

HALKIRK DISTRICT BENEFIT FUND

(Registered Office: 28 Queensgate, Inverness IV1 1YN)
Registered Number: 281781 (Scotland) Scottish Charity Number: SC039254)

MINUTES OF THE THIRD ANNUAL GENERAL MEETING (AGM), HELD IN THE ROSS INSTITUTE, HALKIRK, CAITHNESS ON 25 FEBRUARY 2009 AT 7.30 PM

PRESENT: Mr W Manson (Chairman), Mr PJW Blackwood, Mrs J Mowat,
Mrs K Cartwright, Mr S Mills (Directors) and 34 members
APOLOGIES: 11 Members
IN ATTENDANCE: Mr S Walker (Reid & Fraser, Chartered Accountants and Independent
Examiners to Halkirk District Benefit Fund) & Mrs J Douglas (Secretary).

OPENING REMARKS

The Chairman thanked all members for their attendance at the Third Annual General Meeting (AGM) of Halkirk District Benefit Fund (HDBF). He introduced the current directors seated at the top table, Mr Stuart Walker (Reid & Fraser) and Mrs Joanie Douglas.

- 1. To confirm approval of the Minutes of the Second AGM held on 28 May 2008**
Draft minutes of the Second AGM had been circulated to all members. The minutes were proposed by Mr E Sutherland and seconded by Mr D Busby as being a true record of the meeting.

To receive and adopt the Directors' Report and Financial Statements for Year Ended 31 March 2008

Copies of the accounts had been distributed to all members prior to the meeting and, for information, the original signed copy of the accounts was placed before the meeting. Mr Blackwood explained that the different format of the accounts to the previous financial year was due to gaining charitable status and, consequently, meeting the requirements of the Office of the Scottish Charity Regulator (OSCR). A brief, verbal summary of the main items was provided by Mr Blackwood and members were invited to ask questions. No comments were forthcoming and therefore on the proposal of Mrs Cartwright, seconded by Mr D Sutherland the Directors Report and Financial Statements for the Year Ended 31 March 2008 were approved and adopted.

- 2. To Re-elect/Elect two directors**

2.1. Proposal for a Resolution

Mr W Manson read out a Proposal for a Resolution received from Mr Donald G Mackay to change the Memorandum & Articles of Association in accordance with Paragraph 4.1. The proposal was:

- to increase the number of Directors to a maximum of 7;
- to increase the number of Directors necessary to form a quorum to 5.

It was considered that this would be beneficial in providing greater stability of service in addition to a wider representation from the District and outlying areas. A motion to take the Resolution forward for further discussion and, subsequently, to be placed before an Extraordinary General Meeting (EGM) for approval was proposed by Mr D Mackay and seconded by Mrs S Gillon.

2.2 Nominations for Directors

At this point, Mrs K Cartwright took over as acting Chairperson for the remainder of the

meeting. The Directors retiring by rotation were Mr William Manson and Mr Stuart Mills, both of whom being eligible offered themselves for re-election (Article 31.1). No further nominations for the two vacancies had been received from members. Thus, in accordance with the Memorandum & Articles of Association, members were invited to propose and second the retiring Directors for re-election:

- Mr S Mills was proposed by Mr D Mackay and seconded by Mr G Latham;
- Mr W Manson was proposed by Mr E Sutherland and seconded by Mr D Busby.

Thus, Mr S Mills and Mr W Manson were re-elected to the Board.

Mr S Walker (Reid & Fraser) left the meeting.

3. To re-appoint Reid & Fraser, Chartered Accountants, as Independent Examiners to the Company

Mr D Munro proposed the re-appointment of Reid & Fraser, Chartered Accountants, as Independent Examiners to HDBF; this proposal was seconded by Mr G Forbes.

4. To authorise the Directors to determine the remuneration of the Independent Examiners
Indications are that the annual fee will be approximately £500 in recognition of additional work due to the Fund's charitable status and subsequent taxation position. Mr D Mackay proposed, and Mr D Munro seconded, that the Directors be authorised to determine the remuneration of Reid & Fraser as Independent Examiners in the current financial year.

There being no further notified business, the Annual General Meeting closed.

5. Any Other Business

5.1. Proxy Voting

Mr D Munro queried why a non-member holding a proxy vote was denied attendance at the Second AGM. Mr W Manson stated that the matter was now considered closed following both written and verbal apologies. Different opinions were held by members speaking from the floor and the Directors on the general issue of proxy voting. An approach is to be made to Mr Douglas Graham, Company Secretary (Macleod & MacCallum), to confirm that the protocol of proxy voting as stated in the Memorandum & Articles of Association and as operated at the previous AGM is correct.

ACTION: Directors to seek advice from Mr D Graham (Macleod & MacCallum)

5.2. Second AGM Voting Process

Mr D Sutherland raised an issue regarding the voting process at the previous AGM. It was clarified by the Chair how each member received one ballot paper and thus one vote which, in the circumstances of the Second AGM, entitled the member to two choices of nominee for the two vacancies on the Board of Directors. However, for reassurance purposes, Mr D Graham (Company Secretary) is to be asked to confirm that this practice was in accordance with the Memorandum and Articles of Association of HDBF.

ACTION: Directors to seek advice from Mr D Graham (Macleod & MacCallum)

5.3 Distribution of Proxy Forms

Mr D Mackay commented on the omission of a proxy form from distribution as part of the Third AGM documentation. It was agreed that, in future, proxy forms would be distributed with the list of nominees standing for election/re-election as Director, according to the timescale stated in the Memorandum & Articles of Association.

ACTION: Distribution of Proxy Forms with List of Nominations for Director

