

Registered No. 233 RCS

RULES OF THE

TAY FORTH MACHINERY RING LIMITED

Registered under the Industrial and Provident Societies Act on the

Registered Office—
Claremont House
18/19 Claremont Crescent
Edinburgh EH7 4JW

Issued by the
Scottish Agricultural Organisation Society Limited
Claremont House
18/19 Claremont Crescent, Edinburgh, EH7 4JW

MODEL RULES—S.A.O.S. 1982

LIST OF RULES

- 1. Name.
- 2. Registered Office.
- 3. Object.
- 4. Powers.
- 5. Shares.
- 6. Share Ownership of Shares.
- 7. Lien on Shares.
- 8. MEMBERSHIP
- 9. Members.
- 10. Shares to be held by Members.
- 11. Unissued Shares.
- 12. Expulsion of Members.
- 13. REGISTER OF MEMBERS AND OFFICERS
- 14. Right of Inspection.
- 15. TRANSFERS
- 16. Board's Consent to Transfers.
- 17. PAYOUTS
- 18. Distribution of Profits.
- 19. LOANS AND INVESTMENTS
- 20. Loans.
- 21. INVESTMENTS
- 22. GENERAL MEETINGS
- 23. Annual General Meeting.
- 24. Notice of General Meeting.
- 25. Chairman at General Meetings.
- 26. Proxies.
- 27. Representation of Societies or Societies.
- 28. Quorum at General Meetings.
- 29. Procedure at an adjourned General Meeting.
- 30. BOARD OF DIRECTORS
- 31. Board of Directors.
- 32. Meeting of Board.
- 33. Eligibility for Board.
- 34. Election of Directors.
- 35. Removal of Directors.
- 36. Remuneration of Directors.
- 37. Discussions at Meetings.
- 38. PRELIMINARY EXPENSES
- 39. Preliminary Expenses.
- 40. THE SEAL
- 41. Use of the Seal.
- 42. Custody of the Seal.
- 43. USE OF NAME
- 44. Accounts.
- 45. ANNUAL RETURN
- 46. Books of Account.
- 47. Annual Return.
- 48. Copies of Annual Return.
- 49. NOMINATIONS AND ELECTIONS
- 50. BANKRUPTCY OF A MEMBER
- 51. Death or Bankruptcy of a Member
- 52. STATUTORY APPLICATIONS TO THE REGISTRAR
- 53. Applications to Registrar.
- 54. ARBITRATION
- 55. Dispute.
- 56. DISSOLUTION OF THE SOCIETY
- 57. DISPOSITION
- 58. COPIES OF RULES
- 59. Copies of Rules.
- 60. AMENDMENTS OF RULES
- 61. Mode of Amending Rules.
- 62. INTERPRETATION
- 63. Interpretation.
- 64. PRELIMINARY EXPENSES
- 65. Preliminary Expenses.

(The blank spaces indicated by asterisks should be filled in.)

RULES OF THE

TAY FORTH MACHINERY RING LIMITED

NAME, OBJECTS, ETC.

- 1. Name.— The Name of the society shall be Tay FORTH Machinery Ring Limited, hereinafter referred to as "the society".
- 2. Registered Office.— The Registered Office of the society shall be at Claremont House 18/19 Claremont Crescent Edinburgh EH7 4JW. The Registered Office may be changed by a resolution of the Board. In the event of any change in the situation of the Registered Office, notice of such change shall be sent by the Secretary within 14 days thereafter to the Registrar in the form prescribed by the Treasury Regulation in that behalf.

To be filled in according to the objects of the society shall be to carry on in accordance with the objects of the society for the benefit of members, the trades, industries or businesses of the society to be registered.

3. Objects.— The objects of the society shall be to carry on in accordance with the objects of the society for the benefit of members, the trades, industries or businesses of the society to be registered. A Machinery Ring, acting as agent on behalf of members, to assist members in carrying on agricultural businesses through the mutual aid between members farms of a more rational joint use of agricultural equipment and labour.

and to carry on any other trades, industries or businesses which may appear to further the above objects

MEMBERSHIP

4. **Powers.**— The society shall have full powers, within the scope of the Act and the Rules, to do all things necessary or expedient for the accomplishment of its objects, including the power to enter into and to enforce contracts with members and officers, and to deal in any way with any purchase, sale or letting or otherwise, with land or buildings.

SHARES

5. **Shares.**— Shares shall be of the nominal value of £1.00 (One pound) which shall be payable in full on application. Shares shall be transferable, but not withdrawable, and shall be repayable only as provided for elsewhere in these Rules.

6. **Joint Ownership of Shares.**— A share or shares may be held jointly by two or more persons, who shall give a valid receipt for any interest or dividend payable in respect thereof. In the case of a partnership its share or shares shall be held by the partners jointly. Any notice required under these Rules to be given to members need not be given to a member who is a joint holder of any shares other than the joint holder who is named in the notice, but the notice shall be given to the named and joint holders of any shares may require to be named in any order they choose.

7. **Lien on Shares.**— The society shall have a lien on the shares of any member for any debt due to it by him, and may set off any sum credited to the member thereon in or towards the payment of such debt, and such lien and set off shall extend to any money, interest, and dividends standing to the member's credit.

The Board of Directors (in these Rules referred to as "the Board") may, after the expiration of 14 days' notice in writing, sell and transfer the whole or part of the shares of any member indebted to the society at the amount standing to his credit in respect of such shares, and apply the proceeds of such sale, after towards the discharge of the debt, and in payment over of the balance thereof to such member without being responsible for any loss occasioned thereby. Any transfer so made shall extinguish all rights of such member in the share or shares so transferred.

10. **Cancellation of Membership.**— A member may withdraw from the society, by notice in writing signed by him and delivered to the Secretary, and the withdrawal shall be deemed to be effected upon such withdrawal the member's shares shall be cancelled.

Subject to the payment of, or a sufficient provision for, all subsisting claims on the society, the Board may on the application of the person who has withdrawn from membership, if the withdrawal was due to financial distress, removal from the area covered by the society, or made with its consent, the amount repaid on any shares held by him a sum not exceeding the amount paid up.

11. Untraced Members

(1) Any member who changes his registered address shall notify the Secretary of the change of address. If any member fails to comply with this Rule the Board may, by written notice sent by registered post or recorded delivery service to his address as it appears in the Register of Members, require him within 21 days of the date of the notice to inform the Society of his new address. If he fails to do so, the Board may expel him from membership.

(2) The shares of any member expelled pursuant to this Rule shall be cancelled and the amount standing to his credit in respect of his shares shall be transferred to a suspense account. On applying therefor in writing, shall be entitled to be repaid the amount standing to his credit in respect of any shares in the society held by him, together with any other sums due from the society to him at the date of his expulsion.

(3) If a member in respect of whose shares the sum paid up did not exceed £5 shall not, within six years from the date of the resolution aforesaid, so apply in writing to the Secretary for the repayment of the amount standing to his credit in respect of his shares in the society, the amount standing to his credit in respect of his shares shall be forfeited.

(4) The society shall not forfeit any sums under this Rule unless it has:

(a) sent a notice to the member specifying the sums to be forfeited;

(b) failed to receive a further three-month period without the member having written to object to the proposed forfeiture, sent a further notice to the member that after the expiry of three months

Subject as aforesaid, if a member has not done business with the society during any immediately preceding period of 24 consecutive months, the Secretary may, if he is satisfied that the member of the intention to repay the amount paid up on all his shares, repay the said amount. Notice shall be deemed to have been duly served upon the member concerned if it be sent to him by recorded delivery service to his address as shown in the Register of Members, or delivered to him personally.

(5) A notice under the preceding paragraph shall be sent to the member by registered post or recorded delivery at his registered address and at any other address at which he is at the time of the sending of such notice. The notice shall include a statement to the effect that if a member objects to the forfeiture he should send his objections in writing to the society at its Registered Office within three months of the sending of the notice.

12. **Expulsion of Members.**— A member may be expelled from the society by a resolution of the Board of Directors passed at a general meeting by not less than three-fourths of the votes given on the resolution, but no member shall be expelled without first being given at least 14 days' notice of the meeting at which the resolution is to be proposed specifying the alleged grounds for expulsion, and without an opportunity to be heard, to make representations to the society which shall be read by the Chairman to the meeting. On expulsion the member shall forthwith be paid the amount standing to his credit in respect of any shares in the society held by him at the date of the resolution, and whether the member accepts the tender or not. No expelled member shall be readmitted except by a resolution passed in General Meeting by a similar majority.

13. **Register of Members and Officers.**— A Register of Members and Officers shall be kept at the Registered Office where the Secretary shall enter the names and addresses of the members:

(2) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member.

from the notice of that notice the sums as specified in the notice will be forfeited to the society;

(c) after sending such further notice and before forfeiting the sums aforesaid, not received any written objection from the member to the forfeiture.

(5) A notice under the preceding paragraph shall be sent to the member by registered post or recorded delivery at his registered address and at any other address at which he is at the time of the sending of such notice. The notice shall include a statement to the effect that if a member objects to the forfeiture he should send his objections in writing to the society at its Registered Office within three months of the sending of the notice.

12. **Expulsion of Members.**— A member may be expelled from the society by a resolution of the Board of Directors passed at a general meeting by not less than three-fourths of the votes given on the resolution, but no member shall be expelled without first being given at least 14 days' notice of the meeting at which the resolution is to be proposed specifying the alleged grounds for expulsion, and without an opportunity to be heard, to make representations to the society which shall be read by the Chairman to the meeting. On expulsion the member shall forthwith be paid the amount standing to his credit in respect of any shares in the society held by him at the date of the resolution, and whether the member accepts the tender or not. No expelled member shall be readmitted except by a resolution passed in General Meeting by a similar majority.

13. **Register of Members and Officers.**— A Register of Members and Officers shall be kept at the Registered Office where the Secretary shall enter the names and addresses of the members:

(2) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member.

Subject as aforesaid, if a member has not done business with the society during any immediately preceding period of 24 consecutive months, the Secretary may, if he is satisfied that the member of the intention to repay the amount paid up on all his shares, repay the said amount. Notice shall be deemed to have been duly served upon the member concerned if it be sent to him by recorded delivery service to his address as shown in the Register of Members, or delivered to him personally.

(5) A notice under the preceding paragraph shall be sent to the member by registered post or recorded delivery at his registered address and at any other address at which he is at the time of the sending of such notice. The notice shall include a statement to the effect that if a member objects to the forfeiture he should send his objections in writing to the society at its Registered Office within three months of the sending of the notice.

12. **Expulsion of Members.**— A member may be expelled from the society by a resolution of the Board of Directors passed at a general meeting by not less than three-fourths of the votes given on the resolution, but no member shall be expelled without first being given at least 14 days' notice of the meeting at which the resolution is to be proposed specifying the alleged grounds for expulsion, and without an opportunity to be heard, to make representations to the society which shall be read by the Chairman to the meeting. On expulsion the member shall forthwith be paid the amount standing to his credit in respect of any shares in the society held by him at the date of the resolution, and whether the member accepts the tender or not. No expelled member shall be readmitted except by a resolution passed in General Meeting by a similar majority.

13. **Register of Members and Officers.**— A Register of Members and Officers shall be kept at the Registered Office where the Secretary shall enter the names and addresses of the members:

(2) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member.

PROFITS

17. *Distribution of Profits*—(1) The Board may set aside out of the profits of the society in any year such sums as it thinks proper as reserves which may carry forward any profits which it may think prudent not to distribute.

(2) Any balance remaining shall be distributed as follows:

- (a) In paying a bonus to members in proportion to the business transacted by them with the society at the end of the year and in such manner as may be determined by the Board.
- (b) The balance, if any, as may be determined by the Annual General Meeting shall be paid or credited in dividend, or bonus shall be paid or credited in respect of share capital.

Any bonus determined by the Board may be reduced but not increased by the members in Annual General Meeting. The Board in its discretion shall decide whether any bonus shall be paid in cash or credited to the share capital account by the issue of fully paid shares, or by increasing the share capital limit, or placed to the credit of members' loan accounts.

LOANS AND INVESTMENTS

18. *Loans*.—The Board may obtain loans from members and others on the security of bonds, mortgages, promissory notes or other securities, and may borrow money on any terms, but no money so borrowed shall not exceed the rate of five per centum per annum, or two per centum above the Bank of Scotland base lending rate whichever is the higher, except

* insert name of Bank

(3) a statement of other property in the society, whether in loans or otherwise, held by each member;

(4) the date at which each person was entered in the Register as a member and the date at which any interest in the funds of the society shall cease to be a member;

(5) the names and addresses of the officers of the society, with the offices held by them respectively, and the dates on which they assumed office.

A duplicate Register shall also be kept at the Registered Office wherein the Secretary shall enter all the aforesaid particulars other than those mentioned in clauses (2) and (3).

A person, all of whose shares have been transferred, forfeited, or cancelled under these Rules shall cease to be a member.

14. *Right of Inspection*.—Any member or person having an interest in the funds of the society shall be allowed to inspect his name in the Register and to obtain copies of the entries therein at all reasonable times at the Registered Office of the society subject to such regulations, as to the time or manner of such inspection as may be made from time to time by the General Meetings of the Society.

TRANSFERS

15. *Board's Consent to Transfers*.—No transfer of shares shall be valid unless the Board's consent thereto has been obtained and the transfer is made in the form provided in Appendix "B" or as near thereto as circumstances will permit. Every transfer of shares shall be subject to the Board's consent, and the entries in the Register of Members shall not be made until registered, and until the appropriate stamp duty, if any, has been paid.

The Board shall not consent to the transfer of shares to a person who is not a member unless upon such transfer he will hold the number of shares required by Rule 9 to be held by a member, and the person to whom the shares are transferred is not a member that person shall thereupon become a member.

16. *Fee on Transfers*. A fee of 15s. shall be paid to the Society on the registration of each transfer.

in the case of money borrowed from finance houses and other institutions approved by the Scottish Agricultural Organisation Society Limited. The total so obtained and not repaid shall not exceed the limit of £20,000 (Twenty thousand pounds).

19. *Investments*.—Any moneys of the society may be invested in any manner permitted by law, and in such manner as may be determined by the Board, but not in any manner in which the society shall not receive money on deposit.

20. *Annual General Meeting*.—The Annual General Meeting of the society shall be held in such place as the Board or a General Meeting shall determine; provided that the first Annual General Meeting shall be held within 18 months of the society's registration.

GENERAL MEETINGS

21. *Special General Meeting*.—Special General Meetings may be held where and when the Board or a General Meeting may determine, and shall be held upon a requisition in writing, signed by members holding together not less than one-tenth of the share capital, for the purpose of the proposed meeting. If the Secretary fails to convene a Special General Meeting when so requested, the members signatory to the requisition may convene it by giving such notice as is mentioned in the following clause.

22. *Notice of General Meeting*.—At least 14 clear days' notice shall be given of every General Meeting. The notice shall state the time and place thereof, the business to be transacted at the meeting, and shall be sent to the members at their registered address as shown in the Register of Members. Alternatively, at the discretion of the Board, notice may be given by means of an advertisement in newspapers circulating in the district covered by the society's operations. No business other than that stated in the notice shall be brought before the meeting.

23. *Chairman of General Meetings*.—The Chairman of the meeting shall be elected by the members present at the meeting. If he is not present within 15 minutes of the time appointed for holding the meeting the Vice-Chairman shall preside, failing

whom the members present shall appoint one of their number to be the Chairman of the meeting.

24. *Voting at General Meetings*.—Every question put to the vote at a General Meeting shall be decided either by ballot, if one is demanded by a member, including a proxy or otherwise by a show of hands. In the case of an equality of votes, the Chairman shall have one vote and in the case of an equality of votes, whether on a show of hands or a show of hands, he shall be entitled to a second or casting vote.

25. *Proxies*.—The instrument appointing a proxy shall be in writing under the hand of the Appointor or, if the Appointor is a company or society, either under its common seal or under the hand of an officer or attorney so appointed.

No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting, or he has been appointed to act as proxy for a company or society.

The instrument appointing a proxy shall be deposited at the Registered Office of the society not less than forty-eight hours before the meeting, and shall be valid only if it is so deposited, and in default the instrument of proxy shall be treated as invalid.

Every instrument appointing a proxy shall, as nearly as circumstances permit, be in the form or to the effect given in Appendix "C".

26. *Representation of Societies or Companies*.—A society or company that is a member shall be entitled to be represented at General Meetings by any person it may appoint under its seal. Such person shall be deemed to be the representative of the society or company for all purposes connected with the business of the meeting.

27. *Quorum of General Meetings*.—A quorum in General Meetings shall consist of twenty members. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business.

28. *Procedure if no Quorum is present*.—If within an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, in any other case it shall stand adjourned to

Secretary, but at such meetings no other business than that specified in the notice shall be taken into consideration.

33. *Eligibility for Board.*— Any individual member of a person who represents a member in accordance with Rule 26 shall be eligible for election to the Board unless:

- (1) he is bankrupt or has suspended payment or compounded with his creditors;
- (2) he is a partner in any company that a person is representing, is in liquidation;
- (3) ~~he is a dealer in, or agent for, the sale of agricultural requirements;~~
- (4) ~~he owes to a creditor any amount for agricultural produce;~~

34. *Disqualification of Directors.*— The office of a Director shall *ipso facto* be vacated:—

- (1) if he is over seventy years of age, unless his continuation in office is approved by resolution of which special notice (stating age) must be given. Retirement under this clause shall not take place until after the conclusion of the General Meeting next after the attainment of that age;
- (2) if he ceases to be actively engaged in agriculture or in the business of the society;
- (3) if he is removed under Rule 35;
- (4) if he sends in a written resignation to the Board and the same is accepted or not being accepted is not withdrawn within seven days;
- (5) if he is removed under Rule 35;
- (6) if he is removed under Rule 35;
- (7) if representing a member that member ceases to be a member.

35. *Removal of Directors.*— The society in General Meeting may, by resolution, remove any Director before the expiration of his period of office, and may by resolution appoint another person in his stead. The person so appointed shall hold office until the next General Meeting, but shall be eligible for re-election, but shall be eligible for re-election.

from time to time by an Annual General Meeting. At each subsequent Annual General Meeting, one-third of the Board, or if their number is not a multiple of three, the number nearest to one-third shall retire from office, but shall be eligible for re-election.

The order of retirement shall be determined so far as practicable by priority of election, but if necessary by ballot. At every meeting at which a Director retires the members may fill any vacancy in the Board by electing a person thereto or if the number of persons offering themselves for election or re-election are no greater than the vacancies on the Board, the persons so offering themselves shall be deemed to be elected to fill the vacancies.

In the event of a casual vacancy occurring on the Board, the Board may, by resolution, appoint a person to fill the vacancy and the member so appointed shall hold office only until the next Annual General Meeting, when he shall be eligible for re-election but shall not be counted for the purpose of obtaining the number of Directors to retire by rotation at that meeting.

The Board may delegate such part of their duties to an Executive Committee or any other Sub-Committee as they may think fit. The Chairman of the Board shall be *ex officio* a member of all Sub-Committees.

31. *Duties of the Board.*— The Board shall have full power to superintend and conduct the business of the society according to the Rules thereof, and they shall in all things act for and in the name of the society.

32. *Meetings of Board.*— Meetings of the Board shall be held at such place, date and hour as may be agreed by them from time to time. The Chairman shall preside. Unless otherwise determined by a General Meeting, a quorum at Board Meetings shall consist of seven members.

Every question shall be decided by a majority of votes and if votes are equal the Chairman of the meeting shall have a casting vote in addition to his vote as a member.

Any three members of the Board may call a special meeting thereof by giving seven clear days' notice in writing to the

such day and at such time and place as the members present may determine and if at the adjourned meeting a quorum is present within half an hour from the time appointed for the meeting the members present shall be a quorum.

29. *Procedure at an adjourned General Meeting.*— The Chairman may, with the consent of a majority of the members present at any 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 but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

BOARD OF DIRECTORS

30. *Board of Directors.*— The business of the society shall be conducted by a Board of Directors drawn from individual members of the society, which until the first Annual General Meeting shall consist of

- OLIVIER STEVENS
- ALBIN ROGER
- ROBERT BENS
- SANDY BRAD
- SANDY HENNESSY
- SANDY STUART
- CRAIG HUTCHESON
- WILLIAM YOUNG
- WILLIAM WILSON
- CAMPBELL BRINTON
- JAIN NICOL

and such other members who may be co-opted by them. They shall all retire at the first Annual General Meeting and shall be eligible for re-election.

• Thereafter the Board shall consist of eight Directors or such greater number not exceeding twelve as may be determined

36. *Remuneration of Directors.*— The members of the Board may, by resolution, determine the remuneration to be incurred by them in attending meetings of the society or of the Board, or otherwise in connection with the business of the society, and such other remuneration for services rendered as the Annual General Meeting may direct.

37. *Directors become Surety.*— Should any member of the Board, with the consent of the Board, become surety for any debt or liability incurred by the society, he shall not be removed from office without his consent until such liability has ceased.

38. *Discussions at Meetings.*— No political or sectarian discussion or resolution shall be raised, or proposed, at any meeting of the society or Board.

OFFICERS

39. *Chairman and Vice-Chairman.*— The Board shall at its first meeting after the Annual General Meeting elect a Chairman and a Vice-Chairman, and subsequently at each year elect from among its own number a Chairman and a Vice-Chairman of the Board, who shall hold office until the close of the re-election meeting in the following year, but shall be eligible for re-election.

Either or both of them, may be removed at any time by a resolution of the Board, and any meeting called for that purpose and such meeting shall fill the vacancy and vacancies.

40. *Other Officers.*— The Board shall appoint and may remove a Secretary and such other officers as may be necessary, and shall determine their remuneration and respective duties in addition to those set out in the Rules. The Secretary of the society shall be a member of the Board.

- (1) The Chairman and Vice-Chairman, and all other officers of the society, shall attend all meetings of the society and of the Board, and shall keep minutes of such meetings, and shall be charge of all moneys, books, documents and papers of the society; and, if required by the Board, shall keep the accounts in such manner as they may direct.
- (2) The Secretary shall be charge of all moneys, books, documents and papers of the society; and, if required by the Board, shall keep the accounts in such manner as they may direct.
- (3) The Secretary shall be charge of all moneys, books, documents and papers of the society; and, if required by the Board, shall keep the accounts in such manner as they may direct.
- (4) The Secretary shall be charge of all moneys, books, documents and papers of the society; and, if required by the Board, shall keep the accounts in such manner as they may direct.

the society, and shall prepare and send all returns required to be made to the Registrar;

- (5) in these and all other things set in the discharge of his duties under the direction and control of the Board.

41. Security by Officers.—Every officer having receipt or charge of money shall, before signing upon himself the execution of the same, deposit in the hands of the Registrar, or the Board may require, in a bond according to one of the forms set forth in the Fourth Schedule to the Act, or give the security of a guarantee society in such sum as the Board may direct, sufficient to cover moneys of the society ordinarily in his hands from time to time.

AFFILIATION TO THE SCOTTISH AGRICULTURAL ORGANISATION SOCIETY LIMITED

42. Affiliation to the Scottish Agricultural Organisation Society Limited.—An application for membership of the Scottish Agricultural Organisation Society Limited, and the society shall, within six months of registration, also to the Scottish Agricultural Organisation Society Limited one fully paid up share; on receipt of which share the Registrar shall issue a certificate of membership. Each society shall allow one fully paid up share to the society. Each society shall thereby be deemed to be a full member of the other society.

The society shall thereafter agree to pay to the Scottish Agricultural Organisation Society Limited such annual affiliation contribution as may be fixed from time to time by the latter society in Annual General Meeting.

THE SEAL

43. Use of the Seal.—The Seal of the society shall be of steel and shall have the society's name engraved in legible characters thereon, and shall not be affixed to any document without the expressed authorisation of the Board. The date of such authorisation shall be mentioned on the instrument to which the seal is attached and shall be attested by the signatures of two members of the Board.

44. Custody of the Seal.—The Seal shall be kept in the custody of the Secretary, or such other officer as the Board shall direct.

USE OF NAME

45. Use of Name.—The registered name of the society shall be kept painted or affixed on the outside of every office or place connected with the business of the society, and shall be engraven on the seal of the society, and shall be engraven in legible characters on its seal and shall be engraven in legible characters in all business letters, notices, advertisements, and other official publications of the society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for payment, and in all invoices, receipts and letters of credit of the society, and in all other documents issued by or on behalf of the society.

ACCOUNTS, AUDIT AND ANNUAL RETURNS

46. Books of Account.—The Directors shall cause to be kept proper books of account with respect to the transactions of the society, and shall cause to be established and maintained a satisfactory system of control of its books, and shall cause to be kept proper books of account with respect to its holdings and all its receipts and remittances in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act, 1968.

47. Auditor.—(1) There shall be appointed in each year of account a qualified auditor to audit the society's accounts and balance sheet for that year. In this rule "qualified auditor" means a person who is a qualified auditor under Section 7 of the Friendly and Industrial and Provident Societies Act, 1968.

(2) None of the following persons shall be appointed as auditor of the society:

- (a) an officer or servant of the society;
(b) a person who is a partner of or in the employment of the society, or who employs an officer or servant of the society; or
(c) a body corporate.

(3) Save as provided in paragraph (4) of this Rule every appointment of an auditor shall be made by resolution of a General Meeting of the society.

(4) The first appointment of an auditor shall be made within three months of the registration of the society and shall be made by the Board if no General Meeting

of the society is held within that time. The Board may appoint an auditor to fill any casual vacancy occurring between General Meetings of the society.

(5) An auditor appointed to audit the accounts and balance sheet of the society shall be appointed by the Board (whether by a General Meeting or by the Board) and shall be re-appointed as auditor of the society for the current year of account (whether or not any resolution expressly re-appointing him has been passed) unless a resolution has been passed at a General Meeting of the society, signed by or on behalf of a majority of the members of the society, providing expressly that he shall not be re-appointed, or

(b) he has given to the society notice in writing of his unwillingness to be re-appointed, or

(c) he has ceased to act as auditor of the society by reason of incapacity.

Provided that a retiring auditor shall not be automatically re-appointed as auditor of the society unless he has been given in accordance with paragraph (6) of this Rule and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or because that person is a person mentioned in paragraph (2) of this Rule.

(6) A resolution at a General Meeting of the society appointing another person as auditor in place of a retiring auditor, or

(b) providing expressly that a retiring auditor shall not be re-appointed, shall be validly passed if notice of the intention to move it has been given to the society not less than twenty-eight days before the meeting at which it is to be moved. On receipt by the society of notice of such an intended resolution, the society shall forthwith send a copy of the notice to the Registrar. It shall be lawful for the society to do so on the society shall give notice to its members of the intended resolution at the same time and in the same manner as it gives notice in accordance

with these Rules of the meeting at which the resolution is to be moved or if that is not practicable, by advertisement not less than fourteen days before the said meeting in a newspaper circulating in the area in which the society carries on its business. Where the retiring auditor makes any representation to the society with respect to the intended resolution, or notifies the society that he intends to make such a representation, the society shall notify the members of the society of the intended resolution and of any such representation, and by Section 6 of the Friendly and Industrial and Provident Societies Act, 1968.

(7) The auditor shall, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act, 1968, make a report to the society on the accounts, examined by him and on the revenue account or accounts and the balance sheet of the society for the year of account in respect of which he is appointed.

48. Annual Return.—Every year not later than the date provided in the Act or where the return is made up to a date allowed by the Registrar, the return shall be made up to a date, the Secretary shall send to the Registrar of Friendly Societies in the form prescribed by the Chief Registrar of Friendly Societies relating to its affairs for the period required by the Act to be included in the return together with

(1) a copy of the accounts for the period for which the return is made up to the date of the return, and

(2) a copy of each balance sheet made during that period, and of the report of the auditor on that balance sheet, and of the report of the auditor on the accounts and balance sheet of the society for the year of account in respect of which the return is made up to a date, the Secretary shall send to the Registrar of Friendly Societies in the form prescribed by the Chief Registrar of Friendly Societies relating to its affairs for the period required by the Act to be included in the return together with

(1) a copy of the accounts for the period for which the return is made up to the date of the return, and

(2) a copy of each balance sheet made during that period, and of the report of the auditor on that balance sheet, and of the report of the auditor on the accounts and balance sheet of the society for the year of account in respect of which the return is made up to a date, the Secretary shall send to the Registrar of Friendly Societies in the form prescribed by the Chief Registrar of Friendly Societies relating to its affairs for the period required by the Act to be included in the return together with

NOMINATIONS AND PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

50. Nominations and Proceedings on Death or Bankruptcy of a Member.—Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a

bankrupt member to any property in the society belonging to the deceased or bankrupt member the Board shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.

A member may in accordance with the Act nominate any person to be the personal representative or trustee in bankruptcy as to amount and the persons to whom a valid nomination may be made) any of his property in this society at the time of his death shall be transferred. On receiving satisfactory proof of death of a member who has made a nomination the Board shall transfer to the person nominated in the nomination the value of the property or pay in accordance with the Act either the value of the property comprised in the nomination to the person entitled thereunder.

STATUTORY APPLICATIONS TO THE REGISTRAR

51. *Applications to Registrar.*—The requisite number of members of the society shall apply to the Registrar:
(1) for the appointment of an inspector to inspect the books of the society and report thereon
(2) for the appointment of an inspector to examine into the affairs of the society and to report thereon, or
(3) on the calling of a Special General Meeting of the society.

52. *Arbitration.*—If any dispute shall arise between a member or any person aggrieved, who has for more than six months ceased to be a member, or any person claiming through such member or person aggrieved, or under the Rules, and the society or an officer thereof, it shall be decided by reference to the arbitration officers, who shall be appointed by each of the parties concerned, and the third by the Scottish Agricultural Organisation Society Limited.

DISSOLUTION OF THE SOCIETY

53. *Dissolution.*—The society may at any time be dissolved by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution in the form provided by the Treasury Regulations, or by winding up in manner provided by the Act.

In the event of the society being dissolved by instrument of dissolution or by voluntary winding up, no member shall be entitled to any amount exceeding his paid up share capital together with any dividends (if any) due and any other moneys to which he may be entitled under these Rules. As to any surplus funds remaining after payment as the above, the winding-up or dissolution by instrument as the above, are after paying to the members the full amounts to which they are entitled under the foregoing provisions of this Rule, the liquidator, in the instrument of dissolution, shall apply such surplus as if it were profit available for distribution to the members under Rule 17 but payable only to the members who have been members of the society during any part of the last seven complete years and the broken period prior to the dissolution and in proportion with the social share during that period by such shareholders with the social share during that period of the liquidator or the Board, as the case may be, in proportion during that period.

COPIES OF THE RULES

54. *Copies of Rules.*—It shall be the duty of the Board of Directors to provide the Secretary with a sufficient number of copies of the Rules, to enable him to deliver to any member or copy of such Rules on payment of a sum not exceeding 10p for each copy for members, and the duty of the Secretary to deliver such copies accordingly.

