

The Companies Act 2006

Company limited by guarantee
and not having a share capital

Articles of Association

of

Morvern Community Development Company

Article Number	Articles	Explanatory Notes
Article 1	The name of the company is Morvern Community Development Company (“the Company”).	This name should be the same as on front cover. It is not necessary to include “Limited” in the name. Where necessary, advice on names is available from the Registrar of Companies - you can check on their website www.companieshouse.org.uk if the proposed company name is already in use.
	Registered Office	
Article 2	The Registered Office of the Company is situated in Scotland.	Do not insert the actual Registered Office address.
Article 3	<p>In these Articles of Association, the following definitions apply throughout:</p> <p>“Act” means the Companies Act 2006 and every statutory modification and re-enactment thereof for the time being in force.</p> <p>“AGM” means an Annual General Meeting.</p> <p>“Article(s)” means any Article or these Articles of Association.</p> <p>“Board” means the Board of Directors.</p> <p>“Charity” means a body entered in the Scottish Charity Register as defined under section 106 of the Charities and Trustee Investment (Scotland) Act 2005.</p> <p>“Circulation Date” means the date on which copies of the written resolution are sent to the Ordinary Members, as defined in Article 8.1</p> <p>“Clear Days” means a period excluding the day when notice is given and the day of the meeting.</p> <p>“Community” means the community area described in Article 4.</p>	

“Company” means the company to which these Articles relate.

“Director(s)” means the director(s) for the time being of the Company.

“GM” means a General Meeting. All General Meetings, other than AGMs, shall be called General Meetings. **“Individual”** means a human/person.

“Land Reform Act 2003” means the Land Reform (Scotland) Act 2003 and every statutory modification or re-enactment thereof for the time being in force.

“Land Reform Act 2016” means the Land Reform (Scotland) Act 2016 and every statutory modification or re-enactment thereof for the time being in force.

“Members” mean those individuals or organisations who have joined the company.

“Organisation” means any incorporated or unincorporated association, society, federation, partnership, corporate body, agency, undertaking, local authority, union, co-operative, trust or other organisation (not being an individual person).

“OSCR” means the Office of the Scottish Charity Regulator.

“Property” means any property, assets or rights, heritable or moveable, wherever situated in the world, belonging to the Company.

“Subscribers” means those Ordinary Members, as defined in Article 8.1, who have subscribed the Memorandum of Association.

“Them”, “Their” or “They” means an individual or an organisation.

“The 2005 Act” means the Charities and Trustee Investment (Scotland) Act 2005 and every statutory modification or re-enactment thereof for the time being in force.

Article 3.1	Words importing the singular number only shall include the plural number, and vice versa; and words importing the masculine gender only shall include the feminine gender.	
Article 3.2	These Articles supersede any model Articles and any regulations pertaining thereto. Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.	
Article 3.3	The two schedules to these Articles are deemed to form an integral part of these Articles.	
	Definition of Community and Purposes	
Article 4	<p>The Company has been formed for the public benefit of the Community of Morvern as defined by the post code units as defined in Schedule 3.</p> <p>With the Purposes listed in the Sub-articles hereto (“the Purposes”), to be exercised following the principles of sustainable development (where sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs).</p>	<p>This is a requirement under sections 34(1) (a) and 97D(2)(a) of the Land Reform Act 2003 and section 49(2)(a) of the Land Reform Act 2016</p> <p>A Community must be defined by reference to a postcode unit or units, or a prescribed type of area or areas, or both such units and types of area. The provisions setting out how you can define your Community are found at sections 34(5) and 97D(9) of the Land Reform Act 2003 and section 49(9) of the Land Reform Act 2016 and the following regulations: Community Right to Buy (Scotland) Regulations 2015, (regulation 2), The Community Right to Buy (Abandoned, Neglected or Detrimental Land) (Applications, Ballots and Miscellaneous Provisions (Scotland) Regulations 2018 (regulation 17) and the Right to Buy Land to Further Sustainable Development (Eligible Land, Specified Types of Area and Restrictions on Transfers, Assignations and Dealing) (Scotland) Regulations 2020 (regulation 6)</p>

		If your Community is made up of individual postcode units you may wish to add an additional schedule (Schedule 3) and include the postcode units in that schedule. If doing so, please make reference to Schedule 3 in this article.
	Purposes	
Article 4.1	The Company's main Purpose is consistent with furthering the achievement of sustainable development. The Company's Purposes are:	<p>Sections 34(4) and 97D(6) of the Land Reform Act 2003 and section 49(7) of the Land Reform Act 2016 requires that the main purpose of a community body be "consistent with furthering the achievement of sustainable development"</p> <p>Purposes must reflect the aims of the Company. The Model provides a series of four over-arching Purposes (numbered 4.1.1 to 4.1.4 below) so that you can select one or more which are likely to be relevant to your company's aims and intended activities.</p> <p>You can amend or add additional Purposes. However, if your company is seeking charitable status, you must apply to OSCR for consent to do so.</p>
Article 4.1.1	To provide or advance the accessibility of recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.	<p>If your company is seeking charitable status you will have to demonstrate to OSCR, with background information, that your company's planned activities will achieve this object. This purpose may not be accepted by OSCR and if seeking charitable status may result in you having to delete this purpose and replacing it with an agreed purpose from OSCR.</p> <p>Charitable purposes are listed under section 7(2) of the 2005 Act.</p>

		<p>You can select one or more which are likely to be relevant to your organisation's aims and intended activities. You should therefore seek guidance from OSCR.</p>
Article 4.1.2	<p>Advancement of citizenship or Community development, including rural or urban regeneration.</p>	<p>If your company is seeking charitable status you will have to demonstrate to OSCR, with background information, that your company's planned activities will achieve this object. This purpose may not be accepted by OSCR and if seeking charitable status may result in you having to delete this purpose and replacing it with an agreed purpose from OSCR.</p> <p>Charitable purposes are listed under section 7(2) of the 2005 Act. If the Purposes are worded exactly as per the 2005 Act this will be acceptable to OSCR.</p> <p>You can select one or more which are likely to be relevant to your Organisation's aims and intended activities. You should therefore seek guidance from OSCR.</p>
Article 4.1.3	<p>To advance educational opportunities in the Community relating to environment, culture, heritage and/or history.</p>	<p>If your company is seeking charitable status you will have to demonstrate to OSCR, with background information, that your company's planned activities will achieve this object. This purpose may not be accepted by OSCR and if seeking charitable status may result in you having to delete this purpose and replacing it with an agreed purpose from OSCR.</p> <p>Charitable purposes are listed under section 7(2) of the 2005 Act. If the Purposes are worded exactly as per the 2005 Act this will be acceptable to OSCR.</p>

		You can select one or more which are likely to be relevant to your Organisation's aims and intended activities. You should therefore seek guidance from OSCR.
Article 4.1.4	To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community. The management of community assets.	<p>If your company is seeking charitable status you will have to demonstrate to OSCR, with background information, that your company's planned activities will achieve this object. This purpose may not be accepted by OSCR and if seeking charitable status may result in you having to delete this purpose and replacing it with an agreed purpose from OSCR.</p> <p>Charitable purposes are listed under section 7(2) of the 2005 Act. If the Purposes are worded exactly as per the 2005 Act this will be acceptable to OSCR.</p> <p>You can select one or more which are likely to be relevant to your Organisation's aims and intended activities. You should therefore seek guidance from OSCR.</p>
	Powers	
Article 5	The Company shall have powers to do anything which is calculated to further its Purposes or is conducive or incidental to doing so, as expressed in Schedule 1 annexed to these Articles.	<p>Company Law requires that powers are only exercised in pursuance of the purposes.</p> <p>This is also a requirement under Section 50(5) of the 2005 Act which is relevant if your Company seeks to obtain charitable status.</p> <p>The powers are relatively standard and are intended to cover most things you may wish to do to achieve the Purposes. Just because there is a power to do something does not mean that you are obliged to do it.</p>

		All of the powers can be exercised only in furtherance of the Purposes.
	General Structure of the Company	
Article 6	The structure of the Company comprises:	
Article 6.1	<p>Members – comprising:</p> <p>a) Ordinary Members (who have the right to attend the AGM and any GM and have important powers under these Articles and the Act, who elect natural persons to serve as Directors and take decisions in relation to any changes to these Articles), and:</p> <p>b) Associate Members and Junior Members; and</p>	<p>Associate Members and Junior Members are optional (although Scottish Ministers encourage you to be inclusive of other people, organisations based in or associated with the Community, and young people who may be able to and wish to support the Company’s Purposes).</p> <p>If the Company opt not to have Associate Members or Junior Members then you should ensure any relevant Article in relation to these Members is removed or updated accordingly.</p>
Article 6.2	<p>Directors – comprising</p> <p>a) Elected Directors;</p> <p>b) Appointed Directors; and</p> <p>c) Co-Opted Directors</p> <p>who hold regular meetings between each AGM, set the strategy and policy of the Company, generally control and supervise the activities of the Company and, in particular, are responsible for monitoring its financial position and, where there are no employees appointed, are responsible also for the day-to-day management of the Company.</p>	
	Membership	
Article 7	The Members shall consist of the Subscribers and such other Members as are admitted to membership in terms of these Articles.	

Article 8	Membership of the Company is open to:	This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) the Land Reform Act 2003, and section 49(2)(e) of the Land Reform Act 2016 by ensuring that Members of the Company who are members of the Community have control of the Company
Article 8.1	<p>Ordinary Members: those individuals aged 16 and over who:</p> <ul style="list-style-type: none"> a) are resident in the Community b) are entitled to vote at a local government election in a polling district that includes the Community or part of it; and c) support the Purposes. 	Those who comprise the Community are defined in sections 34(5) and 97D(9) of the Land Reform Act 2003 and section 49(9) of the Land Reform Act 2016. The community area is defined in Article 4 of these Articles.
Article 8.2	<p>Associate Members: those individuals and organisations who:</p> <ul style="list-style-type: none"> a) are not entitled to vote at a local government election in a polling district that includes the Community or part of it b) and support the Purposes. <p>Associate Members are neither eligible to stand for election to the Board nor to vote at any AGM or GM.</p> <p>Each member which is an Organisation shall appoint one named authorised representative (who is an individual person) to represent and act for such member at all AGMs and GMs. Any change in the appointment of an authorised representative may be made at any time by the appointing member, but only by written notice to the Company. Such notice will take effect upon its receipt by the Company.</p>	<p>It is optional to have organisations (both incorporated or unincorporated) as Associate Members. If you do not wish to have organisations as Associated Members, you should delete the reference to organisations in article 8.2 and the final paragraph.</p> <p>Please note that unincorporated organisations have no separate legal personality, therefore if an unincorporated organisation wishes to become a Member, an Individual from their organisation must join in their own right, rather than the organisation itself being able to join. keep</p>

Article 8.3	<p>Junior Members: those individuals who:</p> <p>a) are aged between 12 and 15 and</p> <p>b) support the Purposes.</p> <p>Junior Members are neither eligible to become Directors on the Board nor can they vote at any AGM or GM.</p>	<p>Optional - but this encourages the inclusion of young people.</p> <p>If you choose not to have Junior Members, please delete this clause and renumber the sub-sections of Article 8 accordingly. Thereafter please remove any references to Junior Members elsewhere in the Articles. keep</p>
Article 8.4	<p>Declaring that, if an Member ceases to comply with any of these criteria at Article 8.1, 8.2 and 8.3 they will be obliged to inform the Company and will thereafter be reclassified in terms of either Article 8.1, 8.2 or 8.3 and that if the Company becomes aware of this itself it will so reclassify the Member and notify them accordingly.</p>	
	Conditions of Membership	
Article 9	The following conditions apply to membership:	
Article 9.1	<p>The Company shall have not fewer than 10 Members at any time;</p>	<p>The Land Reform Act 2003, Section 34(1)(c) and Section 97D(c) and the Land Reform Act 2016, Section 49(2)(c) requires a minimum of 10.</p> <p>An exemption from this limit may be sought from the Scottish Ministers in exceptional circumstances</p> <p>There is nothing preventing you from having more the 10 members as a minimum.</p>
Article 9.2	<p>at least three quarters of the Members of the Company are members of the Community; and</p>	<p>This is a requirement of sections 34(1)(d) and 97D(2)(d) of the Land Reform Act 2003 and section 49(2)(d) of the Land Reform Act 2016 (minimum number of members).</p> <p>This provision contributes to compliance with the Land Reform Act 2003, Sections 34(1)(e) and 97D(2)(e) and</p>

		<p>the Land Reform Act 2016 Section 49(2)(e), in terms of ensuring that Members of the Company who are members of the Community have control of the Company.</p> <p>Members of the Community are those who comply with section 34(5)(b) or 97D(9)(b) of the Land Reform Act 2003 or Section 49(9)(b) of the Land Reform Act 2016 and Article 8.1</p>
Article 9.3	<p>In the event that the number of Members falls below 10 or that at least three quarters of the Members do not consist of members of the Community, the Board may not conduct any business other than to ensure the admission of sufficient Ordinary Members to achieve the minimum number and/or maintain the majority.</p>	<p>This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003, and section 49(2)(e) of the Land Reform Act 2016), in terms of ensuring that Members of the Company who are members of the Community have control of the Company</p>
Article 10	<p>Any individual or organisation who wishes to become a Member shall in such written form as the Board prescribes. submit a written application for membership (in the case of an incorporated organisation, the application must be signed by an appropriate officer of that body).</p>	<p>A written application for membership is recommended, which should be a simple form that is signed and dated by the applicant.</p> <p>Note: organisations are not eligible to become Ordinary Members and in accordance with the definition of Community contained in sections 34(5)(b) and 97D(9)(b) the Land Reform Act 2003, and section 49(9)(b) of the Land Reform Act 2016.</p>
Article 10.1	<p>The Board shall promptly consider applications for membership, from time to time, determining if the terms of Article 8 apply and into which category of membership each applicant shall belong, and immediately thereafter shall approve any valid application provided the applicant is not excluded by virtue of Article 9 or has previously been a Member of the Company and continues to be</p>	

	excluded from membership by virtue of Article 15, and inform the applicant of the Board's decision	
Article 11	The Board shall maintain a Register of Members, which shall be open for inspection by both the Board and Members and, with the express prior written approval of the Director or employee concerned, by members of the public. The Register of Members shall set out the name and postal address of each Member, the relative category of membership and the date of the Member's appointment and cessation.	It is recommended in order to determine who is a current Member and eligible to vote that this Register of Members is kept as accurate as possible If additional details are retained, the General Data Protection Regulation (GDPR) may require you to obtain written permission from each member to hold additional personal data. As a data controller it is possible that you will have to pay a data protection fee under the Data Protection (Charges and Information) Regulations 2018. More information can be found on the Information Commissioner's website at www.ico.org.uk
	Membership Subscriptions	Optional – Although it is a good way of ensuring the company keep track of current membership – the membership subscription can be £0 keep
Article 12	The Ordinary Members may (if applicable) at any or each AGM, fix the annual subscriptions (and, if relevant, different rates thereof for different categories of membership). All fees are currently £0	If including life membership, the company should amortise the life subscription over a substantial period of years.
Article 13	Members shall be required to pay the appropriate annual membership subscription, where fixed. Only those Members who have paid their current subscription, where fixed, are entitled to take part in and vote at the AGM or any GM. All fees are currently £0	
Article 14	Any individual or organisation which ceases to be a Member (for whatever reason) shall not be entitled to any refund of membership subscription. All fees are currently £0	

	Cessation of Membership	
Article 15	A Member shall cease to be a Member if:	
Article 15.1	They send written notice of resignation to the Company; or	
Article 15.2	being an individual, they become insolvent or apparently insolvent or makes any arrangement with his or her creditors;	
Article 15.3	being an organisation, it goes into receivership, goes into liquidation, dissolves or otherwise ceases to exist (the right of membership not being transmissible assignation);	
Article 15.4	the annual subscription due remains outstanding for more than six calendar months (and provided that the Member in question has been given at least one written reminder) and if the Board chooses to expel that Member from membership;	Optional – only if having an annual subscription Not applicable
Article 15.5	a resolution that a Member be expelled is passed by a majority of at least 75% of the Ordinary Members present (including proxy) and voting at a GM, of which not less than 21 days' previous notice specifying the intention to propose such resolution and the grounds on which it is proposed shall have been sent to all Directors, all Members and the Company Secretary and also to the Member whose removal is in question, such Member being entitled to be heard at that meeting prior to the resolution being put to a vote; or	Optional Keep
Article 15.6	being an individual, he or she dies (the right of membership not being transmissible).	
Article 15.7	they cease to meet the membership criteria set out in Article 8.	

	Annual General Meetings (AGMs - Meetings of Members)	
Article 16	The Board shall convene an AGM in each year, at such time as it may determine, although the first AGM need not be held in the first year provided that it be held within 18 months after the date of incorporation of the Company. Thereafter, not more than 15 months shall elapse between one AGM and the holding of the next.	This reflects "Act" statutory requirements.
Article 17	The business of each AGM shall include: <ul style="list-style-type: none"> a) the report by the Chair on the activities of the Company b) the election of Directors; c) fixing of annual subscriptions (if applicable); d) consideration of the accounts of the Company; e) the report of the auditor (if applicable); and f) the appointment of the auditor (if applicable). 	17(e) Only applies if no longer exempt under Article 382 & 475 of the Companies Act 2006 17(f) Only applies if no longer exempt under Article 382 & 475 of the Companies Act 2006
	The Provisions With Regard to General Meetings (GMs - Meetings of Members)	
Article 18.	The following clauses apply with regard to GMs:	
Article 18.1	The Board may convene a GM whenever it thinks fit.	
Article 18.2	The Board must convene a GM within 28 days of a valid requisition. To be valid, such requisition must be signed by not less than 5% of the Ordinary Members, must state the general nature of business to be dealt with at the meeting and must be delivered to the Registered Office. The requisition may consist of several documents in like form each signed by one or more signees to the requisition.	

Article 19	Subject to the terms of Articles 71, 72 and 73, the provisions regarding notice of a GM are as follows:	
Article 19.1	14 Clear days' notice at the least shall be given of every GM to each Member, Director, the Company Secretary and the auditor;	This reflects the statutory requirements for an AGM; is simpler to keep its notice period the same.
Article 19.2	The notice shall specify the place, the day and the hour of the GM, the general nature of any business and the full text of any special resolutions proposed in terms of Article 26 ;	This reflects the statutory requirements.
Article 19.3	The accidental omission to give notice of a General Meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof in terms of Article 19.1, shall not invalidate any resolution passed at or proceedings of any GM.	
Chair of Meetings (AGMs and GMs)		
Article 20	The Chair of the Company, whom failing the Vice-Chair of the Company (if any), shall act as Chair of each AGM and GM. If neither the Chair nor the Vice-Chair is present or willing to act as Chair of the meeting within 15 minutes after the time at which the AGM and GM in question was due to commence, the Directors present shall elect from among themselves one of the Elected Directors who will act as Chair of that meeting.	This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003, and section 49(2)(e) of the Land Reform Act 2016, in terms of ensuring that Members of the Company who are members of the Community have control of the Company
Quorum at General Meetings (AGM and GM)		
Article 21	The quorum for a General Meeting shall be the greater of (a) 8 Ordinary Members or (b) 10% of the Ordinary Members, in either event being present in person or represented by proxy . No business shall be dealt with at any AGM or GM unless a quorum is present.	This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016 (control of the company by members of company who are members of the Community). You should ensure that the quorum requires a reasonable number of voting Members to attend, but

		<p>not so many that it might be difficult to achieve. The quorum shown is the minimum suitable under the Land Reform Act 2003 and the Land Reform Act 2016, if you opt to selected a minimum of 10 Members at Article 9.1.</p> <p>However, if you are going to have, for example, a minimum of 20 Members at Article 9.1 then the quorum would need to read “(a) 10 Ordinary Members or (b) 10% of the Ordinary Members”.</p>
Article 22	If a quorum is not present within 15 minutes after the time at which the AGM or GM was due to commence or if, during an AGM or GM, a quorum ceases to be present, the AGM or GM shall stand adjourned to such time, date and place as may be fixed by the Chair of the meeting.	
Article 23	The Board may make any arrangements in advance of any AGM or GM to allow Members to fully participate in such AGM or GM so long as all those participating in the meeting can clearly comprehend each other; a Member participating by any such means other than in person shall be deemed to be present in person at the AGM or GM.	
	Voting at Meetings (AGM and GM)	
Article 24	The Chair of the meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote.	
Article 25	The provisions regarding voting are as follows:	
Article 25.1	a) each Ordinary Member shall have one vote, to be exercised in person or by proxy, by a show of hands;	Sections 34(1)(e) and 97D(2)(e) the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016 require that this Company’s Articles include

	<p>b) unless a secret ballot is demanded by the Chair of the meeting, or by at least two Ordinary Members present or represented by proxy and entitled to vote, in which case a secret ballot must be demanded only before any show of hands takes place and shall be taken immediately at the same meeting;</p> <p>c) this secret ballot shall be conducted in such a manner as the Chair of the meeting may direct and the result of which shall be declared at the same meeting at which the ballot was demanded;</p> <p>d) in that event, the Chair of the meeting shall appoint and instruct tellers, who may cast their own personal votes if Ordinary Members.</p>	<p>provision to ensure control of the Company lies with members of the Community (i.e. the Ordinary Members as defined in Article 8.1). This provision contributes to compliance with that requirement.</p>
Article 25.2	<p>Associate and Junior Members shall have no vote.</p>	<p>The right to vote can be extended to include those who are not Ordinary Members, provided that there are provisions to ensure that members of the Community are always in the majority at all AGMs and GMs. A wider membership may be advantageous for small communities.</p>
Article 25.3	<p>Whilst actual attendance by Ordinary Members is to be encouraged at AGMs and GMs, any Ordinary Member shall be entitled to complete one form of proxy to appoint a proxy to attend an AGM and GM on his or her behalf, in respect of which the following apply:</p>	<p>By virtue of the “Act”, proxy voting is compulsory. Indeed, in the notice calling each AGM/GM, it is now an offence if the company fails to advise each member of his or her right to appoint a proxy and to explain how to do so.</p> <p>Each member is only entitled to appoint one proxy.</p>
Article 25.3.1	<p>a proxy need not be a Member;</p>	
Article 25.3.2	<p>a proxy appointed to attend and vote at any meeting instead of an Ordinary Member shall have the same right as the Ordinary Member who</p>	

	appointed him or her to speak at the meeting and to vote thereat;	
Article 25.3.3	the form appointing the proxy shall be in terms of Schedule 2 annexed to these Articles;	The template Form for allowing proxy is in Schedule 2 at the end of the Articles.
Article 25.3.4	the form appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, shall be lodged at the Registered Office not less than 48 hours before the time of the meeting at which the proxy is to be used; and	The notice requirements for proxy votes reflects the requirement under Section 327 of the Act and should not be changed.
Article 25.3.5	no form of proxy shall be valid more than 12 months from the date it was granted.	
Article 25.4	In the event of an equal number of votes for and against any resolution, whether by show of hands or secret ballot, the Chair of the meeting shall have a vote in his/her capacity as an Ordinary Member of the Company	
Article 26	<p>At any AGM or GM, a resolution put to the vote of the meeting shall be voted upon by a simple majority of the Ordinary Members who are present or represented by proxy and voting thereon, except for decisions relating to all special resolutions including but not limited to:</p> <ul style="list-style-type: none"> a) to alter the name of the Company; b) to amend the Purposes; c) to amend these Articles (subject to Article 75) d) to wind up of the Company in terms of Articles 76.1 to 76.4; or e) all other special resolutions. <p>Special resolutions shall require to be decided upon by not less than 75% of the Ordinary Members present or represented by proxy and voting thereon (no account</p>	<p>The threshold of 75% for Special Resolutions cannot be lowered. As required under the “Act”.</p> <p>Note regarding 26 b) Any changes to charitable purposes are subject to written consent being obtained from OSCR (and its successors) in terms of section 16 of the 2005 Act. Any changes to the Articles of Association should also be notified to Scottish Ministers</p>

	therefore being taken of Members who abstain from voting).	
Article 27	Ordinary and special resolutions may be passed in writing, rather than at an AGM or GM, provided that the terms of this Article are followed:	
Article 27.1	An ordinary resolution in writing signed by or on behalf of a simple majority of all the Ordinary Members shall be as valid and effective as if the same had been passed at an AGM or GM duly convened and held, provided that the terms of this Article are followed.	
Article 27.2	A special resolution in writing signed by or on behalf of not less than 75% of all the Ordinary Members shall be as valid and effective as if the same had been passed at an AGM or GM duly convened and held, provided that it states that it is a special resolution and the terms of this Article are followed.	
Article 27.3	Written resolutions may not be used either for the removal of a Director prior to the expiration of his or her term of office, or for the removal of an independent financial examiner or auditor prior to the expiration of his or her term of office.	
Article 27.4	Any written resolution must be issued in hard copy (by hand or by post) or in electronic form (by fax or e-mail), or by means of a website at the same time, to all Ordinary Members on the Circulation Date	
Article 27.5	Where such a written resolution is proposed by Ordinary Members, the following shall apply: (a) the resolution must be requested by not less than 5% of the Ordinary Members (“the Members request”); (b) the Members’ request may be made in hard copy (by hand or by post) or in electronic form (by fax or by e-mail);	

	<p>(c) the Members' request must identify the resolution to be put to Members and the Board can reject such resolutions, but must provide reasons for doing so to the Members requesting the resolution;</p> <p>(d) the Members' request can include an accompanying statement (not exceeding 1,000 words) which they can require the Company to issue with the written resolution to all Ordinary Members;</p> <p>(e) within 21 days, the Company must circulate the resolution and any accompanying statement, along with the express statements referred to in Article 27.6 hereof; and</p> <p>(f) the expenses of the company in complying with the request to circulate the written resolution must be paid by the members who requested the circulation of the resolution unless the company resolves otherwise</p>	
Article 27.6	<p>Where such a written resolution is circulated by the Board, on the request of the Members, it must include the following express statements:</p> <p>(a) an explanation to the eligible Members how to signify their agreement to the resolution;</p> <p>(b) how it can be sent back by them, and whether in hard copy (by hand or by post) and/or in electronic form (by fax or by e-mail);</p> <p>(c) clarification that a failure to reply will be deemed to be a vote against the resolution in question; and</p> <p>(d) the date by which the resolution must be passed if it is not to lapse (that is, the date which is 28 days after the Circulation Date).</p>	Failure to comply with the requirements in relation to circulating written resolutions requested by Members constitutes an offence under Section 293 of the Act.
Article 27.7	Any such written resolution may consist of several documents in the same form, each signed by or on behalf of one or more Ordinary Members.	

Article 27.8	Once an Ordinary Member has signed and returned a written resolution in agreement thereto, his or her agreement is irrevocable.	
	Meeting Adjournment (AGM and GM)	
Article 28	The Chair of the AGM or GM may, with the consent of a majority of the Ordinary Members present (or by proxy) and voting thereat, adjourn the meeting to such time, date and place as he or she may determine.	
	Company Management	
Article 29	The affairs, Property and funds of the Company shall be directed and managed by the Board. The Board may exercise all such powers of the Company, and may on behalf of the Company do all acts as may be exercised and done by the Company, other than those required to be exercised or done by the Ordinary Members in an AGM or GM, and subject always to these Articles and to the provisions of the Act.	In a guarantee company, particularly one which is also a charity, the label “Director” and “Directors” are often replaced by “Trustee” and “Trustees”. The Trustees, if labelled as such, would still be Directors of the Company.
	Appointment of Directors	
Article 30	The number of Directors shall be not less than three. Unless otherwise determined by special resolution at a General Meeting (but not retrospectively) the number of Directors shall not be more than 9.	To ensure that there is adequate Community involvement, a minimum of five directors is recommended – an absolute minimum of three is required if the company is to be a charity. A maximum number should be inserted (usually no more than twelve), which should tally with the total number of Directors in terms of Article 33.
	Interim Board	
Article 31	Upon incorporation of the Company, the following applies with regard to the Interim Board:	
Article 31.1	The Subscribers , and any one or more individual persons whom they choose to co-opt as Co-opted Directors in terms of Article 36, shall comprise the	‘The Subscribers’ are those who literally sign (“subscribe”) the incorporation papers. According to the definition, they are all Ordinary Members.

	Interim Board (a majority of Directors on the Interim Board must be Ordinary Members).	
Article 31.2	The Interim Board shall remain in office until the first GM of the Company, to be held as soon as practicable after incorporation, at which time each Director on the Interim Board shall retire, but any Subscriber who is a Director on the Interim Board shall, if he/she wishes, remain eligible for election thereat (without the period of office between the date of incorporation and the first GM counting as a term of office for the purposes of Article 34.4).	It is intended that the Interim Board's main function is to act in the brief interlude between the Steering Group and the fully-elected Board, thus arranging a public meeting as soon as practicable after the Company has been incorporated and/or recognised as a charity
Article 32	Employees of the Company may not be nominated as or become Directors.	This would need to be amended if the principal employee is to serve on the Board - see note to Article 41.3
	Composition of the Board	
Article 33	From and after the first GM of the Company, the Board shall comprise the following persons (a majority of whom shall always be Elected Directors), namely up to 9 directors consisting of up to 7 Elected Directors, up to 2 Appointed Directors and up to 3 Co-opted Directors	This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016). However elected, appointed or co-opted, a Director, once on the Board, owes his or her duty to the Company.
Article 33.1	up to 7 individual persons elected as Directors by the Ordinary Members in terms of Article 34 ("the Elected Directors"), who must themselves be Ordinary Members;	If you wish to provide for a term of three years, the number of Elected Directors should be one third (to the nearest round number). If you wish to obtain charitable status then the minimum number of directors (Trustees is 3) – please see additional note at Article 30
Article 33.2	up to 2 individual persons from Morvern Community Council in terms of Article 35 ("the Appointed Directors"); and	Optional - It is sometimes the case that the local Councillor, or a representative of the Community Council or other appropriate outside body, should have a close tie with the Company by having Board

		<p>representation. This may be a provision to add at a later date.</p> <p>If opting for Appointed Directors then the combined total of Appointed Directors and Co-opted Directors must not outnumber the total number of Elected Directors (e.g. if you have 6 Elected Directors the max number of Appointed & Co-opted Directors added together can't be greater than 5).</p>
Article 33.3	up to 3 individual persons co-opted in terms of Article 36 ("the Co-opted Directors"), so as to ensure a spread of skills and experience within the Board;	<p>Optional - Increasingly, this is recognised as an important feature to ensure that the Board has the skills it requires.</p> <p>If opting for Co-opted Directors then the combined total of Appointed Directors and Co-opted Directors must not outnumber the total number of Elected Directors (e.g. if you have 6 Elected Directors the maximum number of Appointed & Co-opted Directors added together can't be greater than 5).</p>
Article 33.4	who shall meet as often as necessary to despatch all business of the Company as specified in the Articles and particularly with reference to the restrictions in the quorum for Board meetings specified in Articles 45 and 46.	
	Elected Directors	These provisions contribute to compliance with sections 34(1)(e) and 97D(2)(e) the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016.
Article 34	At the first GM held in terms of Articles 31.2 and 33, the Ordinary Members shall elect up to 7 Elected Directors, in respect of which the following shall apply:	
Article 34.1	provided that the first GM in terms of Article 31.2 is held before the first AGM, there shall be no change in	There is no point in having another set of elections in quick succession during the first year or so when the

	or election of Directors at the first AGM (except to the extent of filling any vacancies in the Board left over after the first GM or caused by any retirements since);	priority is for the Board to settle effectively into the Company's business.
Article 34.2	at the second and each subsequent AGM, one-third of the Elected Directors (or the nearest number upwards) shall retire from office;	This retirement by rotation provides a mixture of continuity and new input.
Article 34.3	a retiring Elected Director shall retain office until the close or adjournment of the meeting;	
Article 34.4	a retiring Director shall be eligible for re-election after one term of office, but no Director can serve more than two consecutive terms of office, without at least one year out of office before being eligible again;	The recommended number of terms is two (6 years once full rotation has been established) (i.e. a term is 3 full years starting from the 1 st election until the 4 th AGM)
Article 34.5	if no other Director(s) has or have decided or agreed to retire, the Elected Directors to retire at each AGM shall be those who have been longest in office since their last election but, as between persons who were elected or last re-elected Directors on the same day, the one or ones to retire shall (unless they otherwise agree amongst themselves) be determined by lot;	
Article 34.6	nomination of any Elected Director, who shall himself or herself be (or be eligible to become) an Ordinary Member, shall be in writing by not less than any two Ordinary Members delivered to the Registered Office not less than 7 days prior to the date of the AGM in question and wherein the nominee shall confirm his or her willingness to act as an Elected Director if elected; and	
Article 34.7	election of any Elected Director shall be by vote of the Ordinary Members, each Ordinary Member having one vote for each vacancy in the Elected Directors on the Board.	
	Appointed Directors	Optional - But it is sometimes the case that the local Councillor, or a representative of the Community

		<p>Council or other appropriate outside body, should have a close tie with the Company by having Board representation. This may be a provision to add at a later date.</p> <p>If opting for Appointed Directors then the combined total of Appointed Directors and Co-opted Directors must not outnumber the total number of Elected Directors (e.g. if you have 6 Elected Directors the max number of Appointed & Co-opted Directors added together cannot be greater than 5).</p>
Article 35	Subject to Article 33.2, up to 2 individual Members of Morvern Community Council may be appointed in respect of which the following shall apply:	
Article 35.1	On receipt of the notice for each AGM of the Company, including the first General Meeting held after incorporation, the said Morvern Community Council (or its successors) shall intimate the Director being appointed by it at the AGM, by written notice delivered to the Registered Office not less than 2 days before the start of the meeting, failing which any Director previously appointed by it shall remain in office; and	
Article 35.2	Morvern Community Council, (or its successors) may appoint or remove its appointed Director at any time, by written notice to that effect delivered to the Registered Office not less than 2 days before the change is to take effect.	Appointed Directors are appointed by the appointing body and not the community body
	Co-opted Directors	Optional - Increasingly, this is recognised as an important feature to ensure that the Board has the skills it requires.

		If opting for Co-opted Directors then the combined total of Appointed Directors and Co-opted Directors must not outnumber the total number of Elected Directors (e.g. if you have 6 Elected Directors the max number of Appointed & Co-opted Directors added together can't be greater than 5).
Article 36	Subject to Article 33.3, up to 3 individual/individuals may be co-opted from time to time by the Board itself, as follows:	
Article 36.1	subject to Article 36.3, a Co-opted Director shall serve until the next AGM after his or her co-option;	
Article 36.2	a Co-opted Director can be re-co-opted at such next AGM;	
Article 36.3	a Co-opted Director can be removed from office at any time by a simple majority of the Board; and	
Article 36.4	for the avoidance of doubt, a Co-opted Director may participate fully in and vote at all Board meetings which he or she attends.	It is optional to enfranchise a Co-opted Director with a vote.
	Vacancy	
Article 37	The Board may from time to time fill any casual vacancy arising as a result of the retiral (or deemed retiral for any reason) of any Elected Director from or after the date of such retiral or deemed retiral until the next AGM.	No provision has been made for alternate Directors (to serve when one of the primary Directors is absent) - because, in a Community company, the Directors should only be those who have been elected or appointed to serve and are able to do so.
Article 37.1	Annually after each AGM, the Board may co-opt a Co-opted Director from the Ordinary Members, who is aged between 16 and 25 years, with the specific role of representing the interests of young people in the Community.	Optional - These two options enable the young people of the Community to be involved in the Company. It is important that this representative be an Ordinary Member to ensure that they are speaking for and voting on behalf of the Community.

		Option 1 is relevant where there are no Junior Members or where it is felt appropriate to give the representative voting rights on the Board. (Option 1 chosen)
	Register of Directors	
Article 38	The Board shall ensure that a Register of Directors and Office Bearers and its subsidiaries is maintained which shall be open for inspection by both the Board and Members and, with the express prior written approval of the Director or employee concerned, by members of the public, which sets out the full details of each Director as required for all registration purposes under the Act, including the date and type of appointment and the date of retirement	This reflects statutory requirement under the Act. Please refer to Sections 162, 163, 165 and 167 of the Act for the full list of information that must be included within the Register.
	Retirement of Directors	
Article 39	A Director shall retire or be deemed to retire if:	
Article 39.1	being an Elected Director, he or she ceases to be an Ordinary Member in terms of either Articles 8.1 or 15;	
Article 39.2	he or she becomes prohibited from being either (i) a charity trustee by virtue of section 69(2) of the 2005 Act or (ii) a director of a limited company by reason of any rule of law, including any order made under the Company Directors Disqualification Act 1986, and every statutory modification and re-enactment thereof for the time being in force; or	
Article 39.3	in terms of section 66(5) of the 2005 Act, he or she is considered by the Board to have been in serious or persistent breach of either or both of the duties listed in sections 66(1) and 66(2) of the 2005 Act; or	
Article 39.4	he or she is employed by or holds any office of profit under the Company (except where the provisions of Article 41.4.2 apply); or	

Article 39.5	he or she becomes incapable for medical reasons of fulfilling the duties of a Director and such incapacity, as certified (if necessary) by two medical practitioners, is expected to continue for a period of more than six months from the date or later date of such certification; or	Optional keep
Article 39.6	he or she is absent (without good reason, in the opinion of the Board) from more than three consecutive meetings of the Board, and the Board resolves to remove him or her from office; or	Optional keep
Article 39.7	by written notice to the Registered Office, he or she resigns as a Director.	Notice is sent to the Registered Office as the Secretary has to intimate any retiral to the Registrar of Companies under Section 167 of the Act.
Article 39.8	Non compliance with the Directors Code of Conduct	Our addition
Article 39.9	Members of Morvern Community Council must stand down as Directors if they leave their position on the Council	
39.10	Members of Morvern Community Council may not be a Director of MCDC for a period longer than 6 years, without a break of one year taking place	
	Chair and Vice-Chair	
Article 40	The Board shall meet as soon as practicable immediately after each AGM (or after a resignation of the Chair or Vice-Chair) to appoint a Chair, and if desired a Vice-Chair and Treasurer, from the Elected Directors (both of whom must be Ordinary Members).	This provision contributes to compliance with the Land Reform Act 2003 Sections 34(1)(e) and 97D(2)(e) and the Land Reform Act 2016 Section 49(2)(e). The Chair and Vice-Chair must be Ordinary Members so as to ensure a majority and control by the Community where a casting vote is relevant (Article 25.4 for Members' meetings and Article 51 for Board meetings).
	Constraints on Payments/Benefits to Members and Directors	

Article 41.1	The income and property of the Company shall be applied solely towards promoting the Purposes and do not belong to the Members. Any surplus income or assets of the Company are to be applied for the benefit of the Community.	This is a requirement of sections 34(1)(g) and 97D(2)(g) of the Land Reform Act 2003 and section 49(2)(g) of the Land Reform Act 2016. It is also a requirement if you plan to obtain charitable status. Under this section of the Act, surplus funds or assets of the Company at any given time are to be applied for the benefit of the Community.
Article 41.2	No part of the income or property of the Company shall be paid or transferred (directly or indirectly) to the Members of the Company, or to any other individual, whether by way of dividend, bonus or otherwise, except in the circumstances provided for in Article 41.4.	This provision contributes to compliance with sections 34(1)(g) and 97D(2)(g) of the Land Reform Act 2003 and section 49(2)(g) of the Land Reform Act 2016. It is also for any charity.
Article 41.3	No Director shall be appointed as a paid employee of the Company.	If you plan on obtaining charitable status please see section 67 of the 2005 Act in regards to remuneration.
Article 41.4	No benefit (whether in money or in kind) shall be given by the Company to any Member or Director except the possibility of:	Even though there is the possibility, the Board would need to make a specific decision.
Article 41.4.1	repayment of out-of-pocket expenses to Directors (subject to prior agreement by the Board); or	
Article 41.4.2	reasonable remuneration to any member or Director in return for specific services actually rendered to the Company (not being of a management nature normally carried out by a director of a company); or	This enables a Director to act for example as lawyer, surveyor or accountant to the Company, provided that no fee is charged for attending Company meetings or for acting as a Director, but again must be compliant with the terms of section 67 of the 2005 Act.
Article 41.4.3	payment of interest at a rate not exceeding the commercial rate on money lent to the Company by any member or Director; or	
Article 41.4.4	payment of rent at a rate not exceeding the open market rent for property let to the Company by any member or Director; or	
Article 41.4.5	the purchase of property from any member or Director provided that such purchase is at or below	

	market value or the sale of property to any member or Director provided that such sale is at or above market value; or	
Article 41.4.6	payment by way of any indemnity, where appropriate;	See Article 74.
	and in any such event the terms of Articles 42 to 44 shall specifically apply.	
	Personal Interests & Conflicts of Interest	
Article 42	<p>Any Director who has a personal interest in any prospective or actual contract or other arrangement with the Company must declare that interest either generally to the Board or specifically at any relevant meetings. A personal interest includes not only the interest of the Director or employee in question, but also his or her partner, close relative or business associate, or:</p> <ul style="list-style-type: none"> (a) any firm of which they are a partner or employee; (b) or any limited company of which they are a director, or (c) employee or shareholder of more than 5% of the equity or voting power, or (d) any limited liability partnership of which they are a member, or (e) any Scottish charitable incorporated organisation of which they are a charity trustee, or (f) any registered society or unincorporated association of which they are a management committee member (or any other party who/which is deemed to be connected with them for the purposes of the Act), <p>has a personal interest in that arrangement.</p>	
Article 43	Additionally, the Board may resolve at any time to require all Directors to deliver a notice of relevant	Optional keep

	interests to the Registered Office, as they arise and at least annually. In that event, the Board shall determine from time to time what interests shall be relevant interests and shall ensure that a Register of Notices of Relevant Interests is maintained, which shall be open for inspection by both the Board and Members and, with the express prior written approval of the Director or employee concerned, by members of the public.	
Article 44	Whenever a Director finds that there is a personal interest, as defined in Article 42, he or she has a duty to declare this to the Board during the meeting in question. It will be up to the Chair of the meeting in question to determine:	
Article 44.1	whether the potential or real conflict simply be noted in the Minutes of any relevant meeting,	
Article 44.2	whether the Director in question, whilst being permitted to remain in the meeting in question, must not partake in discussions or decisions relating to such matter, or	
Article 44.3	whether the Director in question should be required to be absent during that particular element of the meeting and, in terms of Article 46, where a Director leaves, or is required to leave, the meeting he or she no longer forms part of the quorum thereat.	
	Quorum at Board Meetings	
Article 45	The quorum for Board meetings shall not be less than 50% of all Directors, provided that the elected members are in the majority of any meeting. No business shall be dealt with at a Board meeting unless such a quorum is present.	<p>This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016.</p> <p>The level of the quorum should reflect that Directors must undertake their obligation to manage the Company. The Elected Directors must always outnumber the other Directors at any meeting of the</p>

		Board to ensure that the local Community is in control in terms of the Sections of the Land Reform Act 2003 and the Land Reform Act 2016 noted above.
Article 46	A Director shall not be counted in the quorum at a meeting (or at least the relevant part thereof) in relation to a resolution on which, whether because of personal interest or otherwise, he or she is not entitled to vote in terms of Article 44.2 and 44.3	
	Meetings of the Board of Directors	
Article 47	Meetings of the Board may take place in person or by telephone conference call, video conference call or by any other collective electronic means approved from time to time by the Board.	
Article 48	7 Clear Days' notice in writing shall be given of any meeting of the Board at which a decision in relation to any of the matters referred to in Article 26 is to be made, which notice shall be accompanied by an agenda and any papers relevant to the matter to be decided.	
Article 48.1	All other Board meetings shall require not less than 7 Clear Days' prior notice, unless all Directors agree unanimously in writing to dispense with such notice on any specific occasion.	
Article 49	A Director may, and on the request of a Director the Company Secretary shall, summon a meeting of the Board by notice served upon all Directors, to take place at a reasonably convenient time and date.	
Article 50	The Chair, whom failing the Vice-Chair (if any), shall be entitled to preside as Chair of all Board meetings at which he or she is present. If at any meeting neither the Chair nor the Vice-Chair is present and willing to act as Chair of the meeting within 15 minutes after the time appointed for holding the meeting, the remaining Directors may appoint one of the Elected Directors to be	This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003 and section 49(2)(3) of the Land Reform Act 2016.

	Chair of the Board meeting, which failing the meeting shall be adjourned until a time and date when the Chair or Vice-Chair will be available.	
Article 51	The Chair of the Board meeting shall endeavour to achieve consensus wherever possible but, if necessary, questions arising shall be decided by being put to the vote, each Director present and entitled to vote, having one vote. In the event of an equal number of votes for and against any resolution at a Board meeting, the Chair of the meeting shall have a casting vote as well as a deliberative vote.	The Chair's casting vote is optional, but sensible in order to avoid deadlock.
Article 52	The Board may delegate any of its powers to sub-committees, each consisting of not less than one Director and such other person or persons as it thinks fit or which it delegates to the sub-committee to appoint. Any sub-committee so formed shall, in the exercise of the powers so delegated, conform to any remit and regulations imposed on it by the Board. The meetings and proceedings of any such sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board. Such sub-committee shall regularly and promptly circulate, or ensure the regular and prompt circulation of, the minutes of its meetings to all Directors.	This is an important provision.
Article 53	The Board shall cause minutes to be made of all appointments of officers made by it and of the proceedings of all AGMs, GMs, Board meetings and of sub-committee meetings, including the names of those present, and all business transacted at such meetings and any such minutes of any meeting, if purporting to be signed after approval, either by the Chair of such	

	meeting, or by the Chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.	
Article 53.1	Subject to Article 53.2, the Company, upon request of any person for a copy of any minutes must, if the request is reasonable, give the person within 28 days of the request a copy of the requested minutes.	This complies with section 34(1)(fa) of the Land Reform Act 2003 .
Article 53.2	Where such a request is received under Article 53.1 the company: (a) may withhold information contained in the minutes, and (b) if it does so, must inform the person requesting a copy of the minutes of its reason for doing so.	This complies with section 34(1)(fb) of the Land Reform Act 2003.
Article 54	No alteration of the Articles and no direction given by special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.	
Article 55	A resolution in writing (whether one single document signed by all or a sufficient majority of the Elected Directors, or all or a sufficient majority of the Members of any sub-committee), whether in one or several documents in the same form each signed by one or more Directors or Members of any relative sub-committee as appropriate, shall be as valid and effectual as if it had been passed at a meeting of the Board or of such sub-committee duly convened and constituted.	This can be a useful and practical solution where a Board meeting cannot readily be held.
Article 56	The Board may act notwithstanding any vacancy in it, but where the number of Directors falls below the minimum number specified in Article 30, it may not conduct any business other than to appoint sufficient Directors to match or exceed that minimum.	

Article 57	The Board may invite or allow any person to attend and speak, but not to vote, at any meeting of the Board or of its sub-committees.	
Article 58	The Board may from time to time promulgate, review and amend any ancillary regulations, guidelines and/or policies, subordinate at all times to these Articles, as it deems necessary and appropriate to provide additional explanation, guidance and governance to Members/Directors.	
	Company Secretary, Minute Secretary, Treasurer and Principal Officer	
Article 59	The Board shall appoint a Company Secretary for such term and upon such conditions as it may think fit. The Company Secretary may be removed by the Board at any time. Whilst in post, the Company Secretary may be required to attend (but shall have no vote at (if not an Elected Director) Board meetings during his or her tenure as Company Secretary, except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board wishes to keep confidential to itself.	This is no longer a statutory requirement, Although not usually so, this could be a Director. keep
Article 60	The Board may appoint a Minute Secretary (or Clerk), for the purposes of Article 53, for such term, at such remuneration (if any), and upon such conditions as it may think fit. The Minute Secretary may be removed by the Board at any time. Whilst in post, the Minute Secretary may be required to attend (but shall have no vote at (if not an Elected Director) Board meetings during his or her tenure as Minute Secretary, except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board wishes to keep confidential to itself.	Optional - but often essential. It is not a good idea to appoint a Director to this role as, in practice, it is very difficult to contribute properly as a Director whilst also taking minutes of the meeting. keep

Article 61	The Board may appoint a Treasurer for such term and upon such conditions as it may think fit. The Treasurer may be removed by the Board at any time. Whilst in post, the Treasurer may be required to attend (but shall have no vote at (if not an Elected Director) Board meetings during his or her tenure as Treasurer, except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board wishes to keep confidential to itself.	Optional - This could be a Director (or perhaps the Convenor of a separate Finance Committee). If to be remunerated, the terms of Articles 32 and 41.3 would both have to be amended and also a Remuneration Agreement entered into in terms of Section 67 of the 2005 Act. keep
Article 62	The Board may appoint a Principal (Executive) Officer of the Company on such terms (including a decision on the most appropriate job title) and conditions as it may think fit. Whilst in post, the Principal Officer may be required to attend (but shall have no vote at (if not an Elected Director) Board meetings during his or her tenure as Principal Officer, except any part or parts thereof dealing with his or her employment or remuneration, or any other matter which the Board wishes to keep confidential to itself.	Optional keep
Honorary Patron(s)		
Article 63	The Ordinary Members in General Meeting may, on a proposal from the Board, agree to the appointment of one or more Honorary Patrons of the Company, who would be appointed either for such fixed period as the Ordinary Members determine or for an unspecified period until such appointment be terminated by them. The Honorary Patron or Patrons are entitled to notice of all General Meetings and to attend and contribute to discussion but not vote thereat.	Optional keep
Finances		
		These provisions contribute to compliance with sections 34(1)(f) and 97D(2)(f) of the Land Reform Act 2003 and section 49(2)(f) of the Land Reform Act 2016 .

Article 64	The banking account or accounts of the Company shall be kept in such bank or building society and/or banks or building societies as the Board shall from time to time by resolution determine.	
Article 65	All cheques and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.	
Article 66	The Board shall manage all funds and assets of the Company and direct that they are applied towards achieving the Purposes.	
	Accounts	These provisions contribute to compliance with sections 34(1)(f) and 97D(2)(f) of the Land Reform Act 2003 and section 49(2)(f) of the Land Reform Act 2016.
Article 67	The Board shall cause accounting records to be kept for the company in accordance with the requirements of the Act and other relevant regulations.	This complies with the Act as well as with sections 34(1)(f) and 97D(2)(f) the Land Reform Act 2003 and section 49(2)(f) of the Land Reform Act 2016.
Article 68	The accounting records shall be maintained by the Treasurer (if there is one) and overseen by the Principal Officer (if there is one), or otherwise by, or as determined by, the Board. Such records shall be kept at such place or places as the Board thinks fit and shall always be open to the inspection of the Directors.	
Article 69	The Board shall ensure that an audit of the accounts is carried out by an auditor in line with all statutory requirements and any auditor's report, if applicable, be sent to Members in accordance with Article 70. An audit (within the meaning of the Act) shall not be required in a case where the Company is exempt under the Act.	This only applies if no longer exempt under Section 382, 475, 477 of the Companies Act 2006. Section 496 of the Act requires that, in certain circumstances, the Auditor's report be shared with the Members.
Article 70	At each AGM, the Board shall provide the Members with a copy of the accounts for the period since the last	The 'accounting reference date' is the official name for the year end.

	<p>preceding accounting reference date (or, in the case of the first account, since the incorporation of the Company). The accounts shall be accompanied by proper reports of the Board. Copies of such accounts and auditor's reports, if applicable under Article 69, shall, not less than 21 Clear Days before the date of the AGM, be delivered or sent to all Members, Directors, the Company Secretary and the auditor, or otherwise be available for inspection on the website of the Company (with all Members, Directors, the Company Secretary and the auditor being made aware that they are so available for inspection there).</p>	<p>Section 496 of the Act requires that, in certain circumstances, the Auditor's report be shared with the Members.</p>
	<p>Notices</p>	
Article 71	<p>A notice may be served by the Company upon any Member, either personally or by sending it by post, fax, e-mail or other appropriate electronic means, addressed to such member at his or her or its address as appearing in the Register of Members or as last notified by them to the Company</p>	
Article 72	<p>Any notice, whether served by post or otherwise, shall be deemed to have been served on the day after the day on which it was issued. .</p>	
Article 73	<p>The business of the Company and all its correspondence with and notification to or from Members may be conducted equally validly and effectively if transmitted by fax, e-mail or other appropriate electronic means (except where a Member specifically requests all such correspondence and notification by post) or otherwise if publicised on the website of the Company (where the Company has advised each member of this and has taken due steps to notify by other reasonable means all other Members who state that they do not have access to the Internet).</p>	

Indemnity		
Article 74	<p>Subject to the terms of the Act and without prejudice to any other indemnity, the Directors, or member of any sub-committee, the Company Secretary, Treasurer and all employees of the Company shall be indemnified out of the funds of the Company against:</p> <p>(a) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;</p> <p>(b) any other liability incurred by that director as an officer of the Company</p>	<p>In terms of Section 68A of the 2005 Act charities are permitted to use charity funds to provide all their charity trustees with indemnity insurance. Section 68A(4)(b) provides that this section has effect despite any provision prohibiting the charity trustees receiving any personal benefit from the charity's fund.</p>
Article 74.1	<p>This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other rule of law.</p>	
Alteration to the Articles		
Article 75	<p>Any alteration to these Articles should comply with the following conditions:</p>	
Article 75.1	<p>Upon the decision of not less than 75% of the Ordinary Members present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose in terms of Article 26;</p>	<p>This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016.</p>
Article 75.2	<p>any changes to the Purposes are subject to written consent being obtained from the OSCR (and its successors) in terms of section 16 of the 2005 Act;</p>	<p>This is requirement if your company has charitable status as if changing Purposes then under section 16 of the 2005 Act OSCR approval is required. If the Company does not have charitable status then this Article can be deleted (however if you plan in the future to obtain charitable status then recommend to retain this Article).</p>

Article 75.3	notify the Office of the Scottish Charity Regulator (and its successors) of any other changes to the Articles not covered under Article 75.2 (i.e. not related to Purposes) in terms of Section 17 of the 2005 Act; and	This is requirement if your Company has charitable status, as if changing anything else under the Articles (other than Purposes) then under section 17 of the 2005 Act you are required to notify OSCR. If the Company does not have charitable status then this Article can be deleted. (however if you plan in the future to obtain charitable status then recommend to retain this Article).
Article 75.4	notify the Scottish Ministers of any alterations to the Articles.	This provision satisfies Section 35(1) and Section 97E(1) of the Land Reform Act 2003 and Section 50(1) of the Land Reform Act 2016.
Dissolution		
Article 76.1	The winding-up of the Company may take place only on the decision of not less than 75% of its Ordinary Members who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose.	This provision contributes to compliance with sections 34(1)(e) and 97D(2)(e) of the Land Reform Act 2003 and section 49(2)(e) of the Land Reform Act 2016 Section.
Article 76.2	If, on the winding-up of the Company, any property remains, after satisfaction of all its debts and liabilities, such property (including any land acquired by it in terms of the Land Reform Act 2003 or Land Reform Act 2016) shall be given or transferred to such other: <ul style="list-style-type: none"> (a) community body or bodies; (b) crofting community body or bodies; (c) Part 3A community body or bodies; or (d) Part 5 community body or bodies as may be: <ul style="list-style-type: none"> (l) determined by not less than 75% of the Ordinary Members of the Company who are present and voting at a General Meeting called specifically (but not necessarily exclusively) for the purpose; and 	This Article is a requirement of sections 34(1)(h)(i) and 97D(2)(h)(i) of the Land Reform Act 2003 and section 49(2)(h)(i) of the Land Reform Act 2016. Article 76.2(II) is required only if your Company has obtained charity status from OSCR.

	<p>(II) approved by the Office of the Scottish Charity Regulator (and its successors);</p> <p>(III) approved thereafter by the Scottish Ministers</p> <p>under declaration that, if the Company is a Charity at or before the time of its winding up, then the community body or bodies or crofting community body or bodies or Part 3A community body or bodies or Part 5 community body or bodies referred to above must also be a Charity or charities.</p>	
Article 76.3	<p>Or if no such community body or bodies or Part 3A community body or bodies or crofting community body or bodies or Part 5 community body or bodies is determined by the Ordinary Members and approved by Scottish Ministers in terms of Article 76.2, such property referred to in Article 76.2 shall, be transferred to the Scottish Ministers or, to such Charity or Charities as the Scottish Ministers may direct.</p>	<p>This is a requirement of sections 34(1)(h)(ii) and 97D(2)(h)(ii) of the Land Reform Act 2003 and section 49(2)(h)(ii) of the Land Reform Act 2016.</p>
Article 76.4	<p>In Article 76:</p> <ul style="list-style-type: none"> a) “community body” has meaning ascribed to it under Section 34 of the Land Reform Act 2003 b) “crofting community body” has meaning ascribed to it under Section 71 of the Land Reform Act 2003 c) “Charity” has the meaning ascribed to it in under Section 34(8) of the Land Reform Act 2003 d) “Part 3A community Body” has the meaning ascribed to it under Section 97D of the Land Reform Act 2003. 	

	e) "Part 5 community body" has the meaning ascribed to it under Section 49 of the Land Reform Act 2016.	
	Limit of Liability	
Article 77.1	The liability of all Members is limited.	
Article 77.2	Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the property of the Company if it should be wound up whilst he, she or it is a Member or within one year after he, she or it ceases to be a member (for whatever reason), for payment of its debts and liabilities contracted before he, she or it ceases to be a member, and of the costs, charges and expenses of winding up.	Essential.

Schedule 1

Schedule Articles	Powers Available to the Company	Explanatory Notes
Article 1	Further to Article 5, the Company shall have the following powers, but only in furtherance of the Purposes and declaring that the order in which these Powers are listed or the terms of the sub-headings are of no significance in terms of their respective priority which shall be deemed to be equal.	<p>Company Law requires that powers are only exercised in pursuance of the purposes.</p> <p>This is also a requirement under Section 50(5) of the 2005 Act which is relevant if your Company seeks to obtain charitable status.</p> <p>The Powers are relatively standard and are intended to cover most things you may wish to do to achieve the Purposes. Just because there is a power to do something does not of course mean that you are obliged to do it. You cannot do anything which you are not empowered to do - and all the powers can be exercised <u>only</u> in furtherance of the Purposes</p>
	General	

Article 2.1	To encourage and develop a spirit of voluntary or other commitment by, or co-operation with, individuals, unincorporated associations, societies, federations, partnerships, corporate bodies, agencies, undertakings, local authorities, unions, co-operatives, trusts and others and any groups or groupings thereof willing to assist the Company to achieve the Purposes.	Optional - but often helpful in furthering the inclusive nature of your company.
Article 2.2	To promote and carry out research, surveys and investigations and to promote, develop and manage initiatives, projects and programmes.	
Article 2.3	To provide advice, consultancy, training, tuition, expertise and assistance.	
Article 2.4	To prepare, organise, promote and implement training courses, exhibitions, lectures, seminars, conferences, events and workshops, to collect, collate, disseminate and exchange information and to prepare, produce, edit, publish, exhibit and distribute articles, pamphlets, books and other publications, tapes, motion and still pictures, music and drama and other materials, all in any medium.	
	Property	

Article 3.1	To register an interest in land and to exercise the right to buy land under Part 2 or Part 3A of the Land Reform Act 2003 or Part 5 of the Land Reform Act 2016.	This is a requirement of sections 34(1)(b) and 97D(2)(b) of the Land Reform Act 2003 This is also a requirement of section 49(2)(b) of the Land Reform Act 2016.
Article 3.2	To purchase, take on lease, hire, or otherwise acquire any property suitable for the Company.	
Article 3.3	To construct, convert, improve, develop, conserve, maintain, alter and demolish any buildings or erections whether of a permanent or temporary nature, and manage and operate or arrange for the professional or other appropriate management and operation of the Company's property.	
Article 3.4	To sell, let, hire, license, give in exchange and otherwise dispose of all or any part of the property of the Company.	
Article 3.5	To establish and administer a building fund or funds or guarantee fund or funds or endowment fund or funds.	
	Employment	
Article 4.1	To employ, contract with, train and pay such staff (whether employed or self-employed) as are considered appropriate for the proper conduct of the activities of the Company.	
	Funding and Financial	

Article 5.1	To take such steps as may be deemed appropriate for the purpose of raising funds for the activities of the Company.	To remain eligible for tax relief, there are limits on the way in which charities can trade – specific advice is needed.
Article 5.2	To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust.	
Article 5.3	To borrow or raise money for the Purposes and to give security in support of any such borrowings by the Company and/or in support of any obligations undertaken by the Company.	
Article 5.4	To set aside funds not immediately required as a reserve or for specific Purposes.	
Article 5.5	To invest any funds which are not immediately required for the activities of the Company in such investments as may be considered appropriate, which may be held in the name of a nominee Company under the instructions of the Board, and to dispose of, and vary, such investments.	
Article 5.6	To make grants or loans of money and to give guarantees.	
	Development	
Article 6.1	To establish, manage and/or support any other charity, and to make donations for any charitable purpose falling within the Purposes.	If your company is not to be a charity, this power can be omitted.
Article 6.2	To establish, operate and administer and/or otherwise acquire any separate trading company or association, whether charitable or not.	If your company is not to be a charity, the words “whether charitable or not” can be omitted.

Article 6.3	To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes and/or activities of the Company and to enter into any arrangement for co-operation, mutual assistance, or sharing profit with any charitable organisation.	If your company is not to be a charity, the word “charitable” can be omitted.
Article 6.4	To enter into contracts to provide services to or on behalf of others.	
	Insurance and Protection	
Article 7.1	To effect insurance of all kinds (which may include indemnity insurance in respect of Directors and employees).	
Article 7.2	To oppose, or object to, any application or proceedings which may prejudice the interests of the Company.	
	Ancillary	
Article 8.1	To pay the costs of forming the Company and its subsequent development.	
Article 8.2	To carry out the Purposes as principal, agent, contractor, trustee or in any other capacity.	
Article 8.3	To do anything which may be incidental or conducive to the Purposes so long as these are charitable.	If your company is not to be a charity, the words “so long as these are charitable” can be omitted.

Schedule 2 – Form of Proxy

The form appointing the Proxy in terms of Article 25.3.3 shall be in the following terms, adapted as appropriate:

Morvern Community Development Company

I,
of,
being an Ordinary Member of the above Company hereby
appoint,
of,
and, failing him or her,,
of,
as my proxy to vote for me on my behalf at the (Annual General/General) meeting of the Company to be held on
..... and at any adjournment thereof.

This form is to be used in favour of/against the resolution.

Signed day of

Signature of Member appointing proxy

Schedule 3

As per Article 4 the Company have been formed for the public benefit of the Community of Morvern as defined by;

Postcodes units: PA80 5UZ, PA80 5XG, PA80 5XT, PA80 5XP, PA80 5XU, PA80 5XB, PA80 5XE, PA80 5XF, PA80 5XD, PA80 5UU, PA80 5XZ, PA80 5QB, PA80 5XR, PA80 5XW, PA80 5XY, PA80 5XS, PA80 5LQ, PA80 5AD, PA80 5AB