

THE COMPANIES ACTS 1985 AND 1989

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

ARTICLES OF ASSOCIATION

of

WATCHTREE NATURE RESERVE LIMITED (the “Company”)

1. PRELIMINARY AND INTERPRETATION

- 1.1 The regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company.
- 1.2 In these articles the following definitions apply:

“the Act”

the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

“Articles”

these articles of association as amended from time to time;

“clear days”

in relation to the period of a notice or otherwise, means that period excluding the day when the notice or other document is received or deemed to be received and the day for which it is given or on which it is to take effect;

“Board”

the board of Directors for the time being of the Company;

“Business Plan”

the current annual business plan for the Company as accepted by the Board pursuant to Article 7.3.

“Director”

a member of the Board and for the avoidance of doubt a charity trustee within the meaning of charity law;

“electronic address”

includes, but is not limited to, any number or address used for the purposes of electronic communications;

“electronic communications”

a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa):

- (a) by means of a telecommunications system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but while in an electronic form (within the meaning of the Electronic Communications Act 2000);

“executed”

includes any mode of execution;

“memorandum”

the memorandum of association of the Company from time to time;

“office”

the registered office of the Company;

“a person of unsound mind”

a person who is, or may be, suffering from mental disorder and either:

- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

“Procurement Procedures”

the current procurement procedures for the Company as accepted by the Board pursuant to Article 7.3.2;

“Secretary”

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;

“United Kingdom”

Great Britain and Northern Ireland.

- 1.3 Unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force at the date of adoption of the Articles.

2. MEMBERS

- 2.1 Subject to Article 2.2, the members of the Company shall be:
 - 2.1.1 the subscribers to the memorandum and the Articles; and
 - 2.1.2 such other persons as are admitted to membership in accordance with the Articles.
- 2.2 No person shall be admitted as a member of the Company unless he is approved by the Board Every person who wishes to become a member shall deliver to the Company an application for membership in such form as the Board requires executed by him.
- 2.3 A member may at any time withdraw from the Company by giving at least seven clear days' notice to the Company.
- 2.4 A member will automatically cease to be a member:
 - 2.4.1 if he withdraws in accordance with Article 2.4; or
 - 2.4.2 If guilty of such conduct as in the opinion of the Board shall be at variance with the objects and principles of the Company or be prejudicial to its interests; or
 - 2.4.3 upon death, or if he becomes a person of unsound mind, or is convicted of any indictable offence for which he is sentenced to a term of imprisonment.
- 2.5 Membership of the Company is not transferable.

3. GENERAL MEETINGS

- 3.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 3.2 An annual general meeting, an extraordinary general meeting an all other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
 - 3.2.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - 3.2.2 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 the meeting of all the members.
- 3.3 The notice (which shall be sent to all members and all Directors) shall specify the date, time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

- 3.4 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.

4. PROCEEDINGS AT GENERAL MEETINGS

- 4.1 No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member shall be a quorum.
- 4.2 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 to such time and place as the members may determine.
- 4.3 The chairman, if any, of the Board shall preside as chairman of the meeting, but if the chairman is not present within fifteen minutes after the time appointed for holding the meeting and willing to act, the members present shall elect one of their number to be chairman.
- 4.4 A resolution put to the vote of a meeting shall be decided on a show of hands, each member having one vote.
- 4.5 Subject to the provisions of the Act, a Resolution in writing signed by more than half of the Members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held. In the case of a Special Resolution this shall be signed by at least three quarters of the Members entitled to vote. Such Resolution may consist of several documents in like form each signed by one or more of the Members.

5. VOTES OF MEMBERS

- 5.1 No member shall have more than one vote.
- 5.2 A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands, by her/his committee, receiver or curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court.

6. NUMBER OF DIRECTORS

- 6.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall be not less than three.
- 6.2 The composition of the Board following the first Annual General Meeting shall be as follows:

- a) Such persons nominated for election by and elected from the members; and
- b) Not more than one person nominated by Aikton Parish Council or its successors in name and title; and
- c) Not more than one person nominated by Orton Parish Council or its successors in name and title.

7. POWERS OF THE BOARD

7.1 Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

7.2 In addition to all the powers expressly conferred upon them by these Articles and without limiting the generality of the powers granted to them under these Articles, the Directors shall have the power:

7.2.1 to expend the funds of the Company in such manner as they see fit; and

7.2.2 to enter into contracts on behalf of the Company.

7.3 The Board will:

7.3.1 procure that a Business Plan for each new financial year which is adopted by majority approval of the Board no later than two months prior to the commencement of such financial year.

7.3.2 procure that a Procurement Procedure is adopted by majority approval of the Board

7.3.3 ensure that the business of the Company is carried on in accordance with the current Business Plan.

7.3.4 ensure that the business of the Company is carried on in accordance with the current Procurement Procedure.

7.4 Any alteration to the Business Plan or the Procurement Procedure must be approved by a majority of the Board.

8. DELEGATION OF BOARD'S POWERS

The Board may appoint one or more sub-committees consisting of three or more directors for the purpose of making any enquiry or supervising or performing any function or duty which in the opinion of the Board would be more conveniently undertaken or carried out by a sub-

committee; provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the Board.

9. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 9.1 At the first Annual General Meeting and at the Annual General Meeting held in every subsequent year, one third of the members of the Board for the time being, or if their number is not a multiple of three then the number nearest to one third, shall retire from office.
- 9.2 The members of the Board to retire shall be those who have been longest in office since their last election or appointment. As between members of equal seniority, the member to retire shall in the absence of agreement be selected from among them lots. The length of time a member has been in office shall be computed from his last election or appointment. A retiring member of the Board shall be eligible for re-election.
- 9.3 The Board may by majority vote appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.

10. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director shall be vacated if:

- 10.1 he ceases to be a Director by virtue of the Act or he becomes prohibited by law from being a Director; or
- 10.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 10.3 he is or becomes a person of unsound mind;
- 10.4 he resigns his office by notice to the Company; or
- 10.5 he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
- 10.6 he ceases to be a member of the Company; or
- 10.7 he is removed from office under section 303 of the Act or by extraordinary resolution of the Company; or
- 10.8 he becomes an employee of the company.

11. DIRECTORS' EXPENSES

Subject to the production of satisfactory proof of payment, the Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of debentures of the Company or otherwise in connection with the discharge of their duties.

12. DIRECTORS' INTERESTS

- 12.1 Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office be entitled to attend and vote at board meetings in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether a quorum is present.
- 12.2 For the purpose of Article 12.2:
- 12.2.1 a general notice given to the Board 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
- 12.2.2 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.

13. PROCEEDINGS OF THE BOARD

- 13.1 Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. In the event of a tied vote and the Chair being a local authority representative then the casting vote shall transfer to an independent member.
- 13.2 The quorum for the transaction of the business of the Board shall be two.
- 13.3 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.
- 13.4 The Board may appoint one of its number to be the chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of the Board at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is

not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

- 13.5 All acts done by a meeting of the Board, or of a committee of the Board, 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 had continued to be a Director and had been entitled to vote.
- 13.6 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more Directors.
- 13.7 Provided that due notice has been given, a telephone conference call during which a quorum participates in the call shall be deemed to be a meeting of the Directors so long as all those participating can hear and speak to each other throughout the call.

14. SECRETARY

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

15. NOTICES

- 15.1 Any notice to be sent or given to or by any person under the Articles (other than a notice calling a meeting of the Board or a committee of the Directors) shall be in writing and subject to the Articles, may be sent using electronic communication to an electronic address from time to time notified for that purpose to the person sending the notice.
- 15.2 The Company may give any notice to a member either personally, by sending it by post in a prepaid envelope addressed to the member at his registered address, by leaving it at that address or (if appropriate) by using electronic communication. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
- 15.3 A member present 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.
- 15.4 Notices will be deemed to be received:
- 15.4.1 if personally delivered, at the time of delivery and, in proving service, it shall be sufficient to produce a receipt for the notice signed by or on behalf of the addressee;

- 15.4.2 if by letter, at noon two business days after such letter was posted and, in proving service, it shall be sufficient to prove that the letter was properly stamped first class, addressed and delivered to the postal authorities; and
- 15.4.3 if by electronic communication to an electronic address, at the expiration of 24 hours after the time it is sent and in proving service, it shall be sufficient to prove that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators.
- 15.5 Notice of a general meeting shall also be treated as sent to a person using electronic communication where:
- 15.5.1 the Company and that person have agreed that notices of general meetings required to be given to that person may instead be accessed by him on a website;
- 15.5.2 the meeting is a meeting to which that agreement applies;
- 15.5.3 that person is notified, in a manner for the time being agreed between him and the Company for the purpose, of:
- (a) the publication of the notice on a website;
 - (b) the electronic address of that website; and
 - (c) the place on that website where the notice may be accessed, and how it may be accessed; and
- 15.5.4 the notice continues to be published on that website throughout the period beginning with the giving of that notification and ending with the conclusion of the meeting;
- and a notice treated in accordance with this Article as sent to any person is to be treated as so sent at the time of the notification mentioned in Article 15.5.3
- 15.6 A notification given for the purposes of Article 15.5.3 must;
- 15.6.1 state that it concerns a notice of a Company general meeting sent in accordance with the Articles and the Act;
- 15.6.2 specify the place, date and time of the meeting; and
- 15.6.3 state whether the meeting is to be an annual or extraordinary general meeting.
- 15.7 Nothing in Article 15.5 shall invalidate the proceedings of a general meeting where:
- 15.7.1 any notice that is required to be published as mentioned in Article 15.5.4 is published for a part, but not all, of the period mentioned in that Article; and
- 15.7.2 the failure to publish that notice throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

16. 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 of the Company shall be entitled to

be indemnified out of the assets of the Company against any liabilities, losses, costs and expenses incurred or sustained by him in defending any proceedings, whether civil or criminal, in which judgment 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.

17 APPLICATION OF SURPLUS

17.1 The surplus of the Company shall only be applied in the following ways and in such a manner as may be recommended by the Board and approved at the Annual General Meeting:

- a) First, to creating a general reserve for the continuation and development of the company.
- b) Secondly, to make payments for social and charitable purposes in furtherance of its objects.

18 ASSOCIATE MEMBERS

The Company shall have the power to create such categories of associate members as shall be necessary to ensure that they take into account the views and opinions of the local community and relevant agencies and to provide services to such associate members; associate members shall not be members of the company and shall have no rights and liabilities under these Articles.

Names and addresses of subscribers

DATED this day of 2004

WITNESS to the above signatures: