wound up, the liquidator shall give effect to the provisions of clause 7 of the memorandum of association.

**Indemnity**

- 84 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 independent examiner of the company shall be indemnified 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, 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 affairs of the company.

**Interpretation**

- 85 In these articles "the Act" means the Companies Act 1985; 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.
- 86 References in these articles to the singular shall be deemed to include the plural.

**DURNESS DEVELOPMENT GROUP LIMITED MEMORANDUM  
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Names and addresses of subscribers

1.

2.

3.

4.

5.

6.

7.

8.

Dated

**DURNESS DEVELOPMENT GROUP LIMITED MEMORANDUM  
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Witness to the above signatures