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Company number: SC103488046 169

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

SRUC (the "Company")

PASSED: 9 July 2015

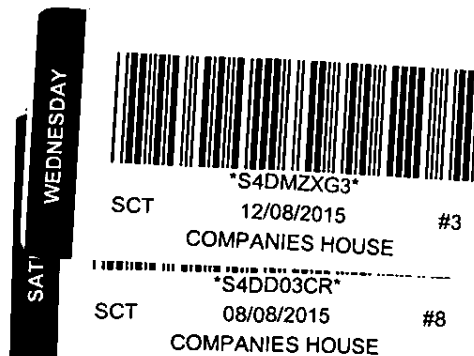
Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the resolution set out below was passed by special resolution of the members of the Company:-

"THAT the new articles of association of the Company in the form annexed to this resolution and initialled by way of identification by the chairman of the Company (or in such substantially similar form as the chairman shall approve to incorporate any changes required by the Scottish Ministers or OSCR) be adopted as the articles of association of the Company in place of, and in substitution for, all existing articles of association of the Company."

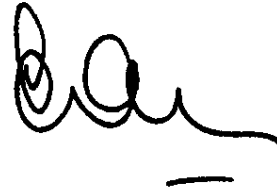
CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COMPANY



.....
Director



Edinburgh~~21.3.2015~~.....
Certified a True Copy



THE COMPANIES ACT 2006
COMPANY LIMITED BY
GUARANTEE AND NOT HAVING A
SHARE CAPITAL

ARTICLES OF ASSOCIATION

of



SRUC

Scotland's Rural College

Company Number SC103046
Scottish Charity Number SC003712

Adopted 9 July 2015

2015
AEB

MORTON FRASER®
SOLICITORS

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION¹

Of



Scotland's Rural College

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¹ Adopted pursuant to Special Resolution passed on 9 July 2015

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1 **Name**

The Company's name is SRUC² (and in this document it is called the "**Company**").

2 **Interpretation**

2.1 In these articles:-

"**A & R Committee**" means the appointments and remuneration committee of the Company which has the responsibility of considering and deciding upon any nominations for the role of director in accordance with article 13.8.

"**Act**" means the Companies Act 2006.

"**articles**" means these Articles of Association of the Company as the same may be amended from time to time.

"**charity**" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities Act or a "charity" within the meaning of section 1 of the Charities Act 2006, providing (in either case) that its objects are limited to charitable purposes.

"**charitable purpose**" means a charitable purpose under section 7 of the Charities Act which is also regarded as a charitable purpose in relation to the application of the Taxes Acts.

"**Charities Act**" means the Charities and Trustee Investment (Scotland) Act 2005.

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

"**director**" means a director of the Company from time to time, each director being, for the purposes of the Charities Act, a trustee.

"**electronic form**" has the meaning given in section 1168 of the Act.

"**member**" means a member of the Company from time to time.

"**office**" means the registered office of the Company.

"**OSCR**" means the Office of the Scottish Charity Regulator.

"**property**" means any property, heritable or moveable, immoveable or personal, wherever situated.

"**secretary**" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"**subsidiary**" has the meaning given in section 1159 of the Act.

"**the United Kingdom**" means Great Britain and Northern Ireland.

² Incorporated as The Scottish Agricultural College the name being changed pursuant to Certificate of Incorporation on Change of Name dated 1 August 2012

- 2.2 Any reference in these articles to a provision of the Act or the Charities Act shall be taken to include any statutory modification or re-enactment of that provision which is in force at the time.
- 2.3 References in these articles to the singular shall be deemed to include the plural and vice versa. References to an article by number are to the appropriately numbered article of these articles.
- 2.4 The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this Company.

3 Limited Liability

- 3.1 The liability of the members is limited.
- 3.2 Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1.00) to the Company's assets, if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the Company's debts and liabilities contracted before he ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of contributories among themselves.

4 Objects

- 4.1 The objects for which the Company is established are for the benefit of the public in Scotland and elsewhere to advance education, science and environmental protection and improvement and in furtherance of these purposes the Company will:-
- 4.1.1 equip, carry on, maintain and develop a college or school or schools having for its or their main objects the provision of tertiary education and in particular the teaching, study of, advice on and research into Agriculture, the Environment, the Rural Economy and the Land Based Industries;
- 4.1.2 disseminate the knowledge of Agriculture, the Environment, the Rural Economy and the Land Based Industries and practice and to promote the efficient development of Agriculture, the Environment, the Rural Economy and the Land Based Industries by the provision and the carrying on of the business of advisory, testing and other services (including financial services) to those engaged in Agriculture, the Environment, the Rural Economy and the Land Based Industries;
- 4.1.3 promote and co-ordinate the teaching and study of, research into, and the provision of advice on Agriculture, the Environment, the Rural Economy and the Land Based Industries and their practice, including co-operation with other persons or bodies, whether public or private and whether individual or corporate or otherwise, and to do so directly or in co-operation with other persons or bodies;
- 4.1.4 carry on the business of farmers, fish farmers, market gardeners and horticulturalists, silvi-culturalists and arbori-culturalists, food technologists and bio-technologists, bee-keepers, poultry husbanders and any other agricultural and land based activities related to the other objects of the Company;
- 4.1.5 provide services in the interest of the public or any sector thereof, whether acting under the guidance, instruction or sponsorship of any government department or governmental or quasi-governmental or public agency or body or otherwise; and

4.1.6 market the agricultural and land-based, scientific, educational, research, advisory and other services which the Company provides and, with that in view, to adopt the measures referred to in articles 5.23, 5.24 and 5.25 below.

4.2 In this clause, as elsewhere in these Articles, the expression "**Agriculture, the Environment, the Rural Economy and the Land Based Industries**" and cognate words, where the context permits, means agriculture and its associated industries, agricultural and environmental science and any cognate or related elements of science, engineering or economics, land management and other subjects, businesses and professions connected with land, the environment, food or other rural resources and includes farm and estate management, animal and crop production and husbandry, market gardening and horticulture, silvi-culture, arboriculture and forestry management, fish farming and fishery management, food and its production and food research, bee-keeping, poultry husbandry, the storage of products and their processing and marketing, veterinary science and practice, the design, modification, conversion and engineering of farm and other buildings, plant and equipment, renewable and alternative energy and land resource use, microbiology, biotechnology, parasitology, pathology, immunology, pharmacology, pharmaceuticals and other advanced technologies and generally all science and matters relating to human and animal health, or its or their respective applications in any field and generally any and all associated sciences, technologies, crafts and skills, and all matters of whatever nature related to the use of land and water resources, health, all aspects of economics and socio-economics, leisure, leisure activities and industries, wildlife habitats, conservation and game management, the rural way of life and environment and the sustainable use of natural resources.

5 Powers

For the purpose of the Company's objects (but not otherwise) the Company has the following powers:-

5.1 To promote (i) the work of other bodies (including any trust) having objects similar to or including the objects specified above, and to this end to affiliate with, or to work in association with or to assist, such other bodies and (ii) such causes which are consistent with the objects specified above, or which are or may be of direct or indirect benefit to the Company from time to time.

5.2 Without prejudice to the generality of articles 5.1, 5.18 and 5.22, to transfer (whether by gift, sale or on such other basis and on such conditions as the Company may in its sole discretion determine) to such bodies referred to in article 5.1, such assets and/or liabilities of the Company as the Company may determine from time to time.

5.3 In relation to itself or any body referred to in articles 5.1 and 5.2 ,

5.3.1 to plan, manage, and co-ordinate education, research and development, and advisory, analytical and consultancy services;

5.3.2 to secure EU, national, local authority or other capital and recurrent grants;

5.3.3 to receive such grants, to disburse the same and to monitor and audit the expenditure thereof;

5.3.4 to charge and receive fees, commissions, profit sharing and other rewards of whatever nature for advisory, analytical, research, development, educational, consultancy and other services;

5.4 To accept legacies, donations, whether by covenant, endowments or otherwise, having for their objects any object similar to those herein expressed; to manage

such legacies, donations and endowments, and to carry out and perform any trusts or conditions attached to them.

- 5.5 To invest the funds of the Company not immediately required in such stocks and shares, debentures or other securities as to the directors may seem appropriate.
- 5.6 To borrow or raise money in such manner as the Company shall think fit, and in particular, but without prejudice to the foregoing, by the issue of debentures or debenture stock (perpetual or otherwise), and to secure the repayment of any money borrowed, raised or owing by the granting of heritable securities, mortgages, charges or liens upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by similar heritable securities, mortgages, charges or liens to secure and guarantee the performance by the Company of any obligation undertaken by the Company or by any other person, firm or company whatsoever as the case may be;
- 5.7 To receive money on deposit or loan, to manage the working capital of the Company and specifically to deposit, lend or advance money or give credit to and to grant such guarantees, indemnities and undertakings to persons, firms or companies (including in particular but without prejudice to the generality, any or all of the bodies referred to in article 5.1 and 5.2 and its and/or their respective subsidiaries) in the ordinary course of business and on such terms as may seem expedient and to give such guarantees, indemnities and undertakings to banks and other such financial institutions which will facilitate the operation of direct debit, credit and similar provisions.
- 5.8 To lend or advance money or give credit to and to guarantee or enter into contracts of indemnity (other than in article 5.7) in respect of the performance by any person, firm or company (including in particular but without prejudice to the generality, any or all of the bodies referred to in article 5.1 and 5.2 and its and/or their respective subsidiaries) of any contract or obligation and the payment of money to or by any such persons, firms or companies and generally to give guarantees and enter into contracts of indemnity or cautionary obligations of all kinds in favour of or for the benefit of any person, firm or company whatsoever, (including in particular but without prejudice to the generality, any or all of the bodies referred to in article 5.1 or 5.2 and its and/or their respective subsidiaries).
- 5.9 To purchase, sell, dispose of, feu, exchange, mortgage, lien or otherwise charge any lands or heritable or immoveable property, or any estate or interest therein, in Scotland or elsewhere, in such manner and to such extent as to the directors may seem expedient for the carrying out of the objects of the Company, or any of them.
- 5.10 To hold, lease, manage, let and to erect, maintain or improve any such buildings and estate as may be required for securing these objects or any of them, including lecture-halls, laboratories, libraries, halls of residence, refectories, farm, rural, urban and other buildings, horticultural buildings, fencing and gates, and to equip the same with all appropriate fixtures, fittings, apparatus, machinery, appliance, books and other source materials as well as convenience.
- 5.11 To acquire necessary lorries, vans, and other vehicles, whether as means of transportation or as working vehicles.
- 5.12 To establish, equip and conduct, and to co-operate in establishing, equipping and conducting courses, classes and other means of instruction at such places and at such times as shall seem expedient.
- 5.13 To make grants to facilitate research in Agriculture, the Environment, the Rural Economy and the Land Based Industries, to establish and grant bursaries and scholarships in agriculture, to make payments towards the expenses of staff and of students, and to grant prizes for success or achievement.

- 5.14 To provide for the holding of examinations and the certification of success or achievement in academic or practical examinations or appropriate levels of merit (including, without prejudice to the foregoing generality, the granting of degrees, diplomas, titles, licences, certificates, credits, awards, approved arrangements (where such approval is required) or in conjunction with such other bodies as may from time to time be agreed.
- 5.15 To publish, and to pay the cost of publishing, books, articles, other literature, audio, visual and audio-visual, productions which in the view of the directors is conducive to education in or the practice of Agriculture, the Environment, the Rural Economy and the Land Based Industries, and to distribute, disseminate and/or market such literature and productions and to design, and supply, incidentally to the other objects of these articles, computer software including operating utilities, systems, compilers, service software and other programmes and their associated documentation, and to market, licence or otherwise deal in such software.
- 5.16 To provide for the delivery of lectures and the holding of conferences, training and other courses, lectures, exhibitions and other meetings likely directly or indirectly to promote the objects of these Articles.
- 5.17 To make or to produce any article or commodity which may conveniently be made or produced in connection with or in association with the activities of the Company and to market or deal in any such article or commodity.
- 5.18 To support and subscribe to any charitable or public object and to support and subscribe to any institution, society or club which pursues objects similar to the objects or any of the objects set out in these articles or to any institution, society or club which may be of benefit to the employees and the dependants of employees of the Company or of the bodies referred to in articles 5.1 and 5.2 and to promote extra-curriculum activities amongst the students of the Company under the auspices of the Company or otherwise and to further the moral, spiritual, social and physical well-being of such students.
- 5.19 To employ or to secure the services of academic, professional, clerical, manual and other staff and to provide remuneration and other benefits for such staff and to allocate their services to any person, company, firm or other organisation on such terms as the directors of the Company may consider appropriate.
- 5.20 To provide or cause to be provided accommodation and related facilities for staff and students.
- 5.21 To give, award or contribute to pensions, annuities and superannuation, whether by way of insurance, the establishment of schemes or trusts or otherwise, for the employees and former employees of the Company or of the bodies referred to in articles 5.1 and 5.2 and for their dependants and such other persons as may be appropriate; and to make to such employees payments on their redundancy or early retirement.
- 5.22 To subscribe for, purchase or otherwise acquire and hold shares or other interests in, or to promote any other company for the purpose of carrying on any business or undertaking in the field of Agriculture, the Environment, the Rural Economy and the Land Based Industries whose operations appear likely to be beneficial to the Company or to secure the achievement of any of its objects; to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of such company; to pay the expenses in connection with such subscription, acquisition or promotion; and subsequently to control and manage or to participate in the control and management of such company.
- 5.23 To amalgamate with any body, company or association on such conditions or terms as to the Company may seem expedient and in connection with such amalgamation,

to convey or transfer to any such body, company or association property belonging to the Company in terms of the relative agreement or to receive conveyance or transfers of such property from any such body, company or association.

- 5.24 To apply for, purchase, or otherwise acquire and obtain exclusive or other interests in patents, trade-marks, copyrights, know-how and other rights of intellectual property; to protect, prolong and renew such interests or rights; and to sell, assign, let out on hire or otherwise market or turn to account such interests or rights.
- 5.25 To carry on business as advisers and consultants to any company, association, individual or other entity, public or private, and to make such charges or fees as are appropriate for the same.
- 5.26 To insure the property of the Company and to take out such further insurances as the directors of the Company may consider appropriate.
- 5.27 To apply for, promote and obtain any Royal Charter or Act of Parliament or any form of secondary legislation, any departmental privilege or licence or other authority which may from time to time appear necessary or desirable to achieve or assist in achieving the objects set out in article 4 or the powers set out in this article 5 or otherwise to advance the objects of the Company, to effect any modification of its constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests; and to oppose any proceedings or applications which may seem directly or indirectly to be likely to prejudice those interests.
- 5.28 Generally, to do all such lawful things as may to the Company seem incidental or conducive to the Company's objects.

6 Application of Income and Property

- 6.1 The income and property of the Company shall be applied solely towards promoting the Company's objects.
- 6.2 No part of the income or property of the Company shall be paid or transferred (directly or indirectly) to the members, whether by way of dividend, bonus or otherwise.
- 6.3 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 actually rendered to the Company (not being of the nature of director's duties or management of the Company). The prohibition of such payments shall not apply to any payment made in the circumstances permitted by section 67 of the Charities Act.

7 Members

- 7.1 Any person appointed a director of the Company shall forthwith upon his appointment apply to be admitted to membership of the Company and, upon his delivering to the Company an application for membership in such form as the directors require executed by him, the directors shall admit such person to membership of the Company.
- 7.2 Those persons who are members as at the date of adoption of these articles and members admitted pursuant to article 7.1 shall be the members of the Company. Save as provided in this article, no person shall be admitted a member of the Company unless he is approved by the directors. Every person who wishes to become a member shall deliver to the Company an application for membership, in such form as the directors require, executed by him.

- 7.3 The directors may at their sole and unfettered discretion at any time terminate the membership of any member. Without prejudice to the foregoing generality, the directors will terminate the membership of any member on that member, where he has been a director of the Company, ceasing to be a director. Further, a member may at any time withdraw from the Company by giving at least seven clear days' notice to the Company. Membership shall not be transferable and shall cease on death.

8 General Meetings

- 8.1 The Company will hold a general meeting as its annual general meeting in each calendar year.
- 8.2 All meetings other than annual general meetings are to be called general meetings.
- 8.3 The directors must convene a 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(2) of the Act).
- 8.4 Subject to the preceding article and to the requirements under section 336 of the Act (which lay down the maximum period which can pass between one annual general meeting and the next), the directors may convene general meetings whenever they think fit.

9 Notice of General Meetings

- 9.1 Any general meeting shall be called by at least 14 clear days' notice. A general meeting may be called by shorter notice if it is so agreed -
- 9.1.1 in the case of an annual general meeting, by all the members entitled to attend and vote at it; and
- 9.1.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the total voting rights at a meeting of all the members.
- 9.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and if a special resolution (see article 10) (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 and, in the case of an annual general meeting, shall specify the meeting as such .
- 9.3 The notice shall be given to all members and to the directors and (if in office at the time) to the auditors.
- 9.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

10 Special resolutions and ordinary resolutions

- 10.1 For the purposes of these articles, a "**special resolution**" means a resolution which to be validly passed under the Act requires to be passed by 75% or more of the votes cast on the resolution at an annual general meeting or general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with article 9; 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.

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

10.2.1 to alter its name;

10.2.2 (subject to the provisions of the Act) to alter the Company's objects; and

10.2.3 to alter any provision of these articles or adopt new articles of association.

- 10.3 For the purposes of these articles, an "**ordinary resolution**" means a resolution which to be validly passed under the Act requires to be passed by majority vote, taking account only of those votes cast in favour of as compared with those votes cast against at an annual general meeting or general meeting, providing proper notice of the meeting has been given in accordance with article 9.

11 Proceedings at General Meetings

- 11.1 No business shall be transacted at any meeting unless a quorum is present. Five persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member (of which not less than three such members shall be non-executive directors), shall be a quorum.

- 11.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the directors may determine.

- 11.3 The chairman of the board of directors or in his absence the vice-chairman or, failing him, some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman, nor such other director (if any) be present within thirty minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman or, if there is only one director present who is willing to act, he shall be chairman.

- 11.4 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. In addition, the chairman may at any time without the consent of the meeting adjourn any meeting to another time or place if it appears to him that:-

11.4.1 the number of persons wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or

11.4.2 the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or

11.4.3 an adjournment is otherwise necessary so that the business of the meeting can be properly conducted.

- 11.5 No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

- 11.6 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
- 11.7 All or any of the members may participate in any meeting by means of a video conference call or any communication equipment which allows all members participating in the meeting to both hear and see each other and, provided five or more members are participating as aforesaid, such meeting shall be quorate. A member so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these articles shall be construed accordingly.

12 **Votes of Members**

- 12.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded -
- 12.1.1 by the chairman; or
 - 12.1.2 by at least two members having the right to vote at the meeting; or
 - 12.1.3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting,
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
- 12.2 On a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote.
- 12.3 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 12.4 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 12.5 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 12.6 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

- 12.7 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 12.8 A written resolution passed in accordance with Chapter 2 of Part 13 of the Act shall be as effectual as if it had been passed at a general meeting duly convened and held.
- 12.9 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may not vote, whether on a show of hands or on a poll.
- 12.10 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 12.11 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve) -

"SRUC

I/We,

of

being a member/members of the above named company, hereby

appoint

of

or failing him,

of

as my/our proxy to vote in my/our name(s) and on my/our behalf at the annual/extraordinary general meeting of the company to be held on 20

and at any adjournment thereof.

Signed on 20 ."

Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve) -

"SRUC

I/We,

of

being a member/members of the above named company, hereby

- 13.1 There will be a maximum of twenty five directors of the Company comprised of up to six directors who shall be full time or part time employees of the Company (who and whose successors are in these articles referred to as the "**executive directors**") and up to nineteen non-executive directors of the Company (who and whose successors are in these articles referred to as the "**non-executive directors**"). Together the executive directors and non-executive directors are hereinafter referred to as "**the directors**".
- 13.2 The directors of the Company shall be those persons who are directors of the Company as at the date of adoption of these articles and such other persons as shall be appointed as directors in accordance with the following provisions of these articles.
- 13.3 An executive director shall be appointed by the directors and shall not be liable to retire by rotation at any annual general meeting.
- 13.4 The non-executive directors shall comprise (i) those persons elected to office by the members in general meeting from time to time; (ii) one person nominated by the staff of the Company (the "**Staff Nominee**") by means of such process for nomination as shall be approved by the A & R Committee from time to time and (iii) the president from time to time of the Company's students association (the "**Student Nominee**"). Save for the Staff Nominee and the Student Nominee, a non-executive director who is elected to office at any general meeting shall retire from office (a) in the case of those persons appointed for a four year term prior to the date of adoption of these articles at the annual general meeting held in the fourth year following the year of his first appointment as a non-executive director; and (b) in the case of those persons appointed after the date of adoption of these articles at the annual general meeting held in the third year following the year of his first appointment as a non-executive director. The Staff Nominee and the Student Nominee shall not be liable to retire at any annual general meeting but shall hold office (a) in the case of the Staff Nominee until such time as replaced in term of the process referred to above; and (b) in the case of the Student Nominee until such time as replaced as president of the Company's students association, whereupon such appointments will automatically terminate.
- 13.5 A retiring non-executive director to whom article 13.4 applies (not being the Staff Nominee or the Student Nominee) shall be eligible to continue in office for a further period of up to three years provided that a non-executive director who is elected to office at any general meeting shall not, subject always to article 13.9, hold office for more than two consecutive three year periods or, in the case of a director in office for a four year term as at the date of adoption of these articles, for a period of four years followed by a maximum period of three years. Furthermore, subject to article 13.9, in the case of a non-executive director in office for his second four year term as at the date of adoption of these articles, that director shall retire on the expiry of that term. A re-elected non-executive director, who is re-elected to office at any general meeting, shall, subject always to article 13.9, retire from office at the annual general meeting held in each year following the year of such re-election. Any director, having retired as a director and not been re-elected, shall vacate office both as a director and as a member of the Company and shall not be eligible to be elected or appointed again as a director of the Company until the next succeeding annual general meeting of the Company.
- 13.6 Any director who gives notice as a member pursuant to article 7.3 that he intends to withdraw as a member of the Company shall cease to be a director upon his ceasing to be a member.
- 13.7 An executive director shall vacate office as a director and as a member of the Company:-

- 13.7.1 at the conclusion for whatever reason of his employment with the Company; or
 - 13.7.2 on his appointment being recalled by the Company in terms of article 13.13; or
 - 13.7.3 if any of the provisions of article 14 apply.
- 13.8 The board shall establish the A & R Committee and shall delegate to it the management of appointment of non-executive directors of the Company (other than the Staff Nominee and the Student Nominee, although the A & R Committee will establish the process for nomination of the Staff Nominee) including the identification of the roles and the capabilities desirable among the non-executive directors, the advertising of posts, the evaluation of applicants and the making of recommendations to the directors and members as to who should be appointed as non-executive directors. All vacancies in the non-executive directors shall be advertised and no candidate for appointment as a non-executive director (other than the Staff Nominee and the Student Nominee) shall be appointed unless he or she has had his or her candidature approved by the A & R Committee.
- 13.9 With regard to the chairman of the Company :-
- 13.9.1 the chairman in post as at the date of adoption of these articles shall (subject always to the right of the directors to recall the chairman's appointment at any time in accordance with article 13.9.2) hold office until the annual general meeting of the Company held in 2015;
 - 13.9.2 thereafter the chairman shall be elected by the directors of the Company. The chairman shall be one of the non-executive directors of the Company. The chairman's appointment can be recalled by the directors of the Company at any time, but, subject to that, will, upon his election as chairman, thenceforth be co-terminous with his appointment as a non-executive director, so that upon his retiring as a non-executive director he shall retire as chairman (except where article 13.9.3 otherwise provides), but if he retires only by virtue of articles 13.4 or 13.12, is eligible for re-election and is re-elected he will also be eligible to continue in office as chairman for the period for which he is re-elected as a non-executive director of the Company;
 - 13.9.3 where a non-executive director continues in office for a further three year period (the "**Further Period** ") as provided in article 13.5 and that non-executive director at the end of the Further Period, when he would otherwise be due to vacate office as a non- executive director pursuant to article 13.5, is the chairman of the Company and as at the end of the Further Period will have served as chairman of the Company for a period of less than five years, then that non-executive director shall not vacate office at the end of the Further Period but shall continue in office as a non-executive director until the first to occur of:-
 - 13.9.3.1 the recall of his appointment as chairman of the Company by the directors of the Company pursuant to article 13.9.1, and
 - 13.9.3.2 the fifth anniversary of the date of his appointment as chairman of the Company, and
 - 13.9.3.3 the expiry of three years from the end of the Further Period:-

whereupon he shall vacate office as a non-executive director and as a member of the Company and shall not be eligible to be elected or appointed again as a director of the Company until the next succeeding annual general meeting of the Company.

