

THE SITKA SPRUCE BREEDING CO-OPERATIVE LIMITED

MEMBERS AGREEMENT

An Agreement made on (date) between the:

The Sitka Spruce Breeding Co-Operative Limited (SSBC). SC470394

Registered Office:

Northern Research Station (the Co-operative)
Roslin
Midlothian,
EH25 9SY

And:

Full or Associate Member name (delete as appropriate):

Name of Organisation: (the Member)
(Please Print)

Address

IT IS AGREED as follows:-

Membership

- 1. **A Full Member** is any organisation that has been admitted to membership of the Co-operative as a Full Member under Articles 12-19 of the Articles of Association and has signed this agreement known as the Members Agreement in accordance with Article 12 thereof. Full Members shall have voting rights.
- 2. **An Associate Member** is not a Full Member. An Associate Member has a demonstrable interest in supporting the Co-operatives' objectives but pays a lesser subscription for membership relative to a Full Member. Associate Members have the right to attend occasional meetings and Annual General meetings but have no voting rights. Other rights of Associate Members to be decided by the Directors.

The Co-operative's Purpose

3. The purpose of the Co-operative is to (i) produce selected and improved vegetatively propagated full-sibling Sitka spruce planting stock and (ii) take forward the breeding programme for Sitka spruce, all in a manner which is consistent with the ethos and principles of the co-operative business model.

The Co-operative's Obligations under this Agreement are:

4. To perform all tasks and provisions of services, land, equipment and facilities in an equitable and sharing manner between Full Members identifying the rights and obligations of the various Full Members.
5. To identify and secure those properties and capital items which belong to the Co-operative separately to those which belong to the individual Full Members.
6. To ensure equality of financial contribution between Full Members on operations performed within the financial year required to meet the objectives of the Co-operative, bearing in mind the respective provision of other services, land, equipment and facilities by Full Members. This will involve a clear and agreed monetary value attached to all functions performed. This will include (but is not restricted to):
 - i. The raising of rootstock
 - ii. The collection of scion material
 - iii. The grafting of scions and rootstock
 - iv. The maintenance of completed grafts
 - v. The cost of pollination – per (unit) female flower(s)
 - vi. The cost of storing seed and pollen
 - vii. The cost of collecting cones
 - viii. The cost of extracting seed from cones
 - ix. The cost of distributing seed to customers
 - x. Agreed hourly rates for sundry operations
7. To agree unit costs under Article 6 before any operations are carried out by any Full Member.
8. To agree how to achieve equality of costs and responsibilities between Full Members given that different contribution may be made by different Full Members within a given financial year. The following has been agreed at the time of compilation, further additions may be added in future meeting by the Directors and cited in the minutes of those meetings:
 - Full Members agree to make up any deficit on the budgeted with in-kind contribution
 - Any surplus in-kind contribution will not be paid in cash to Full Members unless the Coop is in surplus

- Any surplus will be paid in proportion to the Full Members in-kind excess
 - Any in-kind excess will be agreed in advance.
9. To agree the terms upon which the Co-operative is entitled to establish clone banks (defined as collections of grafted copies of trees subjected to the IP Licence between the Co-operative and the Forestry Commissioners) on land provided by the Full Members (including any rental costs of the land on which the clone banks are sited) and how operations can effectively be undertaken by the Co-operative (as the holder of the licensed rights) rather than the individual Full Members.
 - i. Only Full Members are entitled to buy copies of clones subject to the Licensed IP agreement with FR, to create a seed orchard.
 - ii. Only Full Members are entitled to carry out controlled pollinations involving clones subject to the Licensed IP agreement with FR, to create full-sibling families.
 10. To agree the process regarding trees owned by the Co-operative existing on land owned by a Full Member if that Full Member chooses to leave the Co-operative.
 11. To agree a mechanism by which any seed generated through the clone banks is on behalf of the Co-operative (not the Full or Associate Member) and establish conditions of sale between the Co-operative and (a) Full Members, (b) Associate Members, and (c) non-members.
 12. To maintain a bank account in order to receive, manage and disburse funds, and to maintain financial records and to prepare regular financial reports to the Members.
 13. To arrange for and manage the employment of such staff as are deemed necessary along with the provision of contractual services by members and others.
 14. To maintain records of all work done by Full and if necessary by Associate Members through the Co-operative.
 15. To monitor the quality of services provided by Full and Associate Members through the Co-operative.
 16. To protect the interests of the Co-operative as a whole rather than those of any particular individual.
 17. To arrange mediation services in the event of any dispute between Full and/or Associate Members with each other or with the Co-operative.

The Full and Associate Member's Obligations in signing this Agreement are:

18. To become a member of the Co-operative (Full or Associate) and thereby abide by the Articles of Association of the Co-operative and the terms of this Agreement as specified in Article 25 of the Articles of Association.
19. To only charge the Co-operative for operations for which have been previously agreed by the Co-operative.

20. Not to enter into competition with the Co-operative in the provision of goods and services in such a manner as is likely (or may reasonably be considered to be likely) to be detrimental to the interests of the Co-operative.
21. To maintain confidentiality in relation to any business of the Co-operative.
22. To use the Co-operative's name only as authorised by it.
23. To seek at all times to meet the quality standards agreed by the Co-operative.
24. To contribute to the running of the Co-operative, and where possible to attend all member meetings.
25. To represent the Co-operative as required.
26. To act reasonably and in such a way as to not bring the Co-operative into disrepute; giving due respect to other members.
27. To abide by the terms of Articles 23 of the Articles of Association in any withdrawal from membership of the Co-operative.
28. To accept that its membership of the Co-operative is liable to be terminated if it does not adhere to the terms of this Agreement.
29. Full Members need to maintain the necessary insurance cover and compliance with Health & Safety and other relevant legislation.

General

30. All members agree to abide by the points listed within this Agreement.
31. This Members Agreement may be modified by the Co-operative with the agreement of two-thirds of Full Members attending a general meeting for that purpose.
32. The members and the Co-operative understand that this agreement is written in plain language and may therefore not cover every legal eventuality. The parties agree to be fair and reasonable at all times when administering this Agreement.

This agreement shall be governed by and construed in accordance with the Law of Scotland.

AS WITNESS WHEREOF SIGNED by and on behalf of The Sitka Spruce Breeding Co-operative Limited

Signature:

Print name:

Position in Co-operative;

SIGNED by the Full or Associate Member (delete as necessary)

Signature

Print name:

Organisation:

Position in Organisation: