

ARTICLES of ASSOCIATION of PARK ECOVILLAGE TRUST
(As Amended)

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

Company No. SC354855

PARK ECOVILLAGE TRUST (As Amended)

Incorporated the 11th FEBRUARY 2009

ARTICLES of ASSOCIATION

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General structure

1. The structure of the Trust consists of:

(a) the MEMBERS who have the right to attend the annual general meeting (and any extraordinary general meeting) and have important powers under the articles of association and the Companies Acts; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves

(b) the DIRECTORS who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the Trust; in particular, the directors are responsible for monitoring the financial position of the Trust.

2. The members of the Trust shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 3 to 7.

Categories of Member

3. Full Members, Associate Members and Organisations.

- Full Member- Any individual who has attained the age of 18 and who has his or her ordinary or principal place of residence or work within the Park Ecovillage Community, Findhorn and who supports the aims and activities of the Trust.
- Associate Member- Any individual who has attained the age of 18, not being eligible for full membership and who supports the aims and activities of the Trust, with the qualification that he/she will not be eligible to vote or to be appointed as a Director.
- Organisation- Any organisation, group or body, which supports the aims and activities of the Trust, shall be represented by one member, with the qualification that he/she will not be eligible to vote or to be appointed as a Director.

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

Application for membership

5. Any person who wishes to become a member must sign, and lodge with the Trust, a written application for membership.

6. (a) Membership shall never be restricted or withheld on the basis of a person's race, religion, physical ability, skin colour, age, gender, national origin, sexual orientation or gender expression.

(b) The directors may, at their discretion, refuse to admit any person to membership, where they have reasonable grounds to assume that their membership would be contrary to the furtherance of the objects and/or activities of the Trust.

7. The directors shall consider each application for membership at the first directors' meeting which is held after receipt of the application; the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application. Membership subscription

8. The amount and classes of Membership subscription shall be determined from time to time in general meeting. Register of members

9. The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member.

Withdrawal from membership

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

Expulsion from membership

11. Any person may be expelled from membership by special resolution (see article 24), providing the following procedures have been observed:

(a) at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion

(b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

12. Membership shall cease on death.

13. A member may not transfer his/her membership to any other person. General meetings (meetings of members)

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14. The directors shall convene an annual general meeting in each year (but excluding the year in which the Trust is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the Trust.

15. Not more than 15 months shall elapse between one annual general meeting and the next. 16. The business of each annual general meeting shall include:

- (a) a report by the chair on the activities of the Trust
- (b) consideration of the annual accounts of the Trust
- (c) the election/re-election of directors, as referred to in articles 42 to 44.

17. The directors may convene an extraordinary general meeting at any time.

18. The directors must convene an extraordinary general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

19. At least 14 clear days' notice must be given of an annual general meeting or extraordinary general meeting.

20. The reference to "clear days" in article 19 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.

21. A notice calling a meeting shall specify the time and place of the meeting; it shall

- (a) indicate the general nature of the business to be dealt with at the meeting and
- (b) if a special resolution (see article 24) (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.

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

23. Notice of every general meeting shall be given

- (a) in hard copy form in writing; or
- (b) (where the individual to whom notice is given has notified the Trust of an address to be used for the purpose of electronic communication) in electronic form; or
- (c) (subject to the Trust notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website. Special resolutions and ordinary resolutions.

24. 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

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propose the resolution has been given in accordance with articles 19 to 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.

25. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Companies Acts allow the Trust, by special resolution,

(a) to alter its name

(b) to alter its memorandum of association with respect to the Trust's objects

(c) to alter any provision of these articles or adopt new articles of association.

26. For the purposes of these articles, an "ordinary resolution" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with articles 19 to 23. Procedure at general meetings

27. No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be three of those individuals entitled to vote (each being a member or a proxy for a member), and the majority present shall be Full Members.

28. If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence or if, during a meeting, a quorum ceases to be present the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.

29. The chair of the Trust shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.

30. The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.

31. Every member entitled to vote, shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.

32. Any member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):

(a) shall lodge with the Trust, at the Trust's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or

(b) shall send by electronic means to the Trust, at such electronic address as may have been notified to the members by the Trust for that purpose, an instrument of proxy (in such form as the directors require) providing (in either case), the instrument of proxy is received by the Trust at the relevant address not less than 48 hours before the time for holding the

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meeting (or, as the case may be, adjourned meeting).

33. An instrument of proxy which does not conform with the provisions of article 32, or which is not lodged or sent in accordance with such provisions, shall be invalid.

34. A member shall not be entitled to appoint more than one proxy to attend on the same occasion.

35. A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and need not be a member of the Trust.

36. A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the Trust at the Trust's registered office (or, where sent by electronic means, was received by the Trust at the address notified by the Trust to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

37. If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.

38. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members or proxies for members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.

39. If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

Number of directors

40. The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination the maximum number of Directors shall be seven and the minimum number of directors shall be four.

Eligibility

41. A person shall not be eligible for election/appointment as a director unless he/she is a member of the Trust, and at all times the number of Full Members shall make up the majority of the total number of directors. Election, retiral, re-election

42. At the first annual general meeting and tri-annual general meetings thereafter, the members may (subject to article 40) elect any member (providing he/she is willing to act) to be a director.

43. The directors may at any time appoint any member (providing he/she is willing to act) to

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be a director (subject to article 40).

44. At each annual general meeting, two of the directors shall retire from office but shall then be eligible for re-election.

Termination of office

45. A director shall automatically vacate office if:

- (a) he/she ceases to be a director through the operation of any provision of the Companies Acts or becomes prohibited by law from being a director
- (b) he/she becomes debarred under any statutory provision from being a charity Trustee
- (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months
- (d) he/she ceases to be a member of the Trust
- (e) he/she becomes an employee of the Trust
- (f) he/she resigns office by notice to the Trust
- (g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office
- (h) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

Register of directors

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

Office bearers

47. The directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate.

48. All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for reelection.

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

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

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

Personal interests

52. A director who has a personal interest in any transaction or other arrangement which the Trust is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 64) from voting on the question of whether or not the Trust should enter into that arrangement.

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

54. Provided

(a) he/she has declared his/her interest

(b) he/she has not voted on the question of whether or not the Trust should enter into the relevant arrangement and

(c) the requirements of article 56 are complied with, a director will not be debarred from entering into an arrangement with the Trust in which he/she has a personal interest (or is deemed to have a personal interest under article 53) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

55. No director may serve as an employee (full time or part time) of the Trust, and no director may be given any remuneration by the Trust for carrying out his/her duties as a director.

56. Where a director provides services to the Trust or might benefit from any remuneration paid to a connected party for such services, then

(a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable

(b) the directors must be satisfied that it would be in the interests of the Trust to enter into the arrangement (taking account of that maximum amount); and

(c) less than half of the directors must be receiving remuneration from the Trust (or benefit from remuneration of that nature).

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

Procedure at directors' meetings

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58. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.

59. Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.

60. No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be three.

61. If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.

62. Unless he/she is unwilling to do so, the chair of the Trust shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.

63. The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.

64. A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the Trust; he/she must withdraw from the meeting while an item of that nature is being dealt with.

65. For the purposes of article 64, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers or any firm of which he/she is a partner or any limited Trust of which he/she is a substantial shareholder or director, has a personal interest in that matter.

66. 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.

67. The Trust may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 64 to 66.

Conduct of directors

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

- (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with its objects (as set out in the memorandum of association)
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
- (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Trust and any other party

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(i) put the interests of the Trust before that of the other party, in taking decisions as a director

(ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the Trust and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question

(d) ensure that the Trust complies with any direction, requirement, notice or duty imposed on it by the Charities and Trust Investment (Scotland) Act 2005.

Delegation to subcommittees

69. The directors may delegate any of their powers to any subcommittee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the Trust (or the holder of any other post) such of their powers as they may consider appropriate.

70. Any delegation of powers under article 69 may be made subject to such conditions as the directors may impose and may be revoked or altered.

71. The rules of procedure for any subcommittee shall be as prescribed by the directors.

Operation of bank accounts

72. The authority of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building Trust accounts held by the Trust; at least one out of the two signatures must be the signature of a director.

Secretary

73. The directors shall, if they so determine, appoint a Trust secretary, and if a Trust Secretary is appointed it shall be on the basis that the term of the appointment, the remuneration (if any) payable to the Trust secretary, and the such conditions of appointment shall be as determined by the directors; the Trust secretary may be removed by them at any time.

Minutes

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

Accounting records and annual accounts

75. The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

76. The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think

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fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.

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

Notices

78. Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member or be sent by post in a prepaid envelope addressed to the member at the address last intimated by him/her to the Trust or (in the case of a member who has notified the Trust of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.

79. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.

80. Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose 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.

Winding up

81. If on the winding up of the Trust any property remains after satisfaction of all the Trust's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the members of the Trust at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.

82. For the avoidance of doubt, a body to which property is transferred under article 81 may be a member of the Trust.

83. To the extent that effect cannot be given to article 81 (as read with article 82), the relevant property shall be applied to some charitable purpose or purposes.

Indemnity

84. Every director or other officer or auditor of the Trust shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the Trust against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office; that may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Companies Acts), 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 any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of Trust in relation to the affairs of the Trust.

85. The Trust shall be entitled to purchase and maintain for any director insurance against

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any loss or liability which any director or other officer of the Trust may sustain or incur in connection with the execution of the duties of his/her office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).

Interpretation

86. In these articles “the Act” means the Companies Act 2006; any reference in these articles to a statutory provision shall be taken to include any statutory modification or reenactment of that provision which is in force at the time.

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