- 13.10 No person other than a director retiring at the meeting shall unless recommended by the A & R Committee be eligible for election to the office of director at any general meeting.
- 13.11 Subject to article 13.8, the Company at the meeting at which a director retires may fill such vacancy by appointing a person thereto and in default thereof the retiring director shall, if offering himself for re-election in accordance with article 13.5, be deemed to have been re-elected unless at such meeting it is resolved not to fill such vacancy or the resolution for re-election of the retiring director shall not have been approved by the meeting.
- 13.12 The directors shall have the power at any time and from time to time to appoint any person recommended by the A & R Committee to be a director to fill a casual vacancy but so that the total number of directors shall not at any time exceed the number fixed in accordance with these articles. Any director so appointed, if the director in question be a non-executive director, shall hold office only until the next annual general meeting. Any such director shall be eligible for election at that annual general meeting and, if elected, such election shall be deemed to be his first appointment as a non-executive director for the purposes of article 13.4 and articles 13.4 and 13.5 shall thereupon apply to him.
- 13.13 Without prejudice to articles 13.4, 13.5, 13.8 and 13.9, the Company may by ordinary resolution of which special notice has been given remove any director in pursuance of section 168 of the Act before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the Company and such director. Such removal shall be without prejudice to any claims such director may have for damages for breach of any contract of services between him and the Company.
- 13.14 The Company may by ordinary resolution appoint another person recommended by the A & R Committee in place of a director removed from office under the immediately preceding article. The Company in general meeting may appoint any person to be a director to fill a casual vacancy thus created. Such appointment, if the director in question be a non-executive director, shall, for the avoidance of doubt, be treated as being his first appointment for the purposes of article 13.4 and articles 13.4 and 13.5 shall thereupon apply to him.
- 13.15 The directors may appoint a vice-chairman or vice chairmen of the Company on such terms and with such delegated powers as the directors think fit.

14 Disqualification of directors

A director shall vacate office as a director and as a member of the Company if the director:-

- 14.1 becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 14.2 if he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director;
- 14.3 resigns his office by notice in writing to the Company;
- 14.4 is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest in the manner required by section 317 of the Act; or

- 14.5 he is required to resign by notice in writing signed by a majority of the other directors in the circumstances contemplated by sub-section 66(5) of the Charities Act.

15 **Remuneration of directors**

Subject always to the terms of section 67 of the Charities Act, the directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

16 **Directors' expenses**

The directors may be paid all travelling, subsistence and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or otherwise in connection with the discharge of their duties.

17 **Directors appointments and interests**

- 17.1 Subject to the provisions of the Act and article 17.2, and provided that he has disclosed to the directors the nature and extent of any material interest of his, has not voted on the question of whether or not the Company should enter into the relevant arrangement and the provisions of section 67 of the Charities Act are complied with, a director notwithstanding his office:-

17.1.1 may be party to, or otherwise interested in, any transactions or arrangement with the Company or in which the Company is otherwise interested; and

17.1.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.

- 17.2 For the purposes of article 17.1:-

17.2.1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

17.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

18 **Conduct of directors**

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:-

- 18.1 seek, in good faith, to ensure that the Company acts in a manner which is in accordance with its objects;

- 18.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

- 18.3 in circumstances giving rise to the possibility of a conflict of interest between the Company and any other party:-

- 18.3.1 put the interests of the Company before that of the other party, in taking decisions as a director;
- 18.3.2 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; and
- 18.4 ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the Charities Act.

19 Powers of directors

- 19.1 Subject to the provisions of the Act, the 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. No alteration of the articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 19.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

20 Delegation of directors' powers

The directors may delegate any of their powers to any committee consisting of one or more directors and such other persons as the directors shall determine. They may also delegate to the chairman and to any executive director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation will be made, where appropriate, by means of a formal scheme of delegation and subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members of such committee shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

21 Proceedings of directors

- 21.1 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. The directors shall meet not less than four times per annum. The chairman or vice-chairman may, and the secretary at the request of any two directors shall, call a meeting of the directors. Notice of any meeting of the directors shall be given in writing or by electronic means and, save in case of an emergency, not less than seven days notice shall be given. Questions arising at a meeting shall be decided by a majority of votes but with the qualification that, if any one non-executive director present at the meeting so requires, any resolution or question put to the meeting will only be passed if the number of the non-executive directors present at the meeting who vote in favour is greater than the number of the non-executive directors present at the meeting who vote against. In the case of an equality of votes, the chairman shall have a second or casting vote, and shall also have a second or casting vote as a non-executive director where there is an equality of non-executive directors voting for and against a resolution or question as aforesaid.
- 21.2 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 five of whom at least not less than three must be non-executive directors.

- 21.3 All or any of the directors or any committee of the directors may participate in a meeting of the directors or that committee by means of a conference call or any communication equipment which allows all persons participating in the meeting to hear each other and, provided the relevant quorum of directors or members of the committee is participating as aforesaid, such meeting shall be quorate and, subject to the provisions of these articles, the meeting shall constitute a meeting of the directors or a committee of the directors as the case may be. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.
- 21.4 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- 21.5 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and continued to be a director and had been entitled to vote.
- 21.6 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at the meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors. Any such resolution may take an electronic form.
- 21.7 Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following articles:-
- 21.7.1 the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of the Company or any of its subsidiaries;
- 21.7.2 the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- 21.7.3 his interest arises by virtue of his being a member of the Company or of his subscribing or agreeing to subscribe for any shares, debentures or other securities of any subsidiary or associated company of the Company, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by any subsidiary or associated company of the Company for subscription, purchase or exchange;
- 21.7.4 the resolution relates in any way to a retirement benefits scheme applicable to any one or more employees of the Company or any other corporate body associated with it.

- 21.8 For the purposes of this article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this article becomes binding on the Company), connected with a director shall be treated as an interest of a director.
- 21.9 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 21.10 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

22 Award of pensions

- 22.1 The directors may give or award pensions, annuities, gratuities, superannuation, allowances and bonuses to any persons who are or have at any time been in the employment or service of the Company, or who are or have at any time been executive directors or officers of the Company, and who hold or held salaried employment in the Company, and to the dependants of such persons; and may establish, support and maintain funds or schemes (whether contributory or non-contributory) for providing pensions, sickness or compassionate allowances, life assurance or other benefits for such persons or dependants as aforesaid or any of them or any class of them; and may establish and support or aid in the establishment and support of any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether or not such societies be solely in connection with the business of the Company, and any club or other establishment calculated directly or indirectly to advance the interests of the Company or its members or of such persons as aforesaid; and may subscribe or guarantee money for any exhibition or for any public, general or useful object.
- 22.2 The directors may pay, enter into agreements to pay or make grants (revocable or irrevocable and either subject or not subject to any terms or conditions) of pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding article. Any such pension or benefits may, as the directors consider desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

23 Secretary

A 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.

24 Minutes

The directors shall cause minutes to be made in books kept for the purpose:-

- 24.1 of all appointments of officers made by the directors; and
- 24.2 of all proceedings at meetings of the Company, of the members of the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

25 Authentication of documents

Any director or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office the officer of the Company having the custody thereof shall be deemed to be a person appointed by the directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

26 **Accounts**

True accounts shall be kept of the sums of money received and expended by the Company and of the matter in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the Company, and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Company from time to time, shall be open to the inspection of the members.

27 **Notices**

- 27.1 Any notice to be given to or by any person pursuant to the articles shall be given in or by electronic means.
- 27.2 The Company may give any notice to any director or to any member either personally or by sending it by post in a prepaid envelope addressed to him at his registered address or by leaving it at that address or in the case of a director or member who has notified the Company of an address to be used for the purposes of electronic communications may be given to the member or director by electronic means. Each director will notify the Company of an address to be used for the purposes of electronic communications.
- 27.3 A director or a member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 27.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of forty-eight hours after the envelope containing it was posted. A notice sent by electronic means shall be deemed to have been received at the expiry of 48 hours after it is sent; for the purposes of proving that any notice sent by electronic means was indeed 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.

28 **Indemnity**

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

29 **Officer's liability insurance**

The directors shall have the power to purchase and maintain insurance for the benefit of any persons who are or were at any time directors, the auditor, the secretary or any other officer of the Company or who are, or were at any time, trustees of any pension fund in which any employees of the Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).

30 Winding up

If, upon the winding up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among members of the Company, but shall be transferred to another body having charitable purposes determined by the members in general meeting as having objects similar to the Company's or to another body with charitable purposes which is likely to benefit the agricultural community in Scotland.

31 General

Except to comply with the rule of law, no provision of these articles shall be changed without the consent of the Scottish Ministers, which consent shall not be unreasonably withheld.