

## **IDT Annual General Meeting 2024**

### **Special Resolution - Proposal 1**

#### **Revision of Memorandum & Articles of Association**

##### **Background:**

Inchinnan Development Trust (IDT) is committed to maintaining clear, compliant, and effective governance practises. Our current Memorandum & Articles of Association requires significant revision due to issues with version control, cross-referencing errors, and evolving legislative requirements.

The Trust's initial Memorandum and Articles of Association were adopted on 24/04/2020, based on a model Memorandum and Articles of Association provided by Development Trust Association Scotland (DTAS) at the time of their creation and adoption. Following communication with the Scottish Government's Community Right to Buy team in both 2022 and 2024, the Trust submitted our Memorandum & Articles of Association for review to ensure compliance with relevant Community Right to Buy legislation. Various amendments to the content of the articles were suggested. Corrections required to ensure consistency and cross referencing throughout the document were also highlighted by the Community Right to Buy team as well as by Trust staff.

##### **Decision:**

IDT have revised the current Memorandum and Articles of Association and have created a new document, incorporating changes suggested by the Community Right to Buy team and Trust staff, to ensure adherence to relevant legislative requirements and best governance practise.

##### **Material changes:**

Various minor changes have been made throughout the document to correct errors in numbering of articles, cross referencing throughout the document, and to ensure consistency in wording.

Various changes to the content of the current Memorandum and Articles of Association are also proposed, as suggested by the Community Right to Buy team.

##### **Documentation:**

All changes can be reviewed in the copies of the current Memorandum and Articles of Association and updated Memorandum and Articles of Association proposed for adoption. Both documents will be circulated to the Trust's membership via email and are also available online at [inchinnandt.com](http://inchinnandt.com). An overview of main changes to content of the Memorandum and Articles of Association can be found in the supplementary document ('Special Resolution: Revision of Memorandum and Articles of Association') which will be circulated via email, available on our website, and provided in paper format to attendees of the Annual General Meeting. Physical copies of these documents are held at the Trust's staff office in the India of Inchinnan, Greenock Road.

##### **Motion:**

The Board of Inchinnan Development Trust proposes that the new Memorandum and Articles of Association be adopted in their entirety at the IDT Annual General Meeting on 10th of December 2024.

##### **Procedure:**

In accordance with the current Memorandum and Articles of Association any proposed changes to the Trust's Memorandum and Articles of Association must be approved at an Annual General Meeting via special resolution, which requires the resolution to be passed by 75% of more of the votes cast at by Ordinary

Members the AGM (either in-person or by proxy). It is required that 14 days clear notice be given of the intention to propose such a resolution.

If approved at the Annual General Meeting, then the new Memorandum and Articles of Association will be lodged with Companies House within 15 days of the special resolution being passed. Upon acceptance by Companies House, any agreed changes will have immediate effect and the new Memorandum and Articles of Association document will govern the Trust's future operations.

Note: numbering of all clauses may be amended to reflect any changes agreed.

## **An overview of main changes to the Trust's Memorandum and Articles of Association**

### **Amendment to address numbering and cross referencing errors throughout document**

Communication with the Community Right to Buy team and review of Articles of Association by Trust staff highlighted various cross referencing errors throughout document which have been corrected.

### **Amendment to cover page of document**

'Articles of Association' now referred to as 'Memorandum of Association'.

### **Amendment to Article 2(d)**

#### Current Article 2(d)

2(d) "community body" means a community body within the meaning of section 34 of the Land Reform (Scotland) Act 2003 (as amended by section 37 of the Community Empowerment (Scotland) Act 2015) which is also regarded as a community body for the purposes of section 49(2)(h) of the Land Reform (Scotland) Act 2016;

#### Amended Article 2(d)

2(d) "community body" means a community body within the meaning of section 34 of the Land Reform (Scotland) Act 2003 (as amended by section 37 of the Community Empowerment (Scotland) Act 2015) which is also regarded as a community body for the purposes of section 49 of the Land Reform (Scotland) Act 2016;

#### Reasoning:

Correction of reference to Land Reform (Scotland) Act 2016.

### **Amendment to Article 4**

#### Current Article 4

4 The company has been formed to benefit principally Inchinnan Community Council Boundary, which comprises the attached postcodes in Appendix 1 ("the Community") with the following objects:

(a) The advancement of community development (including the advancement of woodland and green-spaces regeneration) principally within the Community; But only to the extent that the above purposes are consistent with furthering the achievement of sustainable development.

(b) The advancement of environmental protection or improvement. The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

### Current Appendix 1

The company has been formed to benefit principally Inchinnan Community Council Boundary, which comprises the attached postcodes: PA4 9AF, PA4 9LB, PA4 9LD, PA4 9LE, PA4 9LF, PA4 9LG, PA4 9LH, PA4 9LJ, PA4 9LS, PA4 9LU, PA4 9LX, PA4 9LZ, PA4 9NA, PA4 9ND, PA4 9NG, PA4 9NH, PA4 9NJ, PA4 9NQ, PA4 9PB, PA4 9PD, PA4 9PE, PA4 9PG, PA4 9PH, PA4 9PJ, PA4 9PN, PA4 9PP, PA4 9PR, PA4 9PS, PA4 9PT, PA4 9PU, PA4 9PW, PA4 9PX, PA4 9PY, PA4 9PZ, PA4 9QA, PA4 9QB, PA4 9QD, PA4 9QE, PA4 9QF, PA4 9QG, PA4 9QH, PA4 9QJ, PA4 9QL, PA4 9QN, PA4 9QP, PA4 9QT, PA4 9QW, PA4 9QY, PA4 9QZ, PA4 9RA, PA4 9RB, PA4 9RD, PA4 9RE, PA4 9RF, PA4 9RH, PA4 9RJ, PA4 9RL, PA4 9RP, PA4 9RQ, PA4 9RR, PA4 9RT, PA4 9RU, PA4 9RX, PA4 9RZ.

### Amended Article 4 and 5

4 The company has been formed for the public benefit of Inchinnan, as defined by the postcode units contained in Appendix 1.

5 The company has been formed with the following objects:

(a) The advancement of environmental protection or improvement. The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

(b) The advancement of community development (including the advancement of woodland and green-spaces regeneration) principally within the Community;

But only to the extent that the above purposes are consistent with the main purpose of furthering the achievement of sustainable development.

### Amended Appendix 1

The company has been formed for the public benefit of Inchinnan, as defined by the attached postcodes: PA4 9AF, PA4 9LB, PA4 9LD, PA4 9LE, PA4 9LF, PA4 9LG, PA4 9LH, PA4 9LJ, PA4 9LS, PA4 9LU, PA4 9LX, PA4 9LZ, PA4 9NA, PA4 9ND, PA4 9NG, PA4 9NH, PA4 9NJ, PA4 9NQ, PA4 9PB, PA4 9PD, PA4 9PE, PA4 9PG, PA4 9PH, PA4 9PJ, PA4 9PN, PA4 9PP, PA4 9PR, PA4 9PS, PA4 9PT, PA4 9PU, PA4 9PW, PA4 9PX, PA4 9PY, PA4 9PZ, PA4 9QA, PA4 9QB, PA4 9QD, PA4 9QE, PA4 9QF, PA4 9QG, PA4 9QH, PA4 9QJ, PA4 9QL, PA4 9QN, PA4 9QP, PA4 9QT, PA4 9QW, PA4 9QY, PA4 9QZ, PA4 9RA, PA4 9RB, PA4 9RD, PA4 9RE, PA4 9RF, PA4 9RH, PA4 9RJ, PA4 9RL, PA4 9RP, PA4 9RQ, PA4 9RR, PA4 9RT, PA4 9RU, PA4 9RX, PA4 9RZ.

### Reasoning:

Removal of reference to Inchinnan Community Council Boundary in Article 4 and Appendix 1. Definition of the community is now defined solely by postcode units, making it easier to determine the number of eligible voters (when gathering data on support for Community Right to Buy) within the community. The word 'principally' has been removed as any benefit of the company should be for the benefit of the community.

Restructuring and rewording of article to improve readability and understanding of the Trust's objectives. The second and third paragraph of Article 4 have been moved to a separate article (5) as these articles relate to the purposes of the company. The inclusion of the sustainable development objective has been moved to the end of Article 5 so that it becomes an underlying provision which applies to all of the above objects.

## **Amendment to Article 15**

### **Current Article 15**

15 Associate Members and Junior Members are not eligible to stand for election to the Board nor are they eligible to vote at any general meeting.

### **Amended Article 16**

16 Associate Members and Junior Members are not eligible to stand for election or appointment to the Board nor are they eligible to vote at any general meeting.

### **Reasoning:**

Further clarification of the terms for Associate and Junior Members.

## **Amendment to Articles 17, 18 and 20**

### **Current Articles 17, 18, and 20**

17 Ordinary Membership shall (subject to articles 22, 23, and 27) be open to any person aged 16 years or over who:

- (a) is ordinarily resident in the Community (as defined in article 4);
- (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
- (c) supports the objects and activities of the company.

18 Associate Membership shall (subject to articles 22, 23, 24, and 25) be open to individuals who are not ordinarily resident in the Community and (subject to article 19) to organisations (wherever they have their principal office or place of business or main area of operation) that support the objects and activities of the company.

20 Junior Membership shall (subject to articles 22 and 23) be open to those individuals aged between 12 and 15 (whether or not they are ordinarily resident in the Community) who support the objects and activities of the Company.

### **Amended Articles 18, 19, and 21**

18 Ordinary Membership shall (subject to articles 23, 24, 28) be open to any person aged 16 years or over who:

- (a) is resident in the Community (as defined in article 4);
- (b) is entitled to vote at a local government election in a polling district that includes the Community or part of it; and
- (c) supports the objects and activities of the company.

19 Associate Membership shall (subject to articles 23, 24, 25, and 26) be open to individuals who are not resident in the Community and (subject to article 20) to organisations (wherever they have their principal office or place of business or main area of operation) that support the objects and activities of the company.

21 Junior Membership shall (subject to articles 24) be open to those individuals aged between 12 and 15 (whether or not they are resident in the Community) who support the objects and activities of the Company.

### **Reasoning:**

Suggested by Community Right to Buy team that the Trust removes the word 'ordinarily' from these articles as it may impose a higher bar for membership than is allowed for under the Land Reform (Scotland) Act 2003 and the Land Reform (Scotland) Act 2016.

### **Amendment to Article 28**

#### Current Article 28

28 The minimum number of members is 20; and at least three quarters of the members must, at all times, be Ordinary Members.

#### Amended Article 29

29 The minimum number of members is 20; and at least three quarters of the members of the company must, at all times, be members of the community.

#### Reasoning:

Amended at the recommendation of Community Right to Buy team for consistency with the wording of legislation.

### **Amendment to Article 30**

#### Current Article 30

Members shall not be required to pay an annual membership subscription.

#### Amended Article 31 - 25

31 Members shall require to pay an annual membership subscription; unless and until otherwise determined by ordinary resolution, the amount of the annual membership subscription shall be £0.00.

32 The annual membership subscriptions shall be payable on or before 31st March in each year.

33 The members may vary the amount of the annual membership subscription and/or the date on which it falls due in each year, by way of an ordinary resolution to that effect passed at an annual general meeting.

34 If the membership subscription payable by any member remains outstanding more than four weeks after the date on which it fell due (and providing He/she/they has been given at least one written reminder) the directors may, by resolution to that effect, expel him/her/they/it from membership; for the avoidance of doubt, it will be open to an individual or organisation expelled from membership under this article to reapply for membership if He/she/they so wishes.

35 An individual or organisation who ceases (for whatever reason) to be a member shall not be entitled to any refund of the membership subscription.

#### Reasoning:

This amendment aligns with practises of similar organisations by formalising the subscription structure and review process. Though the subscription rate will remain unchanged, this provides consistency in policy.

### **Amendment to Article 41**

#### Current Article 41

41 The business of each annual general meeting shall include:-

- (a) a report by the chair on the activities of the company
- (b) consideration of the annual accounts of the company
- (c) the election/re-election of directors, as referred to in articles 76 to 81

#### Amended Article 46

46 The business of each annual general meeting shall include:-

- (a) a report by the chair on the activities of the company
- (b) consideration of the annual accounts of the company
- (c) the election/re-election of directors, as referred to in articles 81 to 83.
- (d) the fixing of annual subscriptions

#### Reasoning:

As amended Articles 31 to 35 include provision for an annual subscription, there is now a reference to this within Article 41 (now 46). The following is added as a sub-article: '(d) the fixing of annual subscriptions.'

#### **Amendment to Article 43**

##### Current Article 43

"The directors must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act)."

##### Amended Article 48

"The directors must convene a general meeting if there is a valid requisition by at least 5% of the members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act)."

#### Reasoning:

The amendment clarifies that a valid requisition (i.e a formal request) by members to call a general meeting requires at least 5% of the membership. This clarification helps to ensure that the members of the community body are familiar with this provision, the terms of a valid requisition, and the right to call for a meeting - ensuring members' control over the Trust.

#### **Amendment to Article 44**

##### Current Article 44

44 At least 14 clear days' notice must be given of any general meeting.

##### Amended Article 49

49 At least 14 clear days' notice must be given to each Member, Director, the Company Secretary and the auditor of any general meeting.

#### Reasoning:

Amended to add the following clause: '... to each Member, Director, the Company Secretary and the auditor.' to improve clarity.

#### **Amendment to Article 49**

##### Current Article 49

49 For the purposes of these articles, a "special resolution" means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 44 to 48; for the avoidance of

doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

#### Amended Article 54

54 For the purposes of these articles, a “special resolution” means a resolution passed by not less than 75% of the Ordinary Members present, or represented by proxy, and voting thereon (no account therefore being taken of Members who abstain from voting or who are absent from the meeting) and providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 49 to 53.

#### Reasoning:

This amendment was made to clarify voting procedures for a special resolution and ensure the all Ordinary Members, whether attending in person or represented by a proxy, are counted in the voting process. This helps align the articles with best practises in governance, making voting requirements clear and more precise for all members.

#### **Amendment to Article 50**

##### Current Article 50

55 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,

- (a) to alter its name
- (b) to alter any provision of these articles or adopt new articles of association.

##### Amended Article 55

55 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,

- (a) to alter its name
- (b) to alter any provision of these articles or adopt new articles of association.
- (c) to expel a member of the company
- (d) to wind up the company in terms of Articles 136 to 139

#### Reasoning:

This amendment expands the list of actions that can be decided, by special resolution, to include two critical governance powers: the ability to expel a member of the company and the ability to wind up the company (in accordance with Articles 136 and 139).

#### **Amendment to Article 51**

##### Article 51

If the company is a Scottish charity, amendments to the objects of the company (as set out in article 4) will require the prior approval of OSCR; and OSCR’s prior approval is also required in relation to any change of name. If:

- (a) the company is a community body (as defined in article 2) and (i) it has registered a community interest in land under Part 2 of the Land Reform (Scotland) Act 2003 and remains so registered, or (ii) has bought land under Part 2 of the Land Reform (Scotland) Act 2003 any part of which remains in its ownership; or

(b) the company is a Part 3A community body or Part 5 community body (in each case, as defined in article 2) and has bought land under Part 3A of the Land Reform (Scotland) Act 2003 or Part 5 of the Land Reform (Scotland) 2016 any part of which remains in its ownership,

the company must give written notice to the Scottish Ministers of any amendments to the articles of association of the company as soon as possible after such amendments take effect.”

#### Amended Article 56

56 If the company is a Scottish charity, amendments to the objects of the company (as set out in article 4 and 5) will require the prior approval of OSCR; and OSCR’s prior approval is also required in relation to any change of name.

If the company is a community body or Part 3A community body or Part 5 community body (as defined in article 2) the company must notify Scottish Ministers of any alterations to these articles.

#### Reasoning:

This amendment consolidates and simplifies the requirements for notifying Scottish Ministers of changes to the Articles of Association.

### **Amendment to Article 53**

#### Current Article 53

53 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall (subject to article 54) be 16 individuals entitled to vote (each being an Ordinary Member or a proxy for an Ordinary Member).

#### Amended Article 58

58 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be the greater of (a) 10 Ordinary Members or (b) 10% of the Ordinary Members being present in person or represented by proxy.

#### Reasoning:

This amendment aligns the quorum requirement for general meetings with the guidance provided by the Community Right to Buy team. They noted that normally, when a community body has a minimum of 20 members, they would look for a quorum equal to the greater of 10 Ordinary members or 10% of the Ordinary members. The change from a fixed number to a proportion-based minimum ensures that community control of the Company is maintained at all times, while not being a number that could become difficult to achieve.

### **Amendment to Article 57**

#### Current Article 57

57 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.

#### Amended Article 62

62 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the directors present at the meeting shall elect from among themselves one of the elected directors who will act as chairperson of that meeting.

Reasoning:

The requirement for the elected chairperson (in absence of the chair of the company) to be selected from the elected Member Directors of the Company. This ensures community control of the company is maintained.

**Amendment to Article 68**

Current Article 68

68 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote, whether as Ordinary Members or as proxies for Ordinary Members); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.

Amended Article 73

73 A resolution put to the vote at a general meeting of the Ordinary Members, who are present or represented by proxy and voting thereon, shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote, whether as Ordinary Members or as proxies for Ordinary Members); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.

Reasoning:

Amended to provide further clarity on voting eligibility, specifically stating that Ordinary Members (present in person or via proxy) are the only members eligible to vote on resolutions at general meetings.

**Amendment to Article 70**

Current Article 70

70 For the purposes of these articles

“Member Director” means a director (drawn from the membership of the company) appointed under articles 76 to 81;

“Co-opted Director” means a (non-member) director appointed or re- appointed by the directors under article 82.

Amended Article 75

75 For the purposes of these articles

“Ordinary Member Director” means a director (drawn from the ordinary membership of the company) appointed under articles 81 to 83.

“Co-opted Director” means a (non-member) director appointed by the directors under articles 84.

Reasoning:

Amended to clarify the definition of an Ordinary Member Director and requirement for Ordinary Member Directors to be elected from the Ordinary Members of the company.

## **Amendment to Article 71**

### Current Article 71

71 The maximum number of directors shall be 12; out of that number, no more than 10 shall be Member Directors and no more than 3 shall be Co-opted Directors.

### Amended Article 76

76 The maximum number of directors shall be 13; out of that number, no more than 10 shall be Member Directors and no more than 3 shall be Co-opted Directors.

### Reasoning:

Amended to correct a discrepancy in numbers. The maximum 10 Member Directors alongside the maximum 3 Co-opted Directors would be 13 Directors in total.

## **Amendment to Article 74**

### Current Article 74

74 A person shall not be eligible for election/appointment as a Member Director unless he/she is a member of the company; a person appointed as a Co-opted Director need not, however, be a member of the company.

### Amended Article 79

79 A person shall not be eligible for election/appointment as a Member Director unless he/she is an Ordinary Member of the company; a person appointed as a Co-opted Director need not, however, be a member of the company.

### Reasoning:

Amended to clarify the requirement for Ordinary Member Directors to be elected from the Ordinary Membership of the company.

## **Amendment to Article 76**

### Current Article 76

At each annual general meeting, the Ordinary Members may (subject to articles 71 to 75) elect any member (providing he/she is willing to act) to be a director (a "Member Director").

### Amended Article 81

At each annual general meeting, the Ordinary Members may (subject to articles 76 to 80) elect any Ordinary Member (providing he/she is willing to act) to be a director (a "Member Director").

### Reasoning:

Amended to clarify the requirement for Ordinary Member Directors to be elected from the Ordinary Membership of the company.

## **Amendment to Article 77**

### **Current Article 77**

The directors may (subject to articles 71 to 75) at any time appoint any member (providing he/she is willing to act) to be a director (a "Member Director").

### **Amended Article 82**

The directors may (subject to articles 76 to 80) appoint any Ordinary member (providing he/she is willing to act) to be a director (a "Member Director") to fill a casual vacancy arising as a result of the retiral (or deemed retiral for any reason) of any Member Director from or after the date of such retiral or deemed retiral until the next annual general meeting.

### **Reasoning:**

The amendment clarifies the circumstances under which Directors can appoint ordinary members as Directors. It restricts these appointments to only 'casual vacancies', meaning those which occur between AGMs due to the retirement (or 'deemed retirement' i.e resignation or disqualification) of an existing Director. This ensures that only elected members become Directors under normal circumstances, preserving community control over the board's composition. Directors remain able to appoint members to serve as Directors, but only to fill unexpected gaps in leadership that arise between AGMs. At the next AGM, members will have the opportunity to vote to elect any appointed Directors.

## **Amendment to Article 78, 79, 80, and 81**

### **Current Article 78 - 81**

78 At the first annual general meeting, one third of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by some random method.

79 At each annual general meeting (other than the first)

(a) any Member Director appointed under article 77 during the period since the preceding annual general meeting shall retire from office;

(b) out of the remaining Member Directors, one third shall retire from office.

80 The directors to retire under paragraph (b) of article 79 shall be those who have been longest in office since they were last elected or re-elected; as between persons who were last elected/re-elected on the same date, the question of which of them is to retire shall be determined by some random method.

81 A director who retires from office under article 79 or 80 shall be eligible for re-election.

### **Amended Article 83**

83 At the first annual general meeting, one third of the Member Directors shall retire from office; the question of which of them is to retire shall be determined by some random method.

The following shall apply to the retiral of Member Directors:

(c) at the second and each subsequent AGM, one-third of the Member Directors (or the nearest number upwards) shall retire from office

(d) a retiring Member Director shall retain office until the close or adjournment of the meeting;

(e) 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;

(f) if no other Director(s) has or have decided or agreed to retire, the Member 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;

- (g) nomination of any Member 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 Member Director if elected; and
- (h) election of any Member Director shall be by vote of the Ordinary Members, each Ordinary Member having one vote for each vacancy in the Member Directors on the Board.

#### Reasoning:

Amendment of a previous copy of the Articles of Association (following a proposal to amend retrieval terms) has been undone in order to comply with the Act. The necessary information from the articles (79-81), alongside additional information for clarity of terms, has been re-inserted as sub-articles of Article 83 to avoid cross referencing errors throughout document

### **Amendment to Article 82, 83, and 84**

#### Current Article 82 - 84

82 Subject to article 71, up to 3 individuals may be appointed as Co-opted Directors.

83 At each annual general meeting, all of the Co-opted Directors shall retire from office - but shall then (subject to articles 71 to 75) be eligible for re-appointment.

84 For the avoidance of doubt, a Co-opted Director may participate fully in and vote at all Board meetings which he or she attends.

#### Amended Article 84

84 In addition to their powers under articles 82, the directors may (subject to articles 76 to 80) at any time appoint any individual (providing he/she is willing to act) to be a director (a "Co-opted Director") either on the basis that he/she has been nominated by a body with which the company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.

#### Reasoning:

Articles 82, 83 and 84 have been consolidated into a single article (Article 84). A previous draft copy of the Articles of Association stated "the directors may ... appoint any non-member" the wording "appoint any individual" has been re-instated as this expands the pool of candidates eligible for appointment as a Co-opted Director by allowing the appointment not only 'non-members' but also Associate Members (those who are part of IDT membership but are outwith the community and do not have full voting rights). This allows the Trust to draw on the skills and experience of its Associate Members where appropriate.

### **Amendment to Article 85(d)**

#### Current Article 85(d)

(d) (in the case of a Member Director) he/she ceases to be a member of the company;

#### Amended Article 85(d)

(d) (in the case of a Member Director) he/she ceases to be an Ordinary Member of the company;

#### Reasoning:

Amended to clarify the requirement for Member Directors to be Ordinary Members of the company.

## **Amendment to Article 87**

### Current Article 87

87 The directors shall maintain a register of directors, setting out full details of each director, including the date on which he/she became a director, and also specifying the date on which any person ceased to hold office as a director.

### Amended Article 87

87 The directors shall maintain a register of directors 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. This register will set out full details of each director, including the date on which he/she became a director, and also specifying the date on which any person ceased to hold office as a director.

### Reasoning:

Further clarification as to who is able to inspect the register of directors of the Company, this includes Board, Membership, and members of the general public (with written permission from the director or employee concerned). This reflects the statutory requirements under the Companies Act.

## **Amendment to Article 104**

### Current Article 104

104 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article 105) be 4.

### Amended Article 104

104 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall (subject to article 105) be not less than 50% of all Directors.

### Reasoning:

Amendment made based on Community Right to Buy team's recommendation. A quorum of 50% of the Directors ensures that a wide range of views from within your Community are represented at each meeting. The use of a percentage also ensures that should the minimum number of Directors change the quorum for a meeting of the Board will also change.

## **Amendment to Article 108**

### Current Article 108

108 Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.

### Amended Article 108

108 Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present at the meeting shall elect from among themselves one of the elected directors who will act as chairperson of that meeting.

#### Reasoning:

Amended to include clarification that the individual elected as chairperson (in absence of the chair of the company at a directors' meeting) is required to be an elected Director.

### **Amendment to Article 113**

#### Current Article 113

113 The company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 110 to 112.

#### Amended Article 113

113 The company may, by special resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 110 to 112.

#### Reasoning:

Amended to be in line with Article 55 which states that any change to the Articles of Association must be made by 'special resolution' (which requires a higher level agreement i.e 75% of those voting).

### **Amendment to Article 118**

#### Current Article 118:

118 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.

#### Amended Article 118:

118 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or holder of any other post) (provided the chair or such other post holder is an Elected Director) such of their powers as they may consider appropriate.

#### Reasoning:

The original article allowed directors to delegate their powers without any restriction on who can hold that position of power, this would mean even a co-opted director (who may not have been elected by the community) could potentially receive powers. The proposed amendment aims to maintain community control of the Trust, ensuring that only Elected Directors (those who have been chosen through a voting/ballot process) can be delegated powers.

### **Amendment to Article 136, 137, and 138**

#### Current Article 136, 137, and 138

136 If on the winding-up of the company any property (including any land acquired by the company under Part 2 or Part 3A of the Land Reform (Scotland) Act 2003 or Part 5 of the Land Reform (Scotland) Act 2016)) remains after satisfaction of all the company's debts and liabilities, such property shall not be paid to or distributed among the members of the company; instead, that property shall (subject to articles 137 and 138) be transferred to such other community body or bodies, crofting community body or bodies or Part 3A community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers).

137 If the members do not resolve to transfer any property of the nature referred to in article 136 to a community body or bodies, crofting community body or bodies or Part 3A community body or bodies ap-

proved by Scottish Ministers, such property shall instead (subject to article 138) be transferred to the Scottish Ministers or to such Scottish charity as the Scottish Ministers may direct.

138 If - at the time when the company is being wound up - the company is a Scottish charity, no property shall be transferred under article 136 or 137 to any body unless it is a body entered in the Scottish charity register; for the avoidance of doubt, the Scottish Ministers should be taken to be a “body” for the purposes of this article 138.

#### Amended Article 136, 137, 138, 139

136 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.

137 If on the winding-up of the company any property (including any land acquired by the company under Part 2 or Part 3A of the Land Reform (Scotland) Act 2003 or Part 5 of the Land Reform (Scotland) Act 2016) remains after satisfaction of all the company’s debts and liabilities, such property shall not be paid to or distributed among the members of the company; instead, that property shall (subject to articles 137 and 138) be transferred to such other community body or bodies, crofting community body or bodies or Part 3A community body or bodies or Part 5 community body or bodies as may be determined by the members (subject to the identity of the transferee body or bodies being approved by the Scottish Ministers).

138 If the members do not resolve to transfer any property of the nature referred to in article 136 to a community body or bodies, crofting community body or bodies or Part 3A community body or bodies or Part 5 community body or bodies approved by Scottish Ministers, such property shall instead (subject to article 138) be transferred to the Scottish Ministers or to such Scottish charity as the Scottish Ministers may direct.

139 If - at the time when the company is being wound up - the company is a Scottish charity, no property shall be transferred under article 137 or 138 to any body unless it is a body entered in the Scottish charity register; for the avoidance of doubt, the Scottish Ministers should be taken to be a “body” for the purposes of this article 139.

#### Reasoning:

Articles on the winding up of the Company have been amended with an additional article (136) added and subsequent articles renumbered. The addition of this article addresses the lack of reference to Ordinary Members in the winding up decision and processes. 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. Articles 136 and 137 have also been amended to include reference to Part 5 community body or bodies. While reference to Part 5 community bodies is not required under the Acts, the document already make reference to Part 5 community bodies in preceding articles so this reference is added for consistency.