

Company number: SC735754

The Companies Acts 2006

Private Company Limited by Guarantee

Articles of Association

of

Inverness and Cromarty Firth Green Freeport Limited (the "Company")

1 Defined terms and interpretation

1.1 In the Articles, unless the context requires otherwise:

"Accountable Body" means the local authority that will act as the accountable body on behalf of the Company for the purposes of the Green Freeports Set Up Phase Guidance and ongoing operation, which, as at the date of adoption of these Articles, is the Highland Council;

"Associate" means, those persons listed at Appendix 1 together with such other persons as may be admitted as an Associate of the Company from time to time in accordance with these Articles, and **"Associates"** shall be construed accordingly;

"Associate Nominated Director" means the person nominated to act as a director by the Associates as set out in Article 9.1;

"address" has the meaning given in section 1148 of the Companies Act 2006;

"Articles" means the Company's articles of association as may be in place from time to time;

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy;

"Board" means the board of Directors of the Company as may be appointed from time to time;

"Board Nominated Director" means the person nominated to act as a director by the Directors of the Company as set out in Article 9.4;

"CEO" means an independent individual appointed as chief executive officer of the Company to carry out the functions defined by the Board for the chief executive officer role from time to time;

"Core Member Director" has the meaning given to it in Article 9.2;

"Core Member" means, any person admitted to Membership of the Company as a Core Member of the Company from time to time in accordance with these Articles and who as at the date of these Articles are those parties set out at Article 27.2.1;

"Chair" means an independent individual appointed as chair of the Board and who carries out the other functions defined by the Board for the chair role from time to time;

"Control" has the meaning given in section 1124 of the Corporation Tax Act 2010, and the expression change of Control shall be construed accordingly;

“Connected Person” has the meaning given to it in Article 6;

“Community Director” has the meaning given to it in Article 9.5;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

“Director” means a director of the Company;

“Disposal” means a single transaction or a series of transactions, whether related or not, entered into by a Landholder in respect of a disposal, transfer or other alienation of an area which constitutes more than 50% of that Landholder’s Landholding, whether by way of assignation, conveyance, disposition or other transfer;

“Eligible Director” has the meaning given in Article 13.3;

“Executive Directors” means the Chair and the CEO appointed in accordance with Article 9.3;

“First Term” has the meaning given to it in Article 10.1;

“Fixed Term Director” has the meaning given to it in 10.1 and **“Fixed Term Directors”** shall be construed accordingly;

“Highland Council” means The Highland Council, a local authority constituted and incorporated under the Local Government etc. (Scotland) Act 1994 having its principal offices at Council Buildings, Glenurquhart Road, Inverness, IV3 5NX;

“ICFGFP” means the area in Scotland designated by HM Government and the Scottish Ministers as the Inverness and Cromarty Firth Green Freeport under: Regulation 2 of The Designation of Special Tax Sites (Inverness and Cromarty Firth Green Freeport) Regulations 2024; The Land and Buildings Transaction Tax (Green Freeport Relief) (Scotland) Act 2013 Schedule 16D; Revenue Scotland and Tax Powers Act 2014; and Section 100A of the Customs and Excise Management Act 1979;

“Landholding” means any land which is owned or leased by any Landholder to the extent that it is located within any part of the Tax Sites;

“Landholder” means any Core Member who at any time has a Landholding;

“Members” means, subject to Article 27: the Core Members; any person from time to time appointed as an Associate Nominated Director, Executive Director, Board Nominated Director, and a Community Director in accordance with these Articles; and any other person admitted in accordance with Article 28 from time to time and **“Membership”** shall be construed accordingly;

“Objects” has the meaning given to it in Article 3;

“Observer” means any person appointed as a section 95 officer of the Accountable Body under section 95 of the Local Government (Scotland) Act 1973;

“Ordinary Resolution” has the meaning given in section 282 of the Companies Act 2006;

“relevant officer” means any person who is or was at any time a director, secretary or other officer (except an auditor) of the Company or any undertaking in the same group as the Company;

“Second Term” has the meaning given to it in 10.1;

“Special Resolution” has the meaning given in section 283 of the Companies Act 2006;

“Tax Site” means an area which has been designated as a freeport tax site in Scotland for the purposes of and in regulations made under section 113 of the Finance Act 2021;

“Trust Ports” means the Cromarty Firth Port Authority a body corporate established under the Cromarty Firth Port Authority Orders 1973 to 2003 and having its principal place of business at Port Offices, Shore Road, Invergordon, IV18 OHD trading as “Port of Cromarty Firth” and Port of Inverness a trust established under the Inverness Harbour Act 1847 and having its principal place of business at Harbour Office, Longman Drive, Inverness, Scotland, IV1 1SU; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Except as expressly set out in Article 1.3, the relevant model articles (within the meaning of section 20 of the Companies Act 2006) are excluded.
- 1.3 Articles 4, 16, 23, 26, 27, 29, 30, 31, 32, 33, 35, 36 and 37 of the model articles (within the meaning of section 20 of the Companies Act 2006) shall apply to the Company.
- 1.4 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.
- 1.5 Except where the contrary is stated or the context otherwise requires, any reference in these Articles to legislation includes any order, regulation, instrument or other subordinate legislation made and for the time being in force under that legislation or which amends such legislation, and any reference to legislation, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.
- 1.6 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

2 **Liability of Member**

- 2.1 The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of it being wound up while they are a Member or within one year after they cease to be a Member, for:
 - 2.1.1 payment of the Company's debts and liabilities contracted before they cease to be a Member;
 - 2.1.2 payment of the costs, charges and expenses of winding up; and
 - 2.1.3 adjustment of the rights of the contributories among themselves.

3 **Objects**

The Company's objects (the "**Objects**") are specifically restricted to the promotion and delivery, and support for the promotion and delivery, of programmes and initiatives which are capable of: establishing and maintaining the ICFGFP as a national hub for global trade and investment; promoting regeneration and job creation; fostering an innovative environment; promoting decarbonisation and a just transition to a net zero economy; utilising non-domestic rates relief; and supporting Scotland and the UK's net zero targets.

4 Powers

4.1 In addition to any other powers it may have, the Company has the following powers in order to further the Objects (but not for any other purpose):

4.1.1 to raise funds provided that:

4.1.1.1 this shall be without prejudice to the ability of the Company to disclaim any gift, legacy or bequest in whole or in part in such circumstances as the Company may think fit; and

4.1.1.2 in raising funds the Company must comply with any relevant statutory regulations;

4.1.2 to buy, take on lease or in exchange, hire or otherwise acquire any property and any rights or privileges and to construct, maintain and alter any buildings or erections which the Company may think necessary for the promotion of the Objects;

4.1.3 to sell, lease or otherwise dispose of all or any part of the property belonging to the Company;

4.1.4 to borrow money and to charge the whole or any part of the property belonging to the Company as security for repayment of the money borrowed;

4.1.5 to co-operate with other corporate bodies, firms, charities, voluntary bodies and statutory authorities and to exchange information and advice with them in the promotion of the Objects;

4.1.6 to establish or support any trusts, associations or institutions formed for any of the purposes included in the Objects;

4.1.7 to subscribe to, become a member of, or amalgamate with any other organisation, institution, society or body not formed or established for the purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere):

4.1.7.1 whose objects are wholly or in part similar to the Objects; and

4.1.7.2 which by its constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company under or by virtue of Article 5,

and to purchase or otherwise acquire and undertake all such part of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Company or any such organisation, institution, society or body;

4.1.8 to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;

4.1.9 to employ and remunerate such staff as are necessary for carrying out the work of the Company;

4.1.10 to:

4.1.10.1 deposit or invest funds;

4.1.10.2 employ a professional fund-manager; and

- 4.1.10.3 arrange for the investments or other property of the Company to be held in the name of a nominee;
 - 4.1.11 to:
 - 4.1.11.1 lend money and give credit to;
 - 4.1.11.2 take security for such loans or credit from; and
 - 4.1.11.3 guarantee and become or give security for the performance of contracts and obligations by,

any person or company;
 - 4.1.12 to subscribe for, either absolutely or conditionally, or otherwise acquire and hold, shares, stocks, debentures, debenture stock or other securities of any other Company;
 - 4.1.13 to provide indemnity insurance for the Directors or any other officer of the Company in relation to any such liability as is mentioned in article 4.2, but subject to the restrictions specified in Article 4.3;
 - 4.1.14 to pay out of the funds of the Company the costs of forming and registering the Company as a company duly registered under Scots law;
 - 4.1.15 to do all or any of the things authorised by this Article 4 either alone or in conjunction with any other organisation, institution, society or body with which the Company is authorised to collaborate or amalgamate; and/or
 - 4.1.16 to do all such other lawful things as are necessary for the achievement of the Objects.
- 4.2 The liabilities referred to in Article 4.1.13 are:
- 4.2.1 any liability that by virtue of any rule of law would otherwise attach to a director of a company in respect of any negligence, default breach of duty or breach of trust of which they may be guilty in relation to the company; and/or
 - 4.2.2 the liability to make a contribution to the Company's assets as specified in Section 214 of the Insolvency Act 1986 (wrongful trading).
- 4.3 The following liabilities are excluded from Article 4.1.13:
- 4.3.1 fines;
 - 4.3.2 costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud, dishonesty or wilful or reckless misconduct of the Director or other officer; and/or
 - 4.3.3 liabilities to the Company that result from conduct that the Director or other officer knew or must be assumed to have known was not in the best interests of the Company or about which the person concerned did not care whether it was in the best interests of the Company or not.
- 4.4 There is excluded from Article 4.2.2 any liability to make such a contribution where the basis of the Director's liability is their knowledge prior to the insolvent liquidation of the Company (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Company would avoid going into insolvent liquidation.

5 **Application of Property and Income**

- 5.1 Subject only as set out below in this Article 5, the income and property of the Company shall be applied solely towards the promotion of the Objects.
- 5.2 A Director is entitled:
- 5.2.1 if they are an employee or contractor of the Company, to be reimbursed from the property of the Company;
 - 5.2.2 in any event, to be paid out of such property reasonable expenses properly incurred by them when acting on behalf of the Company.
- 5.3 Subject to the restrictions below, a Director may benefit from director indemnity insurance cover purchased at the Company's expense.
- 5.4 A Director shall receive an indemnity from the Company in the circumstances specified in Article 37.
- 5.5 None of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any Member. This does not prevent a Member who is not also a Director receiving reasonable and proper remuneration for any goods or services supplied to the Company.

6 **Connected Persons**

- 6.1 Subject to any other provision in these Articles "**Connected Person**" means:
- 6.1.1 a child, parent, grandchild, grandparent, brother or sister of the Director;
 - 6.1.2 the spouse or civil partner of the Director or of any person falling within Article 6.1.1 above;
 - 6.1.3 a person carrying on business in partnership with the Director or with any person falling within Article 6.1.1; or
 - 6.1.4 an institution which is controlled:
 - 6.1.4.1 by the Director or any Connected Person falling within Articles 6.1.1, 6.1.2 or 6.1.3 above; or
 - 6.1.4.2 by two or more persons falling within Articles 6.1.1, 6.1.2 or 6.1.3 when taken together; or
 - 6.1.5 a body corporate in which:
 - 6.1.5.1 the Director or any Connected Person falling within Articles 6.1.1, 6.1.2 or 6.1.3:
 - (a) holds more than 50% of the shares; or
 - (b) controls more than 50% of the voting rights attached to the shares; or
 - (c) has the right to appoint one or more Directors to the board;
 - 6.1.5.2 the Director or any Connected Person falling within Articles 6.1.1, 6.1.2 or 6.1.3 has any other form of substantial interest; or

6.1.5.3 two or more persons falling within Article 6.1.5.1(a) and 6.1.5.1(b) who, when taken together, have such a substantial interest.

7 **Directors' general authority**

Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

8 **Number of Directors**

8.1 Unless otherwise determined by the majority of the Directors:

8.1.1 the maximum number of Directors shall be twelve;

8.1.2 the minimum number of Directors shall be six; and

8.1.3 the Board shall consist of:

8.1.3.1 up to seven Core Member Directors;

8.1.3.2 up to two Executive Directors;

8.1.3.3 up to one Associate Nominated Director;

8.1.3.4 up to one Board Nominated Director; and

8.1.3.5 up to one Community Director.

9 **The Appointment of Directors**

9.1 The Associates shall together be entitled to nominate one Director of the Company (not being a person already appointed to the Board) who shall be an individual holding a chief executive officer position or similar from one of the Associates and to change or remove that Director from time to time subject to any conditions and procedures specified by the Board from time to time, and subject to the maximum number of Directors not being exceeded under Article 8 (the "**Associate Nominated Director**").

9.2 Each Core Member shall be entitled to appoint (by giving notice to the Company in writing) up to one Director (not being a person already appointed to the Board) (each being a "**Core Member Director**") to the Board and to change or remove that Director from time to time, and subject to the maximum number of Directors not being exceeded under Article 8. Any appointment made pursuant to this Article 9.2 shall be made by notice in writing signed for and on behalf of the relevant appointing Core Member and the Core Member Director being nominated (indicating their consent to the appointment) and delivered to the Company. Such appointment shall take effect upon the date of lodgement of the notice at the registered office of the Company or such later date as may be specified in the notice.

9.3 The Executive Directors will be appointed by the Directors on such terms as the Board may determine from time to time.

9.4 The Board may, by majority vote, appoint one Director of the Company (not being a person already appointed to the Board) on such terms as the Board sees fit from time to time, and to change or remove that Director from time to time subject to any conditions and procedures specified by the Board from time to time, and subject to the maximum number of Directors not being exceeded under Article 8 (the "**Board Nominated Director**").

9.5 The Board may, by majority vote, appoint a person (who is not a Connected Person and not a person already appointed to the Board) whom they believe to reflect wider representation from in or around the ICFGFP, on such terms as the Board sees fit from time to time, and to

change or remove that Director from time to time subject to any conditions and procedures specified by the Board from time to time, subject to the maximum number of Directors is not exceeded under Article 8 (the “**Community Director**”).

9.6 Upon appointment, each of the Associate Nominated Director, Executive Director, Board Nominated Director and Community Director shall become a Member.

10 **Retirement of Directors**

10.1 The Chair, Associate Nominated Director, Board Nominated Director and Community Director (the “**Fixed Term Directors**”) shall serve for a period of up to three years from the date of their appointments (the “**First Term**”). The Directors may elect, by majority vote, to extend the tenure of a Fixed Term Director beyond the First Term for up to a further three years (the “**Second Term**”). Upon the expiry of the First Term, or if applicable Second Term, each Fixed Term Director must retire from their role.

10.2 Where a change or removal of a Fixed Term Director occurs as set out in Article 10.1 the First Term and Second Term shall renew from the date of appointment of the new Fixed Term Director.

11 **Calling a Directors’ meeting**

11.1 Any Director may call a Directors’ meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.

11.2 Notice of any Directors’ meeting must indicate:

11.2.1 its proposed date and time;

11.2.2 where it is to take place; and

11.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

11.3 Notice of a Directors’ meeting need not be in writing and must be given to each Director provided that, if a Director is absent (whether habitually or temporarily) from the United Kingdom, the Company has an address for sending or receiving documents or information by electronic means to or from that Director outside the United Kingdom.

11.4 Notice of a Directors’ meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

12 **Directors to take decisions collectively**

The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 13.

13 **Unanimous decisions**

13.1 A decision of the Directors is taken in accordance with this Article 13 when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

13.2 Such a decision may take the form of a resolution in writing signed by each Eligible Director (whether or not each signs the same document) or to which each Eligible Director has otherwise indicated agreement in writing.

13.3 References in these Articles to eligible directors (“**Eligible Directors**”) are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors’ meeting (but excluding any Director whose vote is not to be counted in respect of that particular matter).

13.4 A decision may not be taken in accordance with this Article 13 if the Eligible Directors would not have formed a quorum at such a meeting.

14 **Quorum for Directors' meetings**

14.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

14.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than five, and unless otherwise fixed:

14.2.1 the quorum will be 6 where there are 12 or more Directors; or

14.2.2 the quorum will be 5 where there are less than 12 Directors.

14.3 Where a Director is absent (without permission of the Directors) from three or more consecutive Directors’ meetings, that Director is not to be counted in the quorum for the purposes of Article 14.2. For the purpose of this Article 14.3, attendance by way of alternate or representative shall be deemed to be attendance.

14.4 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

14.4.1 to appoint further Directors; or

14.4.2 to call a general meeting so as to enable the Members to appoint further Directors.

14.5 Notwithstanding the provisions of this Article 14, the Accountable Body shall be entitled to appoint one person as an Observer (who shall be entitled to report to the Accountable Body on the affairs of the Company and any Member of the Company) by notice to the Company and shall be entitled to remove and replace any such Observer. The Observer shall act as a representative of the Accountable Body and shall not be entitled to any remuneration whatsoever from the Company. The Observer shall be entitled to receive notice of and table items for discussion, attend and speak at Directors’ meetings but shall have no right to vote. The Observer shall be entitled to receive all information sent to Directors in advance of Directors’ meetings and at the same time as sent to Directors.

15 **Chairing of Directors' meetings**

15.1 The Chair shall chair the meetings of Directors.

15.2 If the Chair is unwilling to chair the meeting or is not participating in a Directors’ meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

16 **Casting vote**

If the numbers of votes for and against a proposal are equal at a Directors’ meeting, the Chair of the Directors’ meeting shall have a casting vote.

17 **Conflicts of Interest**

17.1 A Director must:

- 17.1.1 declare the nature and extent of any interest, direct or indirect, which she/he has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared; and
 - 17.1.2 absent themselves from any discussions of the Directors in which it is possible that a conflict will arise between their duty to act solely in the interests of the Company and any personal or other interest (including but not limited to any personal financial interest).
- 17.2 If a conflict of interest arises for a Director because of a personal interest or a duty of loyalty owed to another and the conflict is not authorised by virtue of any other provision in these Articles, the Eligible Directors may authorise such a conflict of interest where the following conditions apply:
- 17.2.1 the conflicted Director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that conflicted Director;
 - 17.2.2 the conflicted Director does not vote on any such matter and is not to be counted when considering whether a quorum of Directors is present at the meeting; and
 - 17.2.3 the Directors consider it is in the interests of the Company to authorise the conflict of interest in the circumstances applying.
- 17.3 In this Article a conflict of interest arising because of a duty of loyalty owed to another person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a Director or to a Connected Person.
- 17.4 Subject to Article 17.2, all acts done by a meeting of Directors, or of a committee of Directors, shall be valid notwithstanding the participation in any vote of a Director:
- 17.4.1 who was disqualified from holding office; or
 - 17.4.2 who had previously retired or who had been obliged by these Articles to vacate office; or
 - 17.4.3 who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise, if without:
 - 17.4.3.1 the vote of that Director; and
 - 17.4.3.2 that Director being counted in the quorum,
- the decision has been made by a majority of the Directors at a quorate meeting.
- 17.5 Article 17.4 does not permit a Director or Connected Person to keep any benefit that may be conferred upon them by a resolution of the Directors or of a committee of Directors if, but for Article 17.4, the resolution would have been void, or if the Director has not complied with Article 17.1.
- 18 **Directors may delegate**
- 18.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles:
- 18.1.1 to such person or committee;
 - 18.1.2 by such means (including by power of attorney);

- 18.1.3 to such an extent;
- 18.1.4 in relation to such matters or territories; and
- 18.1.5 on such terms and conditions,

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the Directors generally and shall not be limited by the fact that in certain of these Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Directors or by a committee authorised by the Directors.

- 18.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 18.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

19 **Committees**

- 19.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.
- 19.2 A member of a committee need not be a Director.
- 19.3 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

20 **Records of decisions to be kept**

The Directors must ensure that the Company keeps a record, in hard copy form, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

21 **Termination of Director's appointment**

- 21.1 A person ceases to be a Director as soon as:
 - 21.1.1 that person ceases to be a Director by virtue of any provision of the Companies Acts or is prohibited from being a Director by law;
 - 21.1.2 a Bankruptcy order is made against that person;
 - 21.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 21.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - 21.1.5 the other Directors unanimously decide to remove that Director, for any reason and at their discretion;
 - 21.1.6 the Core Members may pass an Ordinary Resolution to remove a Director, for any reason;
 - 21.1.7 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or

21.1.8 they are otherwise duly removed from office.

22 **Directors Benefits**

22.1 No Director or Connected Person may:

22.1.1 buy goods or services from the Company on terms preferential to those applicable to members of the public;

22.1.2 sell goods, services or any interest in land to the Company;

22.1.3 (with the exception of the Executive Directors) be employed by or receive any remuneration from the Company; or

22.1.4 (with the exception of the Executive Directors) receive any other financial benefit from the Company,

unless the payment is permitted by Articles 22.2 to 22.4 and does not exceed an amount that is reasonable in all the circumstances.

22.2 An Executive Director or Connected Person may enter into a contract of employment with, or for the supply of goods or services to the Company.

22.3 A Director or Connected Person may receive rent for premises let by the Director or Connected Person to the Company, if the amount of the rent and the other terms of the lease are reasonable and proper and provided that the Director shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

22.4 The Directors may arrange for the purchase, out of the funds of the Company, of insurance designed to indemnify the Directors in accordance with the terms of Article 5.4.

23 **Directors' expenses**

23.1 The Company may pay any reasonable expenses which the Directors (and any alternate directors or Company secretary) properly incur in connection with their attendance at:

23.1.1 meetings of Directors or committees of Directors;

23.1.2 general meetings; and

23.1.3 separate meetings of the holders of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

24 **Appointment and removal of alternate directors**

24.1 Any Director may appoint as an alternate any other Director, or any other person, to:

24.1.1 exercise that Director's powers; and

24.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.

24.2 Any appointment or removal of an alternate must identify the proposed alternate and be effected by notice in writing to the Company signed by their appointor, or in any other manner approved by the Directors.

25 Rights and responsibilities of alternate directors

25.1 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

25.2 Except as these Articles specify otherwise, alternate directors:

25.2.1 are deemed for all purposes to be Directors;

25.2.2 are liable for their own acts and omissions;

25.2.3 are subject to the same restrictions as their appointors; and

25.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which their appointor is a member.

25.3 A person who is an alternate director but not a Director:

25.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

25.3.2 may participate in a unanimous decision of the Directors (but only if their appointor is an Eligible Director in relation to that decision, but does not participate); and

25.3.3 shall not be counted as more than one Director for the purposes of Articles 25.3.1 and 25.3.2.

25.4 A Director who is also an alternate director is entitled, in the absence of their appointor, to a separate vote on behalf of their appointor, in addition to their own vote on any decision of the Directors (provided that their appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

25.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

26 Termination of alternate directorship

26.1 An alternate Director's appointment as an alternate terminates:

26.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

26.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;

26.1.3 on the death of the alternate's appointor;

26.1.4 when the alternate's appointor's appointment as a Director terminates; or

26.1.5 when the alternate is removed in accordance with these Articles.

27 **Membership**

27.1 With the exception of the right conferred at Article 9.1 Associates shall have no other rights conferred upon them and Associate membership shall not be transferable.

27.2 Core Membership shall only be open to:

27.2.1 (1) Global Energy (Holdings) Limited (2) Highlands and Islands Enterprise, (3) Haventus Group Holdings Limited, (4) Inverness Port Services Limited, (5) Port of Cromarty Firth Limited (6) University of the Highlands and Islands, and (7) Highland Council (the "**Core Members**"); and

27.2.2 those persons who have been approved in accordance with Article 28.

27.3 Core Members shall be entitled to receive notice of and vote on matters requiring a vote of the Members. The Core Member Directors shall exercise the voting power on behalf of the Core Member who appointed them in accordance with Article 9.2.

27.4 Each person appointed to the Board as a Director shall be conferred a right to receive notice of and vote on all matters requiring a vote of the Members.

27.5 Membership is not transferable.

27.6 The Directors must keep a register of names and addresses of the Members

28 **New Members**

28.1 Membership in the Company is open to persons who :

28.1.1 apply to the Company in the application form as set out in Appendix 2, or any other form required by the Directors from time to time; and

28.1.2 are approved by the Directors.

28.2 Each new member of the Company shall either sign a written consent to become a Member or sign the register of members on becoming a Member.

28.3 The Directors may only refuse an application for Membership if:

28.3.1 in their reasonable opinion, the applicant does not possess the applicable characteristics for Membership in the Company; and/or

28.3.2 acting reasonably and properly, they consider it to be in the best interests of the Company to refuse the application.

29 **Termination as a Member**

29.1 Membership is terminated with immediate effect if:

29.1.1 the person is a Member by reason of them being a Director and their directorship ceases;

29.1.2 the Member (being a natural person) dies or (not being a natural person) ceases to exist;

29.1.3 a change in Control occurs in relation to the Member;

29.1.4 the Member resigns by written notice to the Company unless, after the resignation, there would be less than two Members;

- 29.1.5 any sum due from the Member to the Company is not paid in full within three months of it falling due; or
- 29.1.6 the Member, with the exception of the Accountable Body and the Trust Ports, is removed by a special resolution of the Members stating that it is in the best interests of the Company that their position as a Member is terminated, provided that such a resolution to remove a Member may only be passed if:
 - 29.1.6.1 the relevant Member has been given at least twenty-one days' notice in writing of the meeting of the Members at which the resolution will be proposed, and the reasons why it is to be proposed; and
 - 29.1.6.2 the relevant Member or, at the option of that Member, their representative (who need not be a Member) has been allowed to make written representations to be considered by the Directors and/or Members at the meeting.
- 29.1.7 a Core Member completes a Disposal of their Landholding, the Directors will have a right to review, and where they see fit terminate, that Core Member's Membership.

30 **Quorum for general meetings**

- 30.1 No business is to be transacted at any general meeting unless a quorum is present.
- 30.2 A quorum is the greater of:
 - 30.2.1 four Core Members in person or by proxy and entitled to vote upon the business to be conducted at the meeting; or
 - 30.2.2 one third of the total Members at the time.

31 **Proceedings at General Meetings**

- 31.1 The Chair shall chair general meetings if present and willing to do so.
- 31.2 If for any reason, there is no Chair, or if the Chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start the Directors present must appoint one of their number to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.
- 31.3 The person chairing a meeting in accordance with this Article 31 is referred to as 'the chair of the meeting'.
- 31.4 If:
 - 31.4.1 a quorum is not present within half an hour from the time appointed for the meeting, or
 - 31.4.2 during a meeting a quorum ceases to be present,

the meeting shall be adjourned to such time and place, being not less than seven clear days and not more than twenty-one clear days following the date of the meeting, as the Directors shall determine.
- 31.5 The Directors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.

- 31.6 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting, the Members present in person or by proxy at that time shall constitute the quorum for that meeting.
- 31.7 The Members present in person or by proxy at a meeting may resolve by Ordinary Resolution that the meeting shall be adjourned.
- 31.8 The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- 31.9 No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- 31.10 If a meeting is adjourned by resolution of the Members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting, stating the date, time and place of the adjourned meeting.

32 Power to change the Company's name

The Directors may from time to time change the name of the Company to any name considered by the Directors to be advantageous, expedient or otherwise desirable.

33 Power to change the Articles

- 33.1 Subject to section 631 of the Companies Act 2006, these Articles may be amended or superseded by a new set of articles of association from time to time by the Members passing a special resolution (as defined in section 283 of the Companies Act 2006) either by way of a written resolution of the Members of the Company or at a validly convened general meeting of the Company.
- 33.2 The rights conferred on the Members shall be deemed to be varied by any amendment to these Articles.

34 Rules or Bye Laws

The Company may from time to time make such rules or bye laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company. The Company in general meeting shall have the power to alter or repeal the rules or bye laws and to make additions thereto and the Directors shall adopt such means as they deem sufficient to bring to the notice of Member of the Company all such rules or bye laws, which so long as they shall be in force, shall be binding on all Members of the Company. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, these Articles.

35 Means of communication to be used

- 35.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 35.2 Except insofar as the Companies Acts require otherwise, the Company shall not be obliged to accept any notice, document or other information sent or supplied to the Company in electronic form unless it satisfies such stipulations, conditions or restrictions (including, without limitation, for the purpose of authentication) as the Directors think fit, and the Company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.
- 35.3 In the case of a Member that is a corporation, for all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent

or supplied in electronic form) executed or approved pursuant to any provision of these Articles, execution by any Director or the secretary of that corporation or any other person who appears to any officer of the Company (acting reasonably and in good faith) to have been duly authorised to execute shall be deemed to be and shall be accepted as execution by that corporation.

- 35.4 A Member whose registered address is not within the United Kingdom and who notifies the Company of an address within the United Kingdom at which notices, documents or other information may be served on or delivered to them shall be entitled to have such things served on or delivered to them at that address (in the manner referred to above), but otherwise no such Member shall be entitled to receive any notice, document or other information from the Company. If the address is that Member's address for sending or receiving documents or information by electronic means the Directors may at any time without prior notice (and whether or not the Company has previously sent or supplied any documents or information in electronic form to that address) refuse to send or supply any documents or information to that address.
- 35.5 Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 35.6 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

36 **Secretary**

Subject to the Companies Act 2006, the Directors may appoint a company secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the Directors may think fit; and any company secretary (or joint secretary) so appointed may be removed by the Directors. The Directors may also from time to time appoint on such terms as they think fit, and remove, one or more assistant or deputy secretaries.

37 **Indemnity**

- 37.1 Subject to Article 37.1.2 (but without prejudice to any indemnity which a relevant officer is otherwise entitled):
- 37.1.1 a relevant officer may be indemnified out of the Company's assets to whatever extent the Directors may determine against:
- 37.1.1.1 any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any undertaking in the same group as the Company;
- 37.1.1.2 any liability incurred by that officer in connection with the activities of the Company or a group undertaking in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
- 37.1.1.3 any other liability incurred by that officer as an officer of the Company or any undertaking in the same group as the Company; and
- 37.1.1.4 the Company may, to whatever extent the Directors may determine, provide funds to meet expenditure incurred or to be incurred by a relevant officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by them in relation to the Company or any undertaking in the same group as the Company, or any investigation, or action proposed to be taken, by a

regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant officer to avoid incurring such expenditure.

37.1.2 This Article 37 does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

38 Insurance

38.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

38.2 In this Article 38, a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any undertaking in the same group as the Company or any pension fund or employees' share scheme of the Company or any undertaking in the same group as the Company.

Appendix 1
Associates of the Company

Associates	Registered office address
1. Aurora Energy Services Limited	17v House, Straloch, Newmachar, Aberdeenshire, United Kingdom, AB21 0RW
2. Aventus Energy Ltd	3 Riverside, Evanton, Dingwall, Highland, Scotland, IV16 9UG
3. Buchan Offshore Wind Limited	Suite 3b, 58 Waterloo Street, Glasgow, United Kingdom, G2 7DA
4. Caledonia (Ocean Winds)	Shepherd and Wedderburn LLP, Octagon Point, 5 Cheapside, London EC2V 6AA
5. Fred. Olsen Windcarrier Limited	61 Alexandra Road, Lowestoft, Suffolk, NR32 1PL
6. Global Energy (Holdings) Limited / Port of Nigg	13 Henderson Road, Inverness, Inverness-Shire, IV1 1SP
7. Haventus Group Holdings Limited	Level 4 Dashwood House, 69 Old Broad Street, London, United Kingdom, EC2M 1QS
8. Highland Council	Council Headquarters, Glenurquhart Road, Inverness, Scotland, United Kingdom, IV3 5NX
9. Highland Deephaven Limited	Administration Building, Highland Deephaven Ind Estate, Evanton, Dingwall, Ross-Shire, IV16 9XP
10. Highlands & Islands Enterprise	An Lochran, 10 Inverness Campus, Inverness, United Kingdom, IV1 1BA
11. Inverness Airport Business Park Limited	C/O Highlands & Islands Airports, Limited, Head Office, Inverness Airport, Inverness, IV2 7JB
12. Inverness Port Services Limited	35 Slackbuie Way, Inverness, Scotland, IV2 6AT
13. Nightingale Trusts	25 West Square, London SE11 4SP
14. North East Nutrition Scotland Limited	C/O Brodies Llp, 110 Queen Street, Glasgow, United Kingdom, G1 3BX
15. Orsted (Stromar)	2nd Floor 2 Lochrin Square, 96 Fountainbridge, Edinburgh, Scotland, EH3 9QA
16. Offshore Wind Power Limited	Clava House, Cradlehall Business Park, Inverness IV2 5GH

17. Port of Cromarty Firth Limited	Cromarty Firth Port Authority, Port Office, Shore Road, Invergordon, Ross-Shire, IV18 0HD
18. Pitcalzean Farm	Wester Rarichie Farm, Fearn, Tain, Ross-shire, IV20 1XH
19. PSG Marine & Logistics Limited	Office Units 20-21 Invergordon Service Base, Shore Road, Invergordon, Scotland, IV18 0EX
20. Renantis UK Limited	Third Floor, 10 Lower Grosvenor Place, London, England, SW1W 0EN
21. Scottish Power Limited	320 St. Vincent Street, Glasgow, Scotland, G2 5AD
22. Serimax Limited	16 Airfield Road, Evanton, Ross-Shire, IV16 9XJ
23. Shell PLC	Shell PLC – Shell Centre, London, SE1 7NA
24. SSE PLC	Inveralmond House, 200 Dunkeld Road, Perth, Perthshire, PH1 3AQ
25. Storegga Limited	2 nd Floor 1-2 Hatfields, London, United Kingdom, SE1 9PG
26. Thistle Wind Partners Limited	The Capital Building, 12-13 St Andrew Square, Edinburgh, EH2 2AF
27. University of the Highlands & Islands	UHI House Old Perth Road, Raigmore, Inverness, Scotland, IV2 3JH

Appendix 2
Application for admission as a Core Member and/or Associate

The Directors

Inverness and Cromarty Firth Green Freeport Limited
Inverness & Cromarty Firth Green Freeport Limited,
The Green House,
Beechwood Business Park North,
Inverness,
Highland,
IV2 3BL

[Date]

Dear Sirs

Application for admission as a [Core Member and/or] Associate of Inverness and Cromarty Firth Green Freeport Limited (the "Company") (Company number SC735754)

[I]/[We], the undersigned of the above address, wish to apply to become a [Core Member and/or] Associate of the Company and agree to be bound by the provisions of the Company's articles of association and any rules and / or byelaws of the Company made thereunder and as may be in force from time to time.

[I]/[We] hereby agree to contribute a maximum amount of £1.00 (one pound Sterling) to the assets of the Company in the event of the Company being wound up while [I am]/[we are] a [Core Member and/or] Associate of the Company or within one year after [I]/[we] cease to be a [Core Member and/or] Associate.

Subject to [my]/[our] application being successful, [I]/[we] hereby authorise you to enter [my]/[our] name in the Company's register of members.

Yours faithfully

[Signature]

[Director / Authorised signatory]
[For and on behalf of []]

[Print name]
