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

MEMORANDUM OF ASSOCIATION

of

KILFINAN COMMUNITY FOREST COMPANY

1. The name of the Company is “KILFINAN COMMUNITY FOREST COMPANY.”
2. The registered office of the Company will be situated in Scotland.
3. The Company is established to benefit the community of Kilfinan (as defined by the postcode unit PA21 and hereon in as “**the Community**”) with the following Objects which are:
 - 3.1 To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland’s natural environment, where “sustainable development” means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
 - 3.2 To promote, for the public benefit, rural regeneration, following principles of sustainable development (where ‘sustainable development’ means development which meets the needs of the present without compromising the ability of future generations to meet their own needs), in areas of social and economic deprivation within the Community by all or any of the following means:
 - 3.2.1 the provision of financial assistance, technical assistance, or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - (i) in setting up their own business, or
 - (ii) to existing businesses;
 - 3.2.2 the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;

- 3.2.3 the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
 - 3.2.4 the maintenance, improvement or provision of public amenities;
 - 3.2.5 the preservation of buildings or sites of historic or architectural importance;
 - 3.2.6 the provision or assistance in the provision of recreational facilities for those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities and for the public at large;
 - 3.2.7 the protection or conservation of the environment; and
- 3.3 To advance the education of the Community about its environment, culture and/or history; and
- 3.4 Such other purposes ancillary thereto as may be necessary or desirable for the furtherance of the foregoing objects.
4. In furtherance of the above Objects but not further or otherwise the Company shall have the following powers:
- a) to assist financially or otherwise any body, trust, association or organisation (whether incorporated or not) which has purposes consistent with the above Objects and which are charitable by the law of Scotland.
 - b) to take and accept any gift of money, property or other assets (including instalments of money to be paid under deed or covenant and money transferred to the Company by way of loan) upon or for any special trusts institutions or purposes (provided that the same shall be connected with the objects for whose benefit the Company is established) including trusts institutions and purposes either specified or to be specified by some person other than the Company or in default of any trust institution or purpose being specified to be selected by the Company at its discretion from a class or classes of trusts institutions or purposes specified by some such other person or persons and in either case with or without such person being named as the donor;
 - c) to invest in its own name or in the name of nominees moneys of such Company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;

- d) to delegate upon such terms and with such remuneration as the Company shall think fit to professional investment managers (“the Managers”) the exercise of the power contained in the foregoing sub-clause (c) provided always that:
- (i) the Managers shall be persons who are authorised to carry out regulated activities under the provisions of the Financial Services and Markets Acts 2000 or any statutory modification or re-enactment of the same;
 - (ii) the Company shall authorise the Managers to exercise such delegated power as aforesaid only within clear investment policy guidelines laid down from time to time by the Company and the Company shall use its best endeavours to ensure that those guidelines are observed;
 - (iii) the Managers shall be under a duty to report promptly to the Company and exercise of the power delegated as aforesaid and to report all transactions at least within 14 days and to report on performance of any investments managed by them at least every 3 months;
 - (iv) the Company shall at all times be free forthwith to review alter or determine such delegation and the terms thereof;
 - (v) the Company shall review such delegation at intervals not (in the absence of special reasons) exceeding 12 months but so that any failure by the Company to undertake such review within the said period of 12 months shall not invalidate the delegation;
- e) to subscribe for, take or otherwise acquire and hold shares, stock, debentures or other securities of or interests in any company or undertaking established with the intention of directly benefiting the Company provided always that appropriate professional advice shall have been sought before making such subscription or acquisition;
- f) to make any donations in cash or assets or to establish or support or aid in the establishment or support or maintenance of or to constitute or lend money (with or without security) to or for any purpose, but in any such case in furtherance of the Objects;
- g) to undertake and execute trusts and to act as trustees of any trusts which have objects altogether or mainly similar to those of the Company;
- h) to amalgamate with any companies, institutions, societies or associations which shall be charitable by law and have objects altogether or mainly similar to those of the Company and prohibit payment of any dividend or profit to and the distribution of any of their assets amongst the members at least to the same extent as such payments or distributions are prohibited in the case of members of the Company by this Memorandum of Association;

- i) to appoint a President, Vice President(s) and Patrons and such other honorary officers for such period and subject to such privileges and conditions as may be thought fit;
- j) to pay any sum of income or capital intended to be applied for the purposes set out herein to the Treasurer or other proper official of any body trust association or organisation (whether incorporated or not) whose objects are for the time being consistent with the objects set out herein.
- k) to make and alter such rules and regulations as may be requisite for the efficient management, development and administration of the Company;
- l) to borrow or raise money for the objects of the Company on such terms and on such security as may be thought fit subject to such consents as may be required by law;
- m) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Company;
- n) to raise funds, organize appeals and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation or otherwise provided that in raising funds the Company shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- o) to purchase, take on lease or in exchange, hire or otherwise acquire real or personal property and rights or privileges anywhere in the world, and to construct, maintain and alter buildings or erections; to sell, manage, let or mortgage, dispose of or turn to account all or any of the property or assets of the Company subject to such consents as may be required by law; and to execute and do all such other instruments, acts and things as may be requisite for the efficient management, development and administration of the said property;
- p) to register an interest in land and to exercise the right to buy under the Land Reform (Scotland) Act 2003 including any statutory amendment or re-enactment thereof for the time being in force (“**the Land Reform Act**”);
- q) to employ or engage, and to pay upon such reasonable and proper terms as may be thought fit, such persons or person (not being directors of the Company) whether on a full-time or part-time basis and whether as employee or consultant to supervise, organize, carry on the work of and advise the Company, as maybe necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payments of the pensions and superannuation of staff and dependants;
- r) to establish or support any charitable trusts, associations or institutions formed for all or any of the Objects;

- s) to co-operate with charities, voluntary bodies and statutory authorities operating in furtherance of the Objects or similar purposes and to exchange information and advice with them;
- t) to promote and organise co-operation between statutory bodies and other organisations within the area of benefit and its immediate neighbourhood;
- u) to procure and provide information relevant to the furtherance of the Objects;
- v) to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation, registration and administration of the Company;
- w) to effect insurance of all kinds (which may include indemnity insurance in respect of Directors and employees).
- x) to do all such other lawful things as are necessary for the achievement of the Objects.

5. The income and property of the Company shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company, and no director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company provided that nothing in this Memorandum of Association shall prevent any payment in good faith by the Company:-

- (1) of the usual professional charges for business done by any director who is a solicitor, accountant or other person engaged in a profession, or by any partner firm of company of his or hers, when instructed by the Company to act in a professional capacity on its behalf (provided that at no time shall a majority of the directors benefit under this provision and provided that a director shall withdraw from any meeting at which his or her appointment or remuneration, or that of any such partner firm or company referred to above, is under discussion);
- (2) of reasonable and proper remuneration for any services rendered to the Company by any member, officer or servant of the Company who is not a director;
- (3) of interest on money lent by any member of the Company or director at a reasonable and proper rate per annum not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the directors;
- (4) of fees, remuneration or other benefit in money or money's worth to any company of which a director may also be a member holding not more than 1/100th part of the issued capital of that company;
- (5) of reasonable and proper rent for premises demised or let by any member of the Company or a director;
- (6) to any director of reasonable out-of-pocket expenses;

- (7) of any premium in respect of the purchase and maintenance of indemnity insurance in respect of liability for any act or default of the directors (or any of them) in relation to the Company provided that such insurance shall not extend to indemnification against liability for wilful or criminal wrongdoing or default;
6. The liability of the members is limited.
7. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.
8. 8.1 The winding-up of the Company may take place only on the decision of not less than 75% of its Ordinary Members who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose.
- 8.2 If, on the winding-up of the Company, any property remains, after satisfaction of all its debts and liabilities, such property (including any land acquired by it in terms of the Land Reform Act) shall be given or transferred to any one or more recognised charities that are "community bodies" in terms of Section 34 of the Land Reform Act:
- (a) having the same or a similar object(s) to the Objects;
 - (b) as determined by not less than 75% of the Ordinary Members of the Company present and voting at an General Meeting called specifically (but not necessarily exclusively) for the purpose; and
 - (c) as approved thereafter by the Scottish Ministers.
- 8.3 If no community body is determined by the Ordinary Members and approved by Scottish Ministers in terms of Clause 8.2, such property referred to in Clause 8.2 shall be given or transferred to the Scottish Ministers or to any one or more charitable community bodies as the Scottish Ministers may direct in terms of Section 34 of the Land Reform Act.