

EGM Advance Q&A

Questions Received from Alex Gray

1. Given the number of changes proposed by the new articles, can we not have a consultation on each of the significant changes separately, rather than a one-shot approval or not of the package as a whole?

GALE RESPONSE:

The resolution being put to the meeting is to adopt the full set of new articles as a whole. The individual articles work together interdependently meaning changes to one article would have a knock on impact on others. Therefore a piecemeal approach would have implications to the integrity of the whole document.

It is the Board's opinion that after two years of consideration, consultation, research and legal advice that the proposed Articles as a whole meet the needs of the organisation and its members. It is the full set of Articles, rather than a part of them, that meets the requirements of the 2006 Companies Act and the necessary elements of the Community Empowerment (Scotland) Act 2015

2. Can you confirm that article 8.1(a) means that all members must be personally and normally resident in the area, and that membership qualification cannot be obtained by part-time residence or business ownership in the area alone?

GALE RESPONSE:

Ordinary members must be ordinarily resident in the Gairloch and Loch Ewe area and entitled to vote in local elections.

3. Can you confirm that representatives of Corporate members appointed under 8.2 do not qualify as members for the purposes of article 32.1 unless they are also personal members in their own right?

GALE RESPONSE:

All members (Ordinary and Corporate) will qualify as members throughout the Articles including 32.1

4. Why is it necessary not to have the usual charity provision that employees may not be directors?

GALE RESPONSE:

There is no 'usual charity provision' regarding employees being Directors. Many charities employee staff as Directors on their Board, it is common and normal practice. GALE has had the power to appoint an employee to the position of Managing Director since it started out in 1996. The proposed new Articles make no change in this area as the Board has no desire to move away from this provision that has served the company well for more than 26 years. The Office of the Scottish Charity Regulator has confirmed it is happy with all aspects of the proposed Articles, including this one.

5. If employees are to be admitted as voting members, should there not be a limit as to the proportion of employees that may hold the votes at a general meeting – for example, no more than 50% of those voting at a general meeting should be employees?

GALE RESPONSE:

There is already a provision at 9.2 that employees should not exceed 25% of the membership. The board feel that further restriction would be undemocratic and discriminatory against a significant portion of the community GALE serves.

6. Why is there not a mandatory requirement for there to be a Treasurer?

GALE RESPONSE:

There is no legal requirement in Company Law to appoint a Treasurer and the Board does not wish to create one unnecessarily.

7. Why should the Treasurer be required to attend board meetings but to have no vote?

The role of Treasurer described in the articles appears to be more suited to a bookkeeper than a Treasurer – should the Treasurer not be required to be a full voting board member as would be usual rather than a remunerated employee?

GALE RESPONSE:

This is an operational role with the proposed articles giving the Board powers to employ a Treasurer to carry out these operational activities as and when required. The ability to employ someone to carry out financial duties for the company is seen by the Board as a necessary provision for the robust operation of the company. This provision appears in the current Articles as well as the proposed new Articles and the Board have seen no reason to change a provision that has served them well for many years.

8. Should the articles not require that the Chair of the board be an elected member (ie not a co-opted Director)?

GALE RESPONSE:

There are no restrictions within the proposed or current articles on the membership category of any office bearing roles, including the Chair. The Board have no desire to change this provision that has served them well for many years. The Board therefore wish to retain their existing powers to appoint office bearers freely from their number.

9. Should there not be a requirement for all changes to board membership and appointments under articles 57–60 to be notified promptly and directly to members?

GALE RESPONSE:

All appointments to the Board are registered with Companies House and published within 14 days of the appointment being made and there are no plans to change this practice.

10. Should there not be a requirement for all remuneration of board members, for whatever reason other than reimbursement of reasonable expenses, to be reported to members?

GALE RESPONSE:

Remuneration of Directors, including reimbursement of expenses is already reported in the published annual accounts each year. There are no plans to change this practice.

11. Should there not be a requirement for minutes of board meetings to be circulated to members immediately after approval by the subsequent board meeting?

GALE RESPONSE:

You raised this matter at our 2023 AGM where it was answered in full. The Board continue to hold the same view on this issue.

Excerpt from AGM minutes: “Alex Gray asked why Board minutes are not published online. Janet Miles explained that GALE publishes a full page report of its activities every fortnight in the Gairloch and District Times along with regular social media updates and member newsletters about its work. A detailed Annual Report and Accounts are produced each year and circulated to all members. The Board believes this is a more appropriate means of getting information about GALE to its membership and the wider community than publishing minutes which are currently used as internal working documents.”

Questions Received from John Wood

1. I wish to propose an amendment to the new Articles. Please advise me of the correct procedure.

GALE RESPONSE:

It is not possible to change the new articles as they have not been adopted yet. Changes can however be proposed for the current Articles by calling a general meeting and putting a resolution to members.

Questions Received from Iain Leslie

1. I would like to ask how much time will be allocated for members to discuss the proposal and the Articles.

GALE RESPONSE:

10 months has been allocated for members to discuss the proposed changes to the Articles.

Members were first notified of the need to change the Articles on 14 November 2022. A full discussion on the proposals was held at our 2023 AGM on 12 December. Revisions were made based on this discussion and notice of the changes issued to all members on 21 August 2023. During this time members have been encouraged to ask questions and share concerns by email, and in person.

In addition, on your request, the full member register was provided to you on 1 September 2023. You specifically requested this data "to enable contact with other members to discuss the upcoming EGM on 14th September at 7.30pm and proposed changes to the charities governing documents - The Articles."

Questions Received from Non-Members

Caroline Hamilton
Chair, Torridon and Kinlochewe Community Council

We understand that GALE is proposing to hold an EGM on 14 September at which GALE members will be asked to vote on new Articles of Association. Amongst other things, these are proposed to remove any limitation on GALE's operating area

No doubt you are aware that, if the new Articles are approved, the Community will include a substantial part of the Torridon and Kinlochewe Community Council (TKCC) area.

TKCC is very concerned that, once again, you are proposing this without any consultation whatsoever with anyone living in the additional postcodes or with any of the community organisations that are very active in the TKCC area, such as TKCC, COW Trust, Kinlochewe Hall, Kinlochewe Alliance or Torridon District Community Association. This is despite the fact that these communities will be the ones most affected by the proposal.

We believe it is essential that GALE obtains the views of these people and organisations before any vote is put to your members.

GALE RESPONSE

I am afraid that you have been misinformed about the proposal for GALE's new Articles. We are overhauling our Articles so they are in line with the Community Empowerment (Scotland) Act 2015 and the Companies Act 2006.

You say you are writing to the GALE Board as we are proposing to extending our Area of Benefit without consultation. In the proposed new Articles there is no proposal '*to remove any limitation on GALE's operating area*'. The operating area in our new Articles is the same as we have been operating in since June 2001.

Within our new Articles we are defining our area of benefit by postcodes in line with the requirements of the Community Empowerment (Scotland) Act 2015. There are no additional postcode areas in the new proposed Articles compared to our current Articles.