

Proposed Articles of Association – Key Changes

Annual General Meeting

26 October 2016

The proposed Articles of Association are almost identical to the Company's current document but has been revised in order to comply with changes to Section 34 of the Land Reform Scotland Act. In preparing a new Articles of Association, we followed a model template provided by the Scottish Government.

Key Provisions and Changes

Existing Articles of Association	Proposed Articles of Association	Comment
Mackenzie Square not there	Added Mackenzie Square (IV27 4SA)	
Exiting Company purposes have been approved by the Charity Regulator.	No change although model template had somewhat different wording but the same meaning.	Approval by the Office of the Charity Regulator is essential for charitable status.
There must be 20 or more members at one time.	No change	
Applications for membership must be in writing.	No change	
Ordinary members must be at least 18 years old, ordinarily resident in the community and eligible to vote in local elections.	Ordinary members must be at least 16 years old, ordinarily resident in the community and eligible to vote in local elections.	The change brings us in line with current Scottish legislation regarding local elections.
Quorum at any General Meeting is set at 10.	No change	
Quorum must be reached with 15 minutes	Change to 30 minutes	
The Board of Directors is elected by Members at General Meetings.	No change	
There can be a minimum of 5 Directors and a maximum of 12.	No change.	The absolute minimum is 3 for a charity.

<p>Membership in the Board of Directors can consist of: up to 6 elected Directors, up to 2 appointed by the Kinlochbervie Community Council and up to 4 co-opted Directors.</p>	<p>The proposed Articles suggests a breakdown of up to 7 elected Directors, up to 2 appointed by the Kinlochbervie Community Council and up to 3 co-opted Directors.</p>	<p>The legislation requires that the total number of appointed and co-opted Directors must be FEWER than the number of elected Directors.</p>
<p>Directors do not need to retire after 2 terms (6 years).</p>	<p>No change</p>	<p>The model document suggests that a Director retire after 2 terms and must be out of office for 1 year before becoming eligible again. The purpose of this clause is to ensure that the Board isn't ruled by a small group of people. However, it was deleted in 2012 in our Articles of Association since it was deemed impractical in a very small community where a limited number of people are willing to serve on committees.</p>
<p>One-third of Directors must retire at each AGM (those serving the longest).</p>	<p>No change</p>	<p>This clause ensures the possibility of new blood.</p>
<p>Any amendment of the Articles of Association requires 75% of Ordinary members present (including proxy votes).</p>	<p>No change</p>	