

THE COMPANIES (ALDERNEY) LAW, 1994

COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

Alderney Bird Observatory Limited

TABLE OF CONTENTS

1.	Interpretation.....	3
2.	Objects	4
3.	General structure.....	4
4.	Guarantee members.....	4
5.	General members.....	5
6.	Liability of members.....	6
7.	Appointment and removal of directors.....	6
8.	Application of income and property.....	7
9.	Delegation of powers.....	8
10.	Appointment of agent.....	8
11.	Power of attorney.....	8
12.	Secretary.....	9
13.	Indemnity.....	9
14.	Board meetings.....	9
15.	Notice.....	10
17.	General Meetings.....	11
18.	Election and powers of chairman.....	11
19.	Right of directors to speak.....	11
20.	Proxies.....	12
21.	Omission or non-receipt of notice.....	12
22.	Common signature.....	12
23.	Seal.....	12
24.	Dissolution.....	13

1. Interpretation

1.1. In these articles:

1.1.1. **"annual general meeting"** means the general meeting required to be held under section 94 of the Law.

1.1.2. **"articles"** means the articles of association of the company.

1.1.3. **"board"** means the board of directors of the company, or the board of directors present at a meeting of the board at which a quorum is present, or present at a meeting of a committee of the board of directors.

1.1.4. **"clear days"** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

1.1.5. **"executed"** includes any mode of execution.

1.1.6. **"extraordinary general meeting"** has the meaning set out in article 16.1.

1.1.7. **"Law"** means the Companies (Alderney) Law, 1994 including any statutory modification or re-enactment thereof for the time being in force.

1.1.8. **"guarantee member"** means every person who agrees to become a guarantee member of the company and whose name is entered or who is entitled to have his name entered as a guarantee member in the company's Register of Members.

1.1.8.1. Guarantee members shall be "member" or "members" for the purpose of the Law.

1.1.8.2. This definition of a guarantee member shall include a 'founder member' (as described in the Law).

1.1.9. **"general member"** means any individual or organization who applies and is approved as a general member in terms of these articles.

1.1.10. **"memorandum"** means the memorandum of association of the company.

1.1.11. **"person"** includes an individual and a body corporate.

1.1.12. **"Register of Members"** means the register of guarantee members kept by the company pursuant section 71 of the Law, in which the names of the company's guarantee members are entered.

1.1.13. **"office"** means the registered office of the company.

1.2. In these articles:

1.2.1. words in the singular include words in the plural and vice versa, and

1.2.2. words imparting a gender include every other gender.

- 1.3. These articles must be read in conjunction with and subject to the provisions of the Law and, unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Law but excluding any statutory modification thereof not in force when these articles become binding on the company.
- 1.4. Headings and subheadings are included only for convenience and do not affect the meaning of these articles.
- 1.5. References to enactments are to such enactments as from time to time modified, re-enacted or consolidated and shall include any enactments made in substitution for an enactment which is repealed and any Ordinances or Regulations made under those enactments.

2. Objects

2.1. The objects of the company are:

- 2.1.1. Environmental protection and in particular managing and running a Bird Observatory in the island of Aldemey to promote ornithological research with particular reference to the study of breeding and migrant birds.
- 2.1.2. to provide accommodation at the Observatory for the primary use of visiting researchers, birders and others with kindred interests.

3. General structure

The structure of the company consists of:-

- 3.1. **the directors** - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company.
- 3.2. **the guarantee members** - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association. Guarantee members are the 'member' in terms of the Law. In particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves.
- 3.3. **The general members** – members who share and support the objects of the company, without any voting rights and limited decision making powers. General membership shall be open to any person suitably qualified in the view of the Directors and are admitted to membership under the articles.

4. Guarantee members

- 4.1. The guarantee members of the company shall be the subscribers to the memorandum and has rights and obligations as set out in the articles.

4.2. Termination of Guarantee membership:

4.2.1. A guarantee member shall not cease to be a guarantee member of the company except:

4.2.1.1. upon his death; or

4.2.1.2. by retirement with the consent of the directors; and the directors shall not grant such consent unless and until a new guarantee member is admitted to the company and entered as such in the Register of Members.

5. General members

5.1. Qualifications for general membership:

5.1.1. The general members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership in terms of articles.

5.1.2. General membership shall be open to any person suitably qualified in the view of the Directors.

5.2. Application for general membership

5.2.1. Every person who wishes to become a general member shall deliver to the company a written application for general membership in such form as the board require executed by him/her.

5.2.2. The directors may, at their discretion, refuse to admit any person to general membership.

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

5.3. Membership general subscription

5.3.1. The general membership subscription fee may be set from time to time by the board.

5.4. Register of general members

5.4.1. The directors shall maintain a register of general members, setting out the full name and address of each member, the date on which they were admitted to general membership, and the date on which any person ceased to be a general member.

5.5. Withdrawal from general membership

5.5.1. Any person who wishes to withdraw from general membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, they shall cease to be a general member.

5.6. Expulsion from general membership

5.6.1. Any person may be expelled from general membership by special resolution of the guarantee members, providing the following procedures have been observed:

5.6.1.1. at least 21 days' notice of the intention to propose the resolution must be given to the general member concerned, specifying the grounds for the proposed expulsion; and

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

5.7. Termination of general membership

5.7.1. General membership shall cease on death.

5.8. Transfer of general membership

5.8.1. A general member may not transfer their general membership to any other person.

6. Liability of members

6.1. Each member undertakes that if the company is wound up while they are a member (or within one year after they cease to be a member), they will contribute up to a maximum of £5.00 (five GBP) to the assets of the company, to be applied towards:

6.1.1. payment of the company's debts and liabilities contracted before they cease to be a member;

6.1.2. payment of the costs, charges and expenses of winding up; and

6.1.3. adjustment of the rights of the contributories among themselves.

7. Appointment and removal of directors

7.1. The company shall have at least one director and (unless the guarantee members by ordinary resolution otherwise resolve) there shall be no maximum number of directors.

7.2. The board may appoint a 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. A director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof. For the avoidance of doubt, if the guarantee members shall have waived the requirement for the company to hold an annual general

meeting pursuant to the Law any director appointed under this article 7.2 shall (subject to article 7.1) continue to hold office until the next annual general meeting.

7.3. The office of a director shall be deemed vacant if:

7.3.1. he has been absent, without permission, from board meetings for more than 12 months,

7.3.2. he becomes otherwise ineligible or incapable of continuing to act as a director for whatever reason,

7.3.3. he has had his affairs declared *en désastre* or has a preliminary vesting order made against his real property in the Bailiwick of Guemsey, becomes bankrupt, suspends payments or compounds with creditors, or is adjudged insolvent,

7.3.4. he is requested to resign in writing signed by all the other directors of the company (being not less than two in number), or

7.3.5. the guarantee members by ordinary resolution declare that he shall cease to be a director.

7.4. A director (other than an alternate director) may appoint an alternate to exercise some or all of his powers as a director for a specified period. The appointment of an alternate director must be in writing and a copy of the appointment must be given to the company. The appointment may be terminated at any time by instrument in writing signed by the appointing director a copy of which must be given to the company. The company shall give the alternate director notice of board meetings if requested to do so by the appointing director. Where an alternate director exercises the appointing director's powers the exercise is as effective as if the powers were exercised by the director. An alternate director shall cease to be an alternate if the director who appointed him ceases to be a director.

8. Application of income and property

8.1. The income and property of the company shall be applied solely towards the promotion of the company's objects.

8.2. None of the income or property of the company may be paid, or transferred directly or indirectly by way of distribution, dividend, bonus or otherwise by way of profit to any member of the company. This does not prevent a member who is not also a director receiving:

8.2.1. a benefit from the company in the capacity of a beneficiary of the company;

8.2.2. reasonable and proper remuneration for any goods or services supplied to the company.

- 8.3. No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- 8.4. No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.
- 8.5. Each director may be paid all expenses properly incurred in connection with the discharge of his duties as a director, which is in line with the promotion of the company's objects.
- 8.6. An alternate director is entitled to be paid any expenses properly incurred in connection with the discharge of his duties as an alternate director including any fees agreed to be paid. An alternate director is not entitled to be otherwise remunerated unless the guarantee members approve such remuneration by special resolution.

9. Delegation of powers

- 9.1. The board may delegate to a committee consisting of one or more directors, any managing director, or any person holding an executive office of the company, such of their powers as the board considers appropriate and desirable to be exercised by such committee or officer. Any such delegation may be made on such conditions, revoked, altered, or otherwise varied as the board think fit.

10. Appointment of agent

- 10.1. The board may appoint any person (including any officer or employee of the company) to act as the agent of the company for such purpose and on such conditions as they determine, including the authority for the agent to execute documents on behalf of the company or delegate all or any of his powers.

11. Power of attorney

- 11.1. Subject to the Law, the board may from time to time (and at any time) by power of attorney appoint any person, firm, or body of persons, whether nominated directly or indirectly by the board, to be the attorney of the company for such purpose and with such of the board's powers, authorities and discretion and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the board may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.
- 11.2. A power of attorney given by the company shall be valid if executed by the company under the common signature of the company.

12. Secretary

- 12.1. The guarantee members shall appoint a company secretary by ordinary resolution. For the avoidance of doubt, the guarantee members may appoint one of the directors as company secretary or appoint a person who is not a director as the company secretary.
- 12.2. The company secretary shall carry out the duties and functions of the company secretary as contained in the Law.
- 12.3. The company secretary may be removed in the same way a director may be removed, in terms of the articles of the company and in terms of the law.

13. Indemnity

- 13.1. The directors, secretary and other officers or employees of the company shall be indemnified out of the assets of the company to the fullest extent permitted by the Law from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any contract entered into or any act done, concurred in or omitted, in or about the execution of their duty or supposed duty or in relation thereto.
- 13.2. An alternate director is entitled to be indemnified under article 13 as if he were a director.
- 13.3. The directors may without the sanction of the company in general meeting authorise the purchase or maintenance by the company for any officer or former officer of the company of any insurance which is permitted by the Law in respect of any liability which would otherwise attach to such officer or former officer

14. Board meetings

- 14.1. The directors may regulate their proceedings as they think fit and may determine amongst themselves any matter relating to the proceedings of board meetings including:
- 14.1.1. the number and frequency of meetings,
 - 14.1.2. the quorum required for the holding of meetings,
 - 14.1.3. the appointment and removal of a chairman of the board, and
 - 14.1.4. the establishment of committees of the board.
- 14.2. Unless the directors otherwise resolve under article 14.1.2 the quorum for a board meeting shall be two directors unless the company has a single director. In that case the single director alone is deemed to be a quorum.

- 14.3. Where a director and his alternate director are present, the alternate director shall not be counted as part of any quorum nor shall he be entitled to vote.
- 14.4. Questions arising at any board meeting shall be decided by a majority of votes. Each director is entitled to cast a single vote. In the case of an equality of votes the chairman shall have a second or casting vote.
- 14.5. The board may pass a resolution without convening a board meeting if all directors entitled to vote on the resolution sign and date a document containing a statement that they are in favour of the resolution set out in the document (a "circulating resolution"). The circulating resolution may be executed by each director in counterpart. The circulating resolution is passed when the last director entitled to vote signs the circulating resolution.

15. Notice

- 15.1. All members are deemed to have agreed to accept communication from the company by electronic means unless the guarantee members notify the company otherwise. Notice under this must be in writing and signed by the member and delivered to the company's registered office or such other place as the board directs.
- 15.2. A member present, either in person or by proxy, at any meeting of the company is deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.

16. Extraordinary general meetings

- 16.1. All general meetings other than annual general meetings shall be called "extraordinary general meetings".
- 16.2. An extraordinary general meeting may be called: -
- 16.3. by the board having resolved to do so at a properly constituted meeting; or
- 16.4. by any Guarantee members having notified the board in writing.
- 16.5. A quorum of an extraordinary general meeting shall be two guarantee members, unless the company only has one guarantee member, in that case the guarantee member alone is deemed to be a quorum.
- 16.6. Not less than 10 days notice of an extraordinary general meeting shall be given by the Secretary to each Guarantee member, specifying the business to be transacted.
- 16.7. All Guarantee members of a company entitled to attend and vote at a general meeting may in any particular case agree that:
- (a) a general meeting shall be deemed to have been duly called, and

(b) notice of the intention to propose any special resolution shall be deemed to have been duly given,

notwithstanding that the meeting is called by shorter notice than that specified in article 16.6 or that the provisions of article 16 have otherwise not been complied with.

17. General Meetings

- 17.1. The annual general meeting shall be held once in each year at such time (not being more than 15 months after the holding of the preceding Annual General Meeting) and place as the board shall determine.
- 17.2. At least 14 clear days notice shall be given by the Secretary to each member.
- 17.3. A quorum of an extraordinary general meeting shall be two guarantee members, unless the company only has one guarantee member, in that case the guarantee member alone is deemed to be a quorum.
- 17.4. General members are allowed to attend the Annual General Meeting, but shall not have any voting power.
- 17.5. The guarantee members may in accordance with the law agree that the requirement of having an annual general meeting be waived.

18. Election and powers of chairman

- 18.1. The chairman of any general meeting shall be either:
- 18.1.1. the chairman of the board, or
 - 18.1.2. in the absence of the chairman, or if the board has no chairman, the guarantee members present shall elect a chairman for the meeting.
- 18.2. The chairman of the general meeting shall conduct the meeting in such a manner as he thinks fit and may adjourn the meeting from time to time from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition the chairman may limit the time for members to speak.

19. Right of directors to speak

- 19.1. A director of the company shall be entitled to attend and speak at any general meeting regardless of whether that director is a member of the company.

20. Proxies

- 20.1. An instrument appointing a proxy shall be in writing, executed by or on behalf of the guarantee member and shall be in the form approved by the board. The board may resolve to permit instruments appointing proxies to be received by facsimile or e-mail.
- 20.2. An instrument appointing a proxy is only valid if it is:
- 20.2.1. sent to the company's registered office, or
 - 20.2.2. sent by facsimile to the telephone number nominated by the board of the company if the board resolves to accept proxy appointments by facsimile, or
 - 20.2.3. sent by e-mail to the e-mail address nominated by the company if the board resolves to accept proxy appointments by e-mail.
- 20.3. If the board resolves under article 20.2.2 or 20.2.3 to accept proxy appointments by facsimile or e-mail then the notice of general meeting must contain the nominated facsimile number and/or e-mail address.

21. Omission or non-receipt of notice

- 21.1. The accidental failure to provide notice of a meeting, or to send any other document, to a person entitled to receive such notice or document shall not invalidate the proceedings at that meeting or call into question the validity of any actions, resolutions or decisions taken.

22. Common signature

- 22.1. The common signature of the company may be either:
- 22.1.1. The name of the company with the addition of the signature(s) of one or more officer(s) of the company authorised generally or specifically by the board for such purpose, or such other person or persons as the board may from time to time appoint, or
 - 22.1.2. if the board resolves that the company shall have a common seal, the common seal of the company affixed in such manner as these articles may from time to time provide.

23. Seal

- 23.1. If the board elects to have a common seal, the board shall provide for the safe custody of the seal which shall only be used pursuant to a resolution passed at a meeting

of the board and every instrument to which the seal is affixed shall be signed in accordance with part a) of the common signature as set out in article 22.

24. Dissolution

24.1. The guarantee members of the company may at any time before, and in expectation of, its dissolution resolve that any net assets of the company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the company be applied or transferred in any of the following ways:

- a) to another body with objects similar to the company; or
- b) to another body the objects of which are any of those specified in article 2 and anything incidental or conducive thereto (whether or not the body is a guarantee member of the company),

and that other body has similar provision in its memorandum and articles (or other constitutional provisions if it is not a company) to the provisions required by this article.