

SCVO Articles of Association Proposed Key Changes.

At the Special General Meeting to be held on 14 July members of SCVO are being asked to vote upon changes to SCVO's governing document, namely its Memorandum and Articles of Association. It is not proposed that any changes be made to the Memorandum of Association but the changes to the Articles of Association are fairly extensive and so it is proposed that the existing Articles be replaced in their entirety with new Articles. The key changes between the current Articles and the proposed new Articles are as follows: -

- The provisions for admission to membership and termination of membership have been simplified (Articles 3 and 4);
- The notice period for members' meetings has been reduced from 21 days to 14 days (Article 7);
- The quorum for members' meetings has been changed from one fifth of all members or 30 members (whichever is the greater) to 25 members (Article 8). This should make it easier to ensure that necessary business meetings are quorate;
- We have inserted provisions confirming that a member may appoint a proxy to attend and vote in its place (Article 13). This is now the position under law and so these provisions merely reflect members' statutory rights;
- The maximum number of directors is to be reduced from 25 to 16 since it was felt that a Board of more than 16 people would be too unwieldy and in practice the Board has rarely (if ever) been more than 16 strong (Article 15);
- It is proposed that there will be two categories of director, namely elected directors (of whom there will be up to 10 elected by the members of SCVO; Article 17) and co-opted directors (of whom there will be up to 6 appointed by the Board of SCVO; Article 18). This is to help ensure the necessary mix of skills on the Board;;
- Elected directors will serve for a period of three years and co-opted directors will serve for such period as determined by the Board up to a maximum of three years.

Elected directors maybe re-elected or co-opted at the end of their term of office and co-opted directors maybe re-appointed or elected as an elected director at the end of their term of office (Articles 17 and 18). This gives more flexibility for directors' service than is currently the case;

- We have clarified the circumstances in which a director may be removed from office (Article 20);
- New provisions to deal with potential conflict of interest faced by directors (needed to comply with the requirements of Companies Act 2006) have been inserted in Article 21;
- New provisions have been inserted at Article 22 to clarify the functions of the Board;
- The quorum for a meeting of the Board has been fixed at four (Article 25);
- We have improved the Board's ability to pass resolutions in writing (Article 29);
- In line with current law, the appointment of a Company Secretary has been made optional at the discretion of the Board (Article 30); and
- New provisions have been inserted at Article 35 in relation to the execution of deeds by SVCO.

In addition, a number of other minor amendments have been made, for example to the layout of the Articles and to the use of headings in order to make the document much easier to follow and understand and therefore be much more user friendly.

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