AMENDMENT OF RULES

55. *Mode of Amending Rules.*—The Rules may be amended by addition, deletion, or revision, by resolution of a three-fourths majority at a Special General Meeting, but no addition, deletion, or revision shall be made which would increase the liability of any member liable in any way to increase his liability to contribute to the social share, or which would amend or amend of Rules is valid until registered.

INTERPRETATION

56. *Interpretation.*—In construing these Rules, the following words and expressions shall have, respectively, the meanings herein stated, provided that such meaning does not conflict with the subject matter of the Rule or the context:

22

(1) Words importing the singular or plural number, respectively include the plural and singular numbers; words importing the masculine gender include the feminine gender.
(2) The words "he", "him" and "person" include a company or society.

(3) "The Act" means the Industrial and Provident Societies Act, 1965 to 1978, and any Acts amending or in substitution for the same.
(4) "Ballot" means the use of a paper or other instrument to give a secret vote.

(5) "Share" shall mean an individual, a society or a company daily admitted to membership of the Society and holding the requisite number of shares.
(6) A "company" means any body corporate other than a society, and a "society" means any society registered under the Act, up to 30th Dec.

(7) "Land" includes lands with buildings thereon and all other heritable subjects.
(8) "The Treasury Regulations" mean the regulations approved by H.M. Treasury under the Act.

(9) "Registrar" shall mean the Assistant Registrar of Friendly Societies for Scotland.
PRELIMINARY EXPENSES
57. *Preliminary Expenses.*—All expenses, incurred in connection with the formation of the society, both prior and subsequent to the registration of these Rules, shall be a proper charge against the society's funds.

APPENDIX

(A) APPLICATION FOR MEMBERSHIP

I, Tay Forth Machinery Ring Limited (Give name of Society) of the County of Forth (Name and Address of Applicant) hereby make application to be admitted as a member of the above society, and that each may be taken to me in person or by post, the sum of £ 19 (insert sum) I undertake, if admitted, to be bound by the Rules for the time being of the society.

Dated 19 day of 19 Signature, 19

23

(B) FORM OF TRANSFER

I, Tay Forth Machinery Ring Limited (Give name of Society) of the County of Forth (Name and Address of Applicant) hereby make application to be admitted as a member of the above society, and that each may be taken to me in person or by post, the sum of £ 19 (insert sum) I undertake, if admitted, to be bound by the Rules for the time being of the society.

Witness to the signature, of, etc.

Signature of Transferee.

(C) FORM OF PROXY

I, Tay Forth Machinery Ring Limited (Give name of Society) of the County of Forth (Name and Address of Applicant) hereby make application to be admitted as a member of the above society, and that each may be taken to me in person or by post, the sum of £ 19 (insert sum) I undertake, if admitted, to be bound by the Rules for the time being of the society.

Dated 19 day of 19 Signature, 19

24

(D) FORM OF NOMINATION

Tay Forth Machinery Ring Limited (Give name of society) a member of the above-named society, in the County of hereby nominates as the person to whom there shall be transferred at my decease such property in the County of as may be mine at the time of my decease whether in shares or otherwise, not exceeding the limit for the time being specified by law.

Dated 19 Signature.

Witness to the signature, of, etc.

Notes The above form should be filled in and dated and then signed at the end by the member.

It is convenient, though not essential, that his signature should be attested by a witness, who should write his name and address at the end of the form.

The nomination should be forthwith delivered at or sent to the Registered Office of the society, and should then be recorded by the Secretary.

A nomination is valid only to the extent of the limit for the time being specified by law.

The person nominated must not be an officer or servant of the society, unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator.

A nomination may be revoked or varied by another nomination or by a will, but a nomination made by will or bequest is not revocable or variable by will or bequest.

The marriage of a member operates as a revocation of any nomination made by him before marriage.

A nomination may be made in favour of more than one person, if desired, and it may be restricted to a definite sum, or to one or more sorts of property, such as to shares only, or to loans, or

deposits only. In that case the restriction should be stated clearly in the nomination, and the above form should be altered accordingly.

(E) FORM OF REVOCATION

Tay Forth Machinery Ring Limited (Give name of society) hereby revokes the nomination made by me on the day of 19

Dated 19 Signature

NOTE.—This revocation must be forthwith delivered at or sent to the Registered Office of the society.

(F) FORM OF VARIATION

Tay Forth Machinery Ring Limited (Give name of society) hereby vary the nomination made by me on the day of as follows: (here state the variation desired)

Dated 19

Signature.

NOTE.—This variation must be forthwith delivered at or sent to the Registered Office of the society.

- 1. John P. Nield
2. ...
3. ...
4. ...
5. ...
6. ...
7. ...
8. ... Secretary.