

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

PORT EDGAR YACHT CLUB LIMITED ("the Club")

1 Preliminary

Regulations 2 to 38 inclusive, 40, 54, 55, 57, 59 to 63 inclusive, 73 to 80 inclusive, 102 to 108 inclusive, 110, 114, 116 and 117 of Table A in the schedule to The Companies (Tables A - F) Regulations 1985 ("Table A"), shall not apply to the Club but the articles hereinafter contained and, subject to the modifications hereinafter expressed, the remaining regulations of Table A shall constitute the articles of association of the Club.

2 Interpretation

In regulation 1 of Table A, the definition of "the holder" shall be omitted.

3 Members

- 3.1 The number of members with which the Club proposes to be registered is unlimited. The minimum number of members will be 25. The club will be considered properly constituted as long as the membership remains above the minimum level.
- 3.2 Membership of the Club is open to all and no application for membership will be refused other than on reasonable grounds. Without prejudice to the foregoing generality there will be no discrimination on grounds of race, sex or religious, political or other opinion.
- 3.3 An application for membership will be in the form prescribed from time to time by the Committee, and will include the name and address of the candidate. All applications for membership shall be accompanied by the appropriate membership fee, which shall thereafter be payable on demand.
- 3.4 The Club will have membership categories as determined by the Committee from time to time and approved by the membership at either the Annual General Meeting or an Extraordinary General Meeting.
- 3.5 The rights and privileges of each category of membership shall be as determined by the Committee from time to time and set out in the latest edition of the bylaws of the Club.

4 Entrance and Subscription Fees

- 4.1 The rate of entrance fee and subscription fee for each category of membership will be proposed by the Committee to the members at the Annual General Meeting in each year. Any proposed changes will be subject to approval by a majority of the members present and entitled to vote at the Annual General Meeting and will become operative immediately following the Annual General Meeting in question. The rate of entrance fee and subscription current at any time will be recorded in the current bylaws and prominently displayed in the Club premises.
- 4.2 Members will also be liable for any charge levied by the Club for the use of special facilities.
- 4.3 Every member will furnish the Honorary Treasurer with an up-to-date address which will be recorded in the Register of Members to be maintained by the Honorary Treasurer.
- 4.4 A member who, for any reason, anticipates an inability to use the Club or its facilities for the whole of one year will be excused payment of the annual subscription and other annual fees for that year provided that notice in writing of such inability is given to the Honorary Secretary before the last day of December in the previous year. A member wishing to be re-instated during a year of temporary absence shall pay such proportion of the annual subscription and other annual fees as the Committee may require.

- 5.1 Any member wishing to resign his membership of the Club must give notice in writing of his intention to do so to the Honorary Secretary before 31 December in any year failing which the member must pay the subscription for the next year. Upon re-application for membership by a past member the Committee may, at its discretion, excuse the payment of an entrance fee.
- 5.2 The Committee may cancel without giving any notice the membership of any member whose annual subscription or other annual fee are in arrears after 1 April in any year, provided that the Committee may at its discretion, reinstate such member upon payment of arrears. A member whose annual payments are in arrears may not enter any Club event or regatta nor vote at any meeting.
- 5.3 Upon election and thereafter a member is deemed to have notice of, and agrees to comply with the terms of the Memorandum and Articles and the bylaws of the Club. If a member refuses or otherwise fails to act in accordance with the Memorandum and Articles of the Club or the bylaws or otherwise engages in conduct which in the opinion of the Committee is unworthy of a member or otherwise injurious to the interests of the Club, the Committee may expel that member. Before expelling a member the Committee will offer the member the opportunity to provide a written explanation of his or her conduct or to resign. Any resolution to expel a member shall require a simple majority vote of the members of the Committee present and voting on the resolution.
- 5.4 The rights of members are personal and not transferable and cease upon the member's death.

6 The Committee, Officers and Directors

- 6.1 The officers of the Club will be voting members of the Club and shall be a Commodore, a Vice Commodore, a Rear Commodore Sailing, a Rear Commodore Shore, an Honorary Secretary and an Honorary Treasurer. Officers will be elected at the Annual General Meeting in each year and shall hold office for one year, retiring at the termination of the Annual General Meeting in each year. All officers of the Club are eligible for re- election.
- 6.2 The directors of the Club (in these Articles collectively referred to as "the Committee" and individually as "members of the Committee") are the officers referred to in 6.1 above and not more than 6 voting members of the Club elected at the Annual General Meeting each year. All members of the Committee will hold office for one year retiring at the Annual General Meeting in each year.
- 6.3 The members of the Committee immediately following the adoption of these Articles shall be those persons who were members of the Committee of the unincorporated association known as "Port Edgar Yacht Club, incorporating Queen Margaret Yacht Club" immediately prior to the dissolution of that unincorporated association.
- 6.4 Candidates for election to all offices and to the Committee must have consented to their nomination and must be proposed and seconded by voting members of the Club and their names, together with the names of the proposer and seconder, must be submitted to the Honorary Secretary at least two weeks prior to the AGM at which they are seeking election. In the event of there being two or more nominations for a vacancy, a vote shall be held at the Annual General Meeting in accordance with Article 15.4.
- 6.5 If the number of candidates for election to the Committee is equal to or less than the number of vacancies to be filled, then all candidates shall be deemed elected if two thirds of the members present and entitled to vote at the Annual General Meeting vote in favour of such election.
- 6.6 If a casual vacancy occurs in the Committee, the Committee may co-opt a member of the Club entitled to vote at general meetings of the Club to fill such vacancy.
- 6.7 Any member of the Committee appointed to fill a casual vacancy must retire at the Annual General Meeting next following his appointment.
- 6.8 The office of a member of the Committee is vacated if:-
 - 6.8.1 his membership of the Club is terminated; or
 - 6.8.2 he absents himself from meetings of the Committee for a continuous period of six months without special leave of absence from the other members of the Committee; or
 - 6.8.3 he gives the Committee one calendar months' notice that he resigns his office; or
 - 6.8.4 he is removed by a resolution passed by simple majority at a general meeting of the Club.

The Honorary Secretary (who will be the Secretary of the Club for the purposes of the Companies Act 1985) will:-

- 7.1 conduct the correspondence of the Club;
- 7.2 keep custody of Club documents;
- 7.3 arrange and manage meetings of the Club, including the Annual General Meeting and keep full minutes of all meetings of the Club and the Committee;
- 7.4 arrange any insurance policy or policies needed to fully protect the interests of the Club and its members;
- 7.5 maintain contact with the Club's legal adviser to ensure that the Club's affairs are managed in accordance with current law; and
- 7.6 maintain contact with the Club's operations director at Port Edgar to facilitate effective communications.

8 Duties of the Honorary Treasurer

The Honorary Treasurer will:-

- 8.1 keep accounts as necessary to give a true and fair view of the state of the finances of the Club;
- 8.2 ensure that all returns required by law in relation to the Club's accounts are rendered as and when due;
- 8.3 prepare an Annual Balance Sheet as at 31 October in each year and arrange for this Balance Sheet and the accounts of the Club to be examined at least once annually by an Independent Examining Accountant;
- 8.4 arrange for the accounts to be circulated with the notice of the Annual General Meeting; and
- 8.5 keep a register of Club members' names and addresses.

9 Proceedings of the Committee

- 9.1 The Committee will meet at intervals not exceeding 12 weeks. The Committee will regulate its proceedings as it thinks fit and the members of the Committee will be notified in advance by the Honorary Secretary of the date and place of meetings and of the business to be transacted at any meeting. The Commodore, or in his absence, a chairman elected by those members of the Committee present at any meeting, shall preside at meetings of the Committee.
- 9.2 The quorum for any meeting of the Committee shall be six members of the Committee.
- 9.3 Save in relation to a resolution relating to the expulsion of a member in accordance with article 5.3 (which will be by ballot) voting at meetings of the Committee will be by show of hands. If there is an equality of votes the Chairman shall have a second and casting vote.
- 9.4 In paragraph (c) of regulation 94 of Table A, the word "debentures" shall be substituted for the words "shares, debentures and other securities" in both places where they occur.

10 Directors' expenses

The words "of any class of shares or" shall be omitted from regulation 83 of Table A.

11 Powers of the Committee and Sale of Alcoholic Liquor

- 11.1 The Committee may exercise all powers that may be exercised by the Club and do anything that may be done by the Club, except where under these Articles or by statute from time to time in force the power must be exercised or the thing done by the Club in general meeting.
- 11.2 In exercising their powers the Committee will manage the affairs of the Club in accordance with these Articles and will ensure that the funds of the Club are applied solely to the objects of the Club or for a benevolent or charitable purpose nominated by the Club in general meeting.
- 11.3 The Committee may from time to time make, alter and repeal any bylaws and regulations they consider necessary or expedient or convenient for the proper conduct and management of the Club, and will exhibit these bylaws and regulations in a prominent place in the Club premises for at least fourteen days before the date on which they come into force. Such bylaws and regulations will remain in force and on display until approved or set-aside by a vote of the Club in general meeting. All bylaws, so long as they are in force, are binding on all members of the Club.
- 11.4 The Committee may delegate any of its powers to a sub-committee or sub-committees appointed by the Committee, including the management of the Club's sailing programme, and the setting of bylaws and regulations. Each sub-committee will include at least one member of the Committee. Any delegation of powers to a sub-committee may be recalled or revoked by the Committee at any time.

- 11.5 The purchase for the Club of alcohol and the supply of alcohol in Club premises shall be exclusively and solely under the control of the Committee or of a special sub-committee. Alcohol may be sold for consumption on the Club premises only to persons over the age of eighteen who are entitled to use the Club premises in pursuance of these Articles and the present bylaws and regulations of the Club. No-one under the age of eighteen may purchase, attempt to purchase or have purchased for him alcohol in the Club premises.
- 11.6 Non-members may not be supplied with alcoholic liquor in the Club premises except of the invitation and in the company of a member. Upon admission of such a visitor to the Club premises, or immediately upon his being supplied with alcoholic liquor, the member will enter his own name and the name and address of the visitor in the Visitors Book. A Visitors Book will be kept for this purpose and will show the date of each visit. A member may not introduce more than 3 guests in any one day and the same guest may not be introduced more than 6 times in any calendar year. Members shall be responsible for the conduct of their guests.
- 11.7 No member and no manager or servant employed by the Club may have any personal interest in the sale of, or profits arising from the sale of, alcohol by the Club.
- 11.8 Proper accounts of all purchases and receipts in respect of the sale of alcoholic liquor must be kept and presented by the Honorary Treasurer at the Annual General Meeting in each year. The Honorary Treasurer will supply any information required by the Honorary Secretary or the auditors to enable any statutory return or statement to be prepared or the payment of excise or other duty or tax.

12 General meetings

- 12.1 The annual general meeting ("AGM") of the Club will be held not later than the last day of February each year on a date to be fixed by the Committee.
- 12.2 An extraordinary general meeting:-
- 12.2.1 may be called by the Committee; and
- 12.2.2 shall be called by the Committee within six weeks of a requisition from at least ten Members entitled to vote. Any such requisition must be addressed to the Honorary Secretary and state the terms of a resolution or resolutions capable of being voted upon at the meeting and must be accompanied by evidence of the qualification of the requisitionists to make the requisition.
- 12.3 Notice of any general meeting together with an agenda, specifying in reasonable detail the business to be dealt with at the meeting and the terms of any resolution to be voted upon, will be sent to all members at least 21 days before the date of any general meeting.
- 12.4 Any resolution for inclusion in the notice of the AGM must be submitted in writing to the Honorary Secretary not later than six weeks prior to the meeting.
- 12.5 Fifteen persons present and entitled to vote shall form a quorum at any general meeting.

13 Proceedings at general meetings

- 13.1 The words "and at any separate meeting of the holders of any class of shares in the company" shall be omitted from regulation 44 of Table A.
- 13.2 Paragraph (d) of regulation 46 of Table A shall be omitted.
- 13.3 The Chairman of the Committee, whom failing a Flag Officer, in order of seniority, shall be the Chairman of any general meeting. If neither the Chairman nor any Flag Officer is present at the meeting those members present and entitled to vote shall elect a chairman from among their number by simple majority on a show of hands. There shall be no ballot on any resolution to appoint a chairman.
- 13.4 Voting at any general meeting shall (subject always to the terms of the Companies Act 1985) be by simple majority of those persons entitled to vote (being Full, Life, Family and Affiliate Club Members) and shall, unless a ballot is requested or on a resolution to appoint members of the Committee (where election shall be by ballot), be by show of hands, each person present and entitled to vote having one vote. If a ballot is requested ballot papers shall be issued at the meeting. In the event of an equality of votes (other than on a resolution to elect members of the Committee) the Chairman shall have a second and casting vote.
- 13.5 Members of the Club who are not entitled to vote may attend general meetings, but may not vote.

14 Minutes

The words "of the holders of any class of shares in the company" shall be omitted from regulation 100 of Table A.

15 Dissolution

If upon the winding---up or dissolution of the Club there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Club, but shall be given or transferred to another institution or institutions with objects similar to the objects of the Club, such institution or institutions being determined by a resolution of the members passed at a general meeting held at or before the time of winding---up or dissolution. If for any reason the said property cannot be transferred to any such institution or institutions, then such property will be donated to charity.

16 Damage to Club Property

A member shall not knowingly remove, injure, destroy or damage any property owned by or in the care of the Club, and will make good to the Club any loss caused by him in breach of this Article at the request of the Committee or the Honorary secretary on the instructions of the Committee.

17 Notices

- 17.1 The second sentence of regulation 112 of Table A shall be omitted.
- 17.2 The words "or of the holders of any class of shares in the company" shall be omitted from of Table A.