

# CORMONACHAN COMMUNITY WOODLANDS LIMITED

## ARTICLES OF ASSOCIATION

### 1. NAME AND REGISTERED OFFICE

- 1.1. The name of the organisation is Cormonachan Community Woodlands Limited
- 1.2. The Registered Office of the organisation must be situated in Scotland, using the address of the appointed Company Secretary.

### 2. TYPE OF ORGANISATION

The organisation is a company limited by guarantee under the Companies Act 2006, registration number SC 657915.

### 3. CHARITABLE PURPOSES

The Charitable Purposes of the organisation are to conserve, protect, develop and manage the Cormonachan Community Woodlands for the benefit of the Loch Goil communities and visitors to Loch Goil, and in particular:

- 3.1. to conserve the natural heritage of the Cormonachan Woodlands, their flora and fauna;
- 3.2. to manage the woodlands in a sustainable manner and to promote biodiversity;
- 3.3. to provide access, information and facilities for visitors to the woodlands;
- 3.4. to promote the woodlands as an educational, recreational, and health resource; and
- 3.5. to encourage voluntary participation in the work of conservation and maintenance.

### 4. POWERS

Only in furtherance of its Charitable Purposes, the organisation shall have the following powers:

- 4.1 To conserve, protect, develop and manage the Cormonachan Community Woodlands;
- 4.2 To carry on any other activities which further any of the above purposes/objects;
- 4.3 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities;

- 4.4 To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants;
- 4.5 To engage such consultants and advisers as are considered appropriate from time to time;
- 4.6 To effect insurance of all kinds (which may include officers' liability insurance);
- 4.7 To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments);
- 4.8 To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects;
- 4.9 To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects;
- 4.10 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities;
- 4.11 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them);
- 4.12 To oppose, or object to, any application or proceedings which may prejudice the company's interests;
- 4.13 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity;
- 4.14 To let, hire out, or license any part of the property and rights of the company;
- 4.15 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

## 5 RESTRICTIONS ON USE OF THE COMPANY'S ASSETS

- 5.1 The income and property of the company shall be applied solely towards promoting the company's purposes.
- 5.2 No part of the income or property of the company shall be paid or transferred to the members of the company.

- 5.3 No director of the company shall be appointed as a paid employee of the company; no director shall hold any office under the company for which a salary or fee is payable.
- 5.4 No benefit (whether in money or in kind) shall be given by the company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

## 6 LIABILITY OF MEMBERS

- 6.1 Each member undertakes that if the company is wound up while they are a member (or within one year after they cease to be a member), they will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- (a) payment of the company's debts and liabilities contracted before they cease to be a member;
  - (b) payment of the costs, charges and expenses of winding up; and
  - (c) adjustment of the rights of the contributories among themselves.
- 6.2 Directors have certain legal duties under the Companies Act 2006; and clause 7 does not exclude (or limit) any personal liabilities they might incur if they are in breach of those duties.

## 7 GENERAL STRUCTURE

The structure of the company consists of:-

- (a) the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves;
- (b) the DIRECTORS - who hold regular board meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company. Every director is a trustee of the charity.

## 8 MEMBERS

- 8.1 The members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under article 9 in the following categories:
- a) Ordinary Members – individuals aged 16 or over who pay the Ordinary Member’s annual subscription;
  - b) Life Members - individuals aged 16 or over who pay the Life Membership subscription;
  - c) Corporate Members – businesses or organisations which pay the Corporate Member’s annual subscription.
- 8.2 Membership with full voting rights shall be open to those who have primary or secondary residence in Carrick Castle or Lochgoilhead;
- 8.3 Corporate Membership shall be open to those businesses or organisations who have primary or secondary residence in Carrick Castle or Lochgoilhead. One nominated representative of each corporate member may vote and be eligible for election to the Board of Directors;
- 8.4 A category of Associate Membership, without voting rights or eligibility for election, shall be open to individuals and organisations without local residence.
- 8.5 Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

## 9 APPLICATION FOR MEMBERSHIP

- 9.1 Any person who wishes to become a member must sign, and lodge with the company, a written application for membership.
- 9.2 The directors may, at their discretion, refuse to admit any person to membership.
- 9.3 The directors shall consider each application for membership at the first directors’ meeting which is held after receipt of the application; the directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.

## 10 MEMBERSHIP SUBSCRIPTIONS

- 10.1 Subscription levels and categories will be set at the Annual General Meeting and reviewed annually.
- 10.2 The receipt of a member’s annual subscription shall be the means to confirm continuing membership.

## 11 REGISTER OF MEMBERS

11.1 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which they were admitted to membership, and the date on which any person ceased to be a member.

11.2 Personal data will be managed according to the company's Privacy Policy (appended).

## 12 WITHDRAWAL FROM MEMBERSHIP

Any person who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, they shall cease to be a member.

## 13 TRANSFER OF MEMBERSHIP

A member may not transfer their membership to any other person.

## 14 TERMINATION OF MEMBERSHIP

Membership will cease on death.

## 15 EXPULSION FROM MEMBERSHIP

Any person may be expelled from membership by way of a special resolution passed by not less than two thirds of those present and voting at a general meeting, providing the following procedures have been observed:-

- (a) at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion; and
- (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

## 16 GENERAL MEETINGS OF MEMBERS

16.1 The directors shall convene an annual general meeting in each calendar year.

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

16.3 Not more than 15 months shall elapse between one annual general meeting and the next.

- (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

16.4 The directors may convene a general meeting at any time, stating the purpose of the meeting when notice is given to members.

## 17 SPECIAL GENERAL MEETING

17.1 The directors must arrange a special members' meeting if they are requested to do so by a notice (which may take the form of two or more documents in the same terms, each signed by one or more members) by members who amount to 5% or more of the voting membership of the company at the time, providing:

17.2 the notice states the purposes for which the meeting is to be held;

17.3 And those purposes are not inconsistent with the terms of this constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, or any other statutory provision.

17.4 If the directors receive such a notice, the date for the meeting which they arrange in accordance with the notice must not be later than 28 days from the date on which they received the notice.

## 18 NOTICE OF GENERAL MEETINGS

18.1 At least 21 clear days' notice must be given of any general meeting or any special general meeting.

18.2 The notice calling a members' meeting must specify in general terms what business is to be dealt with at the meeting; and

18.3 in the case of a resolution to alter the constitution, must set out the exact terms of the proposed alteration(s); or

18.4 in the case of any other resolution falling within clause 19.1 (requirement for a 75% majority) must set out the exact terms of the resolution.

18.5 The reference to "clear days" shall be taken to mean that, in calculating the period of notice, the day after the notices are posted (or sent by e-mail) should be excluded; and the day of the meeting itself should also be excluded.

18.6 Notice of every members' meeting must be given to all the members of the company, and to all the board trustees; but the accidental omission to give notice to one or more members will not invalidate the proceedings at the meeting.

18.7 Any notice which requires to be given to a member under this constitution must be sent by post to the member, at the address last notified by them to the company, or sent by e-mail to the member, at the e-mail address last notified by them to the company.

## 19 SPECIAL RESOLUTIONS AND ORDINARY RESOLUTIONS

19.1 A special resolution means a resolution passed by 75% or more of the votes cast by those present at a general meeting.

19.2 Whilst personal attendance is much preferred, a member shall be entitled to vote on any special resolution by post or email to the Secretary by a stated time in advance of the meeting.

19.3 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.

19.4 An ordinary resolution means a resolution that requires only a simple majority of votes cast in order to be passed.

## 20 PROCEDURE AT GENERAL MEETINGS

20.1 No valid decisions can be taken at any general meeting unless a quorum of five members is present.

20.2 If a quorum is not present within 15 minutes after the time at which a members' meeting was due to start, or if a quorum ceases to be present, the meeting cannot proceed; and fresh notices of meeting will require to be sent out, to deal with the business (or remaining business) which was intended to be conducted.

20.3 The chair of the company should act as chairperson of each general meeting.

20.4 If the chair of the company is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the directors present at the meeting must elect (from among themselves) the person who will act as chairperson of that meeting.

20.5 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.

20.6 Every member shall have one vote.

20.7 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall not have a casting vote.

20.8 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); 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. The chairperson will decide how any secret ballot is to be conducted, and the result of the ballot will be declared at the meeting.

20.9 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

20.10 Further to Article 19.1, the following are defined as special resolutions requiring at least 75% of the votes in order to be passed:

- (a) a resolution directing the board of trustees to take any particular action or to desist from any particular action;
- (b) a resolution for the dissolution of the company.

## 21 DIRECTORS / TRUSTEES

21.1 The directors of the company, registered with Companies House, will also bear the role and responsibilities of charity trustees.

21.2 The maximum number of directors is eight and they shall comprise the Board of the company.

21.3 The individuals who signed the trustee declaration forms which accompanied the application for incorporation of the company shall be deemed to have been appointed by the members as directors with effect from the date of incorporation of the company.

21.4 Only members of the company are eligible for election or co-option, with the condition that they are not disqualified under the Companies Act 2006.

21.5 At each Annual General Meeting the members may elect any member, if willing, to be a director.

21.6 The directors may at any time co-opt a member to be a director.

21.7 At each Annual General Meeting, all directors shall retire, and shall be eligible for re-election by the members.

## 22 TERMINATION OF OFFICE

22.1 A director shall automatically cease to hold office if:-

- (a) they become disqualified from being a director under the Companies Act 2006;
- (b) they become debarred under any statutory provision from being a charity trustee;



- (c) they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months;
- (d) they cease to be a member of the company;
- (e) they become an employee of the company;
- (f) they resign office by notice to the company;
- (g) they are absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove them from office;
- (h) they are removed from office by resolution of the directors on the grounds that they are considered to have committed a material breach of the code of conduct for directors and charity trustees;
- (i) they are removed from office by resolution of the directors on the grounds that they are considered to have been in serious or persistent breach of their duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- (j) they are removed from office by a special resolution of the members at a general meeting.

22.2 The director who is the subject of the resolution for removal from office must be given:

- (a) reasonable prior written notice of the grounds upon which the resolution is to be proposed;
- (b) the opportunity to address the meeting of directors or members at which the resolution is proposed, prior to the resolution being put to the vote.

22.3 At least two thirds (to the nearest round number) of the directors then in office, or members at a general meeting, must vote in favour of the resolution to effect the removal of a director from office.

## 23 REGISTER OF DIRECTORS

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

23.2 Each director must provide the secretary with details of other positions, memberships held that may cause a potential conflict of interest when decisions are being made.

23.3 Personal data will be managed according to the company's Privacy Policy (appended).

## 24 OFFICE-BEARERS

- 24.1 The board members must elect from among themselves a chair, a treasurer and a secretary. The secretary will also hold the office and duties of the Company Secretary.
- 24.2 The directors may elect from among themselves further office-bearers if they consider that appropriate.
- 24.3 All of the office-bearers will cease to hold office at the conclusion of each Annual General Meeting, but may then be re-elected.
- 24.4 A person elected to any office will automatically cease to hold that office:
- (a) if they cease to be a director or member; or
  - (b) if they give to the organisation a notice of resignation from that office, signed by them.

## 25 THE BOARD OF DIRECTORS

- 25.1 Subject to the provisions of the Act, and these articles, and subject to any directions given by special resolution of the members, the company and its assets and operations shall be managed by the board of directors, who may exercise all the powers of the company.
- 25.2 A meeting of the board at which a quorum is present may exercise all powers exercisable by the directors.
- 25.3 No valid decisions can be made unless a quorum of three directors, of whom at least one must be an office-bearer, exists for the duration of the meeting.

## 26 PERSONAL INTEREST

- 26.1 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at the start of the meeting of the directors.
- 26.2 Provided
- (a) they have declared their interest;
  - (b) they have not voted on the question of whether or not the company should enter into the relevant arrangement; and
  - (c) where they provide services to the company or might benefit from any remuneration paid to a connected party for such services, then the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
  - (d) the director will not be debarred from entering into an arrangement with the company in which they have a personal interest (or is deemed to have a personal relationship) and may

retain any personal benefit which they gain from their participation in that arrangement.

## 27 CONFLICT OF INTEREST

A director shall not vote at a directors' meeting or at a general meeting on any resolution concerning a matter in which they have a personal interest which conflicts (or may conflict) with the interests of the company. They must withdraw from the meeting while an item of that nature is being dealt with.

## 28 DIRECTORS AND MEMBERS: GENERAL DUTIES

28.1 Each of the directors and members has a duty, in exercising functions as a director or member, to act in the interests of the company; and, in particular, must:

- (a) seek, in good faith, to ensure that the organisation acts in a manner which is in accordance with its purposes;
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person; and
- (c) ensure that the company complies with any direction, requirement, notice or duty imposed under the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005, and subsequent revisions of these.

28.2 In addition to the duties outlined in article 28.1, directors and members must take such steps as are reasonably practicable for the purpose of ensuring:

- (a) that any breach of any of those duties by a director or member is corrected by the person concerned and not repeated; and
- (b) that any director or member who has been in serious and persistent breach of those duties is removed as a director or member.

## 29 DELEGATION TO SUB-COMMITTEES

29.1 The board may delegate any of their powers to sub-committees; a sub-committee must include at least one board trustee, but other members of a sub-committee need not be board trustees.

29.2 The board 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.

29.3 When delegating powers, the board must set out appropriate conditions which must include an obligation to report regularly to the board.

29.4 Any delegation of powers may be revoked or altered by the board at any time.

29.5 The rules of procedure for each sub-committee, and the provisions relating to membership of each sub-committee, shall be set by the board.

### 30 MINUTES OF MEETINGS

30.1 The board must ensure that proper minutes are kept in relation to all board meetings and meetings of sub-committees and general meetings

30.2 The minutes to be kept must include the names of those present; and (as far as possible) should be signed by the chairperson of the meeting.

30.3 The board shall make available copies of the minutes to members of the company [and any member of the public requesting them].

### 31 OPERATION OF ACCOUNTS

31.1 Subject to clause 31.2, the signatures of two out of three signatories appointed by the board will be required in relation to all operations, other than the lodging of funds, on the bank and building society accounts held by the organisation; two signatures must be the signatures of two board trustees.

31.2 Where the organisation uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in 31.1.

### 32 ACCOUNTING RECORDS AND ANNUAL ACCOUNTS

32.1 The board must ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.

32.2 The board must prepare annual accounts, complying with all relevant statutory requirements. The board should ensure that an audit of the accounts is carried out by an independent auditor.

### 33 DISSOLUTION

33.1 If the organisation is to be dissolved, the dissolution process will be carried out in accordance with the procedures set out under the

Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

33.2 Any surplus assets available to the company immediately preceding its dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the company as set out in this constitution.

#### 34 ALTERATIONS TO THE ARTICLES OF ASSOCIATION

34.1 These articles may be altered only by special resolution of the members passed at a general meeting.

34.2 The Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 prohibit taking certain steps (e.g. change of name, an alteration to the purposes, amalgamation, and dissolution) without the consent of the Companies House and the Office of the Scottish Charities Regulator.

#### 35 INTERPRETATION

35.1 References in this constitution to the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 should be taken to include:

35.2 any statutory provision which adds to, modifies or replaces those Acts; and

35.3 any statutory instrument issued in pursuance of those Acts or in pursuance of any statutory provision falling under paragraph 36.2.

In this constitution: -

35.4 "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;

35.5 "charitable purpose" means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts.