

Notes: these explanatory notes are to provide additional information, background and context in order to assist in selecting wording that best describes your gliding club's business. They are not here to replace advice from an appropriately qualified legal professional, nor do they form part of the text of Articles of Association.

Details about the requirements of the Companies Act 2006 are available from Companies House
<http://www.companieshouse.gov.uk/>

When you are ready to remove these notes, you can simply copy the text in the Articles column into a fresh word document, or delete this column of the table

Terminology

In gliding the use of the term 'committee' and 'committee members' have their origins in older types of organisation. The terms 'board' and 'director' used here are the correct terms for those same people running the 'company' (i.e. the gliding club).

Paragraphs required for CASC status are annotated with *. Please delete all asterisks from the final set of Articles before adoption by your gliding club.

Adaption for club use

As you adapt these generic articles for use in your club, you need to check the following:

- consistency of selected terms, roles, capitalisation throughout the document
- Cross-references between articles (numbered paragraphs) are accurate
- That the club's supporting statements, policies and forms are consistent with the articles that you are creating

MODEL ARTICLES FOR GLIDING CLUBS AS PRIVATE COMPANIES LIMITED BY GUARANTEE

INDEX TO THE ARTICLES

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Name and Registered Office
3. [Purpose] or [Object(s)] or [Purpose and Object(s)]
4. Powers
5. Liability of members

PART 2 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

6. Directors' general authority
7. Members' reserve power
8. Directors may delegate
9. Committees

DECISION-MAKING BY DIRECTORS

10. Directors to take decisions collectively
11. Unanimous decisions
12. Calling a directors' meeting
13. Participation in directors' meetings
14. Quorum for directors' meetings
15. Chairing of directors' meetings
16. Casting vote
17. Conflicts of interest
18. Records of decisions to be kept
19. Directors' discretion to make further Rules and Regulations

APPOINTMENT OF DIRECTORS

20. Members of the board
21. Elected directors
22. Termination of director's appointment
23. [Directors' remuneration]
24. Directors' expenses
25. [President]
26. Chairman
27. [Vice-Chairman]
28. Treasurer
29. Secretary
30. [Company Secretary]
31. Elections

- The opinion of an appropriately qualified legal professional with specialist knowledge of volunteer-run, not-for-profit organisations.

BGA Club Policies Guidance Pack

A large number of useful documents are available from the 'Club Management' section of the BGA website under 'Sample Club Documents'

Other useful publications

There is little information available for not-for-profit organisations that are not charities. However, the principles are similar, although the requirements and reporting compliance are more rigorous for charities than for companies. For this reason you may find yourself having to pick and filter your way through some publications. Please do contact the BGA Development Officer with general queries in the first instance

- BGA 'Club Management Training Resource Pack' available from Club Management section of BGA website
- Charity Commission guidance documents – included because it is written for people who are not experts.
<http://www.charitycommission.gov.uk/detailed-guidance/registering-a-charity/>
CC22 and CC3
- Wales Council for Voluntary Action
<http://www.wcva.org.uk/advice-guidance/trustees-and-governance>
- Directory of Social Change
<http://www.dsc.org.uk/Publications>

Article 1

The articles include reference to a company secretary. Having a company secretary is no longer a legal requirement. Where there is none, any director can perform the role. Nevertheless, the references to the company secretary should remain even if the company wishes to operate without one.

32. Casual vacancies

PART 3 MEMBERS

BECOMING AND CEASING TO BE A MEMBER

33. Types of membership
34. Applications for membership
35. Conditions of membership
36. Termination of membership

ORGANISATION OF GENERAL MEETINGS

37. Notice and calling general meetings
38. Annual general meetings
39. Attendance and speaking at general meetings
40. Quorum for general meetings
41. Chairing general meetings
42. Attendance and speaking by directors and non-members
43. Adjournment

VOTING AT GENERAL MEETINGS

44. Voting: general
45. Errors and disputes
46. Poll votes
47. Content of proxy notices
48. Delivery of proxy notices
49. Amendments to resolutions
50. Written resolution

PART 4 ADMINISTRATIVE ARRANGEMENTS

51. Accounts
52. Means of communication to be used
53. [Company seals]
54. No right to inspect accounts and other records
55. [Provision for employees on cessation of business]
56. Property and funds
57. Disability discrimination and child protection

DIRECTORS' INDEMNITY AND INSURANCE

58. Indemnity
59. Insurance
60. Rules and Regulations
61. Disputes
62. Dissolution
63. [Interpretation: priority]

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Apart from the definition of 'secretary' and 'officers' in this interpretation article, there are also references to the secretary in Articles 20.3; 22.2; 29; 31.1; 37.2; 37.3; and 38.2: and to the company secretary in Articles 12.3; 29.3; 30; and 53.3

1. Defined terms

In the articles, unless the context requires otherwise:

“articles”	means the company’s articles of association;
“bankruptcy”	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
“chairman”	has the meaning given in article 26;
“chairman of the meeting”	has the meaning given in article 41;
“clear days”	in relation to the period of notice means a period excluding: the day when the notice is given or deemed to be given; and the day for which it is given or on which it is to take effect;
“Companies Acts”	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
“director”	means a director of the company, and includes any person occupying the position of director, by whatever name called;
“document”	includes, unless otherwise specified, any document sent or supplied in electronic form;
“electronic form”	has the meaning given in section 1168 of the Companies Act 2006;
“member”	has the meaning given in section 112 of the Companies Act 2006;
“officers”	includes the directors and the secretary (if any);
“ordinary resolution”	has the meaning given in section 282 of the Companies Act 2006;
“participate”	in relation to a directors’ meeting, has the meaning given in article 13;
“proxy notice”	has the meaning given in article 47;
“Rules and Regulations”	from time to time adopted by the company and its members in accordance with these Articles
“secretary”	means any person appointed to perform the duties of the secretary of the company
“special resolution”	has the meaning given in section 283 of the Companies Act 2006;

Article 2.2

Company Law in Scotland and Northern Ireland is different to England and Wales. Whilst this set of Articles may be used as a basis, they should be checked and amended to include the few but important differences. The BGA will seek to do, please contact the BGA Development Officer to discuss in the first instance.

Article 3

The 'Purpose and Objects' should be fairly broad – being over specific merely creates gaps. Key elements to include are:

- The purpose itself
- The people who can benefit
- Any geographic limits which may be needed to define the area of benefit

The 'Purpose and Objects' should not include items that would be more properly listed under Article 4 'Powers'

Article 4

It is useful to include these powers to avoid any misunderstanding of the nature of the key powers available to the company and the conditions that have to be met when exercising the powers. Examples of powers that companies already have include a power to insure and a power to amend the Articles of Association.

The 'Powers' Articles should be checked against the 'Dissolution' Articles to ensure that the directors have the power to wind the club up, should the need ever arise.

“subsidiary”

has the meaning given in section 1159 of the Companies Act 2006; and

“writing”

means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Words importing one gender shall include all genders, and the singular includes the plural and vice versa.

Words importing persons shall include corporations and unincorporated associations.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Apart from the exception mentioned in the previous paragraph, a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

2. Name and Registered Office

2.1 The name of the company is [*INSERT*].

2.2 The registered office of the company is to be in England and Wales.

3. Purpose and Objects

3.1 The purposes of the company are to promote and provide facilities for the amateur sport of gliding in [insert area eg. Littleville] and community participation in the same *.

3.2 Either [insert here your existing objects as set out in the Memorandum] or amend the following clause to suit your needs

[The objects for which the company is established ("objects") are:

- (a) to provide flying facilities, education and instruction in the art of flying and other matters connected therewith;
- (b) to provide information, assistance, advice and support to members;
- (c) to organise and subscribe to and assist expeditions, tours and excursions with gliders and aircraft for Members and their family and friends;
- (d) to provide social facilities for members.]

4. Powers

- 4.1 The company has power to do anything which is calculated to further its Purpose and Objects or is conducive or incidental to doing so. Without limiting the foregoing, the company has power:
- (a) to acquire and operate suitable equipment and property including gliders and aircraft of all kinds, aerodromes, landing grounds, buildings and similar facilities;
 - (b) to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the company may think necessary or convenient for the promotion of its objects, and to construct, maintain and alter any buildings or structures necessary or convenient for the work of the company;
 - (c) to affiliate to and carry out functions delegated to it by relevant bodies;
 - (d) to develop and nurture relationships between the company, other recreational and sporting aviation organisations and relevant national and local government bodies and non-governmental organisations;
 - (e) to develop and implement strategies for the promotion, marketing and development of the club and the sport;
 - (f) to make and vary Rules and Regulations for members;
 - (g) to organise or subscribe to and assist competitions relative to gliders and aircraft and to offer prizes at such competitions or otherwise as may be thought fit;
 - (h) to establish and promote or to subscribe to or otherwise assist, clubs, institutions or associations, whether incorporated or not, having for their objects the dissemination or provision of information or facilities relative to gliders and aircraft or their use or otherwise in any manner calculated to advance the interests of or to promote the convenience of owners or users of gliders and aircraft;
 - (i) to:
 - (i) raise funds;
 - (ii) to open, hold, administer and close bank or building society accounts, as may be thought fit;
 - (iii) deposit or invest funds;
 - (iv) to appoint any trustees or agents to hold, administer and manage on behalf of the company all or any part of the property and assets of the company, on such terms as to

Article 4.3 Provision has been made in these Articles for remuneration of Directors, but whether you wish to pay directors is still optional. Remuneration immediately presents potential conflicts of interest *and is not common practice*. Should the club consider remuneration of directors desirable, the club should seek professional advice and reviews the situation on a regular basis. Nevertheless, this Article 4.3 is simply permissive and does not require directors to be paid.

The Article also sets out a director's entitlement to reasonable expenses and reflects the entitlement of a director to benefit from indemnity insurance

Article 4.3 (a) and (b) only include a suitably worded list if 'member' does not cover all types of volunteer.

- remuneration or otherwise as may be thought fit;
 - (v) to borrow money for the purposes of the company on such terms and on such security as may be thought fit;
 - (vi) to sell, let, mortgage or dispose of all or any of the property or assets of the company as may be thought expedient;
 - (vii) to undertake and execute any trusts which may lawfully be undertaken by the company and may be conducive to its objects; to undertake and execute charitable trusts for the benefit of the sport;
 - (viii) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, and other negotiable or transferable instruments;
 - (j) to employ and remunerate such staff as are necessary for carrying out the work of the company,
 - (k) to provide indemnity insurance for the directors
 - (l) generally to subscribe or guarantee money or make gifts for charitable purposes in any way connected with the objects of the company or for purposes serving its objects;
 - (m) to enter into any arrangements with any Government or Authority, supreme, municipal, local or otherwise, that may seem conducive to any of the objects of the company, or the interests of its members, and to obtain from any such Government or Authority, any rights, privileges and concessions which the company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
 - (n) to do all or any of the above things by or through agents or otherwise, and either alone or in conjunction with others; and
 - (o) to do all such other things as shall be thought fit to further the interests of the company or to be incidental or conducive to the attainment of all or any of the Purpose and Objects stated in Article 3 where the company has broad authority.
- 4.2 The income and property of the company shall be applied solely towards the promotion of its Purpose and Objects and no portion thereof shall be paid or transferred directly or indirectly, overtly or covertly by way of distribution, bonus or otherwise by way of profit to the members of the Company.
- 4.3 Nothing in Article 4.2 shall prevent the payment in good faith by the company:

Article 8

This is where delegation to a paid member of staff such as a CFI or Manager would be covered. Specific Terms of Reference and job specifications would set out details such as reporting, line management and responsibilities.

Article 9

This should not be confused with ad-hoc groups discussing, for instance, cross country flying. In practise, the club might not use committees which are effectively 'sub sets' of the board, but there is no harm in including the option

- (a) of remuneration of any director of the company in accordance with Article 23;
- (b) to any [member][[director, committee or sub-committee member] of reasonable and proper out-of-pocket expenses in accordance with Article 24;
- (c) of interest on money lent by a member of the company or its directors at a commercial rate of interest;
- (d) of reasonable and proper rent for premises demised or let to the company by any member of the company or by any director; [or]
- (e) of any premium in respect of the purchase and maintenance of indemnity insurance in respect of liability for any act or default of the directors (or any of them) in relation to the company; or
- (f) other payments as are permitted by these Articles.

5. Liability of members

The liability of each member is limited to £10, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:

- (a) payment of the company's debts and liabilities contracted before he ceases 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.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

6. Directors' general authority

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

7. Members' reserve power

- 7.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 7.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

8. Directors may delegate

8.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

8.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

8.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

9. Committees

9.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

9.2 The directors may make Rules and Regulations of procedure for all or any committees, which prevail over Rules and Regulations derived from the articles if they are not consistent with them.

9.3 The quorum for meetings of any sub-committee formed pursuant to the provisions of the Articles shall be [three] **[insert other number]** or [one third] **[insert other fraction]** of the total number of sub-committee members, whichever is the lesser.

DECISION-MAKING BY DIRECTORS

10. Directors to take decisions collectively

The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 11.

11. Unanimous decisions

11.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 11.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 11.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 11.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

12. Calling a directors' meeting

- 12.1 The board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that at least [three] [*insert other number*] such meetings shall be held in each year.
- 12.2 The board shall report on their activities to the members at the annual general meeting.
- 12.3 Any director may call a meeting of the board by giving notice of the meeting to the directors or, where applicable by directing the company secretary to give such notice.
- 12.4 Notice of any meeting of the board must indicate:
- its proposed date and time;
 - where it is to take place; and
 - if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 12.5 Notice of a meeting of the board must be given to each director, but need not be in writing. A director who is absent from Great Britain shall be entitled to notice of a meeting if he has provided a valid email address.

13. Participation in directors' meetings

- 13.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- the meeting has been called and takes place in accordance with the articles, and
 - they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 13.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

Article 14.2

In some cases this may be two. Something worth discussing when you get the document checked by a legal professional. Check the numbers here correspond with those in Article 20.2 (Members of the Board)

Article 16.1

This is optional: it is common but not obligatory for the chairman to have a casting vote at directors' meetings.

Articles 16.1 and 16.2

Check this paragraph for consistency against any other rules for voting

Article 17.1 – director declaration of interest

Charity law imposes a duty on the directors to declare an interest in any transaction of the company and to absent themselves from any discussion where there may be a conflict between their personal interests and those of the company. Whilst the legal requirements under Charity Law are higher than for Companies, clubs should consider the level of good practice in relation to governance and transparency that they wish to adopt. It is these sorts of discussions that are particularly beneficial when drawing up a new set of Articles.

Article 17.4 (b)

Note the use of the word 'meaningful'. In a members' club, there will inevitably be management decisions to be made, for instance setting the tariffs, where all directors, as members of the club, are likely to have a vested interest. Such vested interests would not usually create 'conflict of interest' as set out in Article 17.

13.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

14. Quorum for directors' meetings

14.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

14.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than three, and unless otherwise fixed it is three.

14.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision: [***this must be consistent with Article 32 (casual vacancies)***]

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the members to appoint further directors.

15. Chairing of directors' meetings

15.1 The [***Chairman***] [***state who else if not the Chairman***] shall be chairman of the board. The [Chairman] shall preside as chairman at all meetings of the board at which he shall be present.

15.2 If at any meeting the [Chairman] is not present within [fifteen] minutes after the time appointed for holding the meeting or he is not willing to preside, the members of the board present shall choose one of their number to be chairman of the meeting. The person so appointed for the time being is known as the chairman of the meeting.

16. Casting vote

16.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

16.2 But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

17. Conflicts of interest

17.1 A director must declare the nature and extent of any interest, direct or indirect, which he or she has in a

Article 18

Using the power to make Rules and Regulations at Article 60, the directors can decide in what format the minutes should be kept and how to validate them.

Article 19.2

Cross-reference with Article 60 (Rules: see note there) and ensure that the wording both reflects how the club operates and that the two articles do not contradict one another.

By setting out specific director discretion in relation to making amendments to Rules and Regulations gives directors freedom to operate without taking every decision to the membership at an annual or general meeting and enables members to delegate interim decision making powers to the directors whom they have elected to operate the club on their behalf.

A board of directors can always call a specific EGM to get membership approval for changes, particularly if they feel it would be helpful to talk to members to ensure there is a good level of understanding. This may be particularly relevant in relation to major policy implementation such as

proposed transaction or arrangement with the company or in any transaction or arrangement with the company which has not previously been declared. Subject to Article 17.3, a director must absent himself or herself from any discussions of the directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the company and any personal interest (including but not limited to any personal financial interest)

17.2 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

17.3 But if paragraph 17.4 applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

17.4 This paragraph applies when:

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a meaningful conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

17.5 For the purposes of this article, the following are 'permitted causes':

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

17.6 For the purposes of this Article 17, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

17.7 Subject to paragraph 17.8, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the

child protection where a change in member behaviour or appreciation might be required.

Article 20.1 (a) by 'natural person' it is meant a human being rather than a company which can in some circumstances be regarded as a 'person'. A statutory provision to this effect came into force on October 2008.

Article 20.2

As good operational practice it is recommended to have a minimum of three directors. This will help with the quality of decision making and the sharing of directors' responsibilities and duties. Note that article 14.2 requires a quorum of at least three directors (remember to cross-check the numbers).

Note: certain details of newly appointed directors must be sent to Companies House on Form AP01. This includes details of current and any former name, address, occupation and consent to act.

Article 21

Careful consideration is required to set how the terms of office for directors will function

question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

17.8 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

18. Records of decisions to be kept

18.1 The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every appointment by the directors and of every unanimous or majority decision taken by the directors (and all sub-committees) and by the company at general meeting

18.2 Any such records, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

19. Directors' discretion to make further Rules and Regulations

Unless you wish to change the existing delineation of responsibility as between the directors and the members in your organisation, the articles below will need to be amended to reflect the existing responsibilities for Rules and Regulations as between the board and the members.

19.1 Subject to the articles, the directors may make any Rule or Regulation which they think fit about how they take decisions, and about how such Rules and Regulations are to be recorded or communicated to directors and / or members.

19.2 Subject to Article 60 – RULES AND REGULATIONS, The board (or any sub-committee to whom it delegates its powers) shall have the power to make, vary and revoke Rules and Regulations for the better administration of the company including (without limitation):

- (a) setting out different categories of membership of the company;
- (b) setting out rights, privileges and obligations of the different categories of member;
- (c) setting the levels of subscriptions or entrance fees to be paid by the different categories of member;
- (d) for the appointment of committees to assist the directors in the better administration of the

in practical terms. One year is traditional and more in line with the historical 'committee' way of doing things at gliding clubs, but directors often have a longer term of a few years.

Having a maximum period of office in one role can be helpful to prevent one person (or a small group) having undue influence or the club becoming entrenched in its methods

company.][**Use if directors make membership Rules and Regulations**]

- (e) terms of reference as to the function, role and operation of committees to assist the board in the better administration of the company;
- (f) regulations setting out disciplinary and appeal procedures for members;
- (g) child protection policies;
- (h) equity and equality policies; and
- (i) such other regulations or policies as the Board thinks fit.

19.3 Rules and Regulations made under Articles 19.1 and 19.2 must be compliant with the Companies Acts and these Articles in order to be valid.

APPOINTMENT OF DIRECTORS

20. Members of the Board

- 20.1 (a) A director must be a natural person aged 16 years or older
- (b) No one may be appointed a director if he or she would be disqualified from acting under the provisions of Article 22
- 20.2 [The number of directors shall be not less than [three] **[insert other number]** and shall be subject to a maximum of [twelve][**insert other number**].]
- 20.3 The members of the board shall be: [you may want to replicate the existing provisions within your Articles here]
- (a) [the president;]
 - (b) [the chairman;]
 - (c) [the vice-chairman;]
 - (d) [the treasurer;]
 - (e) [the secretary;]
 - (f) up to [six (6)] [**insert other number consistent with Article 20.2**] (or such lower number as the directors shall from time to time decide) Elected Directors; and
 - