

[Background note. The Big Lottery required this Minute to be recorded in this form as required by our respective lawyers. The decision by the Board of NGCE to undertake the agreement had already been taken at the previous Board Meeting on 26th June 2017 and recorded in Minute 7 of that meeting which is appended.]

New Galloway Community Enterprises Ltd

Registered with the Financial Conduct Authority No: 7143 as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.

MINUTE of a meeting of the Management Committee (Board of Directors) of the above Company (Society) convened and held at - Drumcreel, New Galloway, Kirkcudbrightshire, DG7 3RS at 2.00 pm on 4th July 2017.

PRESENT: David John Briggs, Jean Marsden, Michael Brown

Also in Attendance: Helen Keron

1 Chair: Michael Brown was appointed Chair and served as Chair throughout the Meeting.

2 Notice & Quorum: The Meeting was Quorate. (Quorum is 3).

The Chair reported that the Meeting had been called by him under powers granted by Minute 7 of the Management Committee (Board) Meeting held at Dalveen, New Galloway Kirkcudbrightshire DG7 3RS on 26th June 2017. Minute 7 (attached below) recorded that a full discussion of the topic by the Meeting had taken place and agreement made to sign the Standard Security. (Minute 7 attached).

3. Declarations of Interest

The Chair, in terms of the Co-operative and Community Benefit Societies Act 2014, required each director to declare the nature and extent of any direct or indirect interest in the business to be transacted at the Meeting.

It was noted that in terms of the Act, each director was under a duty to avoid a situation in which he or she has or can have a direct or indirect interest that conflicts or may conflict with the interests of the Society.

Each director present declared the nature or extent of his or her interest in the business to be contracted at the meeting in accordance with the said Act. These having been noted.....the Directors present were entitled to vote and be counted in a quorum in respect of the matter to be discussed at the meeting.

4. Purpose of the Meeting

The Chair reported that the Society had proposed to enter into granting the Standard Security in favour of the Big Lottery Fund of 1 Plough Place, London EC4A 1DE to secure the obligations incumbent on the society in respect of the grant award given by the Big Lottery Fund to the society, which Standard Security is to be secured over the heritable property known as Hopkins House and Shop, High Street, New Galloway, DG7 3RN

5. Transaction Document

It was noted that the purpose of the meeting was to consider and, if thought fit, to approve the Society entering in to the following documents:-

A Standard Security granted by New Galloway Community Enterprises Limited in favour of the Big Lottery Fund over the heritable property comprising the house and shop known as Hopkins House and Shop, High Street, new Galloway, DG7 3RN. This is the Transaction Document.

6. Consideration of the Transaction Document.

The Transaction Document was produced at the Meeting. The Directors, in their Management Committee (Board) Meeting of 26th June 2017 had already fully considered the Transaction Document in the context of the current financial position of the Society, taking into account issues of benefit to the Society and entering into the transaction contemplated thereunder, the solvency of the Society and the circumstances in which the Society is to operate.

In considering whether the Society should enter into the Transaction Document it was noted that each Director needed to comply with their general duties to the Society. These included (without limitation) the duty to exercise reasonable care, skill and diligence and the duty to act in accordance with the Society's constitution and for each director to exercise that person's power for the purposes for which they were conferred. Each Director also had a duty to act in the way that person considered in good faith, would be most likely to promote the success of the Society for the benefit of its Members as whole and in doing so, having regard amongst other matters to:

6.2.1 the likely consequences of any decision in the long term:

6.2.2 the purposes for which the Society was set up:

6.2.3 the impact of the Society's operations on the community and the environment;

6.2.4 the need to act in accordance with the Society's constitution.

6.2.5 it was noted that the list of factors was not exhaustive and, in having regard to these and any other relevant factors, the duty to exercise reasonable care, skill and diligence applied.

7. Approval of the Transaction Document

The Chair recommended to the Board that the granting of the Security should be executed for the benefit of the Society's objectives and authorise delivery of a copy certified by any Director or the Company Secretary to the lender.

It was unanimously resolved that:

7.1 The terms of the transaction document had been fully negotiated on behalf of the Company.

7.2 That the Society had the power under its Articles to enter in to the transaction document and to ratify or execute, as appropriate, the document to which it was required to be a party in connection with the transaction document.

7.3 The exercise by the Society of its respective rights and performance of its respective obligations under the transaction document would not contravene any provision of the Society's Articles of Association or any agreement or any obligations binding on the Society.

7.4 The Directors were further satisfied that the transaction contemplated by the transaction document would commercially benefit the Society and that entering into the transaction document would promote the success of the Society for the benefit of its Members and objectives.

7.5 The terms of the transaction document be hereby approved and any Director, any director (plus a witness) and two Directors or any Director and the Society Secretary (as appropriate) be and are authorised to execute and deliver the transaction documents with any amendments, variations and modifications that they, in their absolute discretion think

fit (the approval of each person to be civilly determined by his or her execution of the transaction document) and that the transaction document be dated and delivered to the lender and:

7.6 Any Director and Director (plus a witness) and two directors and the Society Secretary (as appropriate) be and are authorised to execute any other documents which may, in their opinion, (as conclusively evidenced by their execution of those documents) from time to time require to be entered into by the society for the purposes of, in connection with or otherwise relating to the transaction document as may be required by the lender.

8 Company filings

The Secretary and and/or a Director was entitled to make all such filings in the statutory books of the Society and with the Financial Conduct Authority in order to ensure that the business of the Meeting was transacted.

9. End of Meeting

No other business was transacted and the Meeting closed.

Extract from the Minutes of the Meeting of the Management Committee (Board) of New Galloway Community Enterprises Ltd held at Dalveen, New Galloway, Kirkcudbrightshire DG7 3RS on 26 June 2017.

Present:

David John Briggs, Dawn Angela Spernagel, Mary Helen Smith, Jean Marsden, Michael Brown, Sarah Lane, William Craig Millar.

Apologies: Emma Harnett, Margaret Watson

In Attendance: Helen Keron

Minute 7. Standard Security.

The meeting has considered the draft Standard Security (the 'document'), drawn up by our solicitor, Ian Murray of John Henderson & Sons, Dumfries.

We are awaiting approval of this draft Standard Security from the BLF's lawyers. Once that approval has been received, or an amended version of the Standard Security presented by BLF, the document must be signed on behalf of NGCE Ltd and delivered to the Big Lottery Fund in order to release the funds for the purchase of Hopkins shop and house in New Galloway.

In order to arrange this signing, the Chair will call a Management Committee meeting at the earliest possible date after BLF approval is received. This date will be arranged such that at a Quorum (viz 3) members can attend. The meeting will have the sole purpose of authorising the signing of the Standard Security document and recording a Minute to that effect. A template for that Minute has been provided by our solicitor.

In the event of BLF requiring major changes in the document a MC meeting will be called urgently.

The MC meeting of 26th June 2017 has approved the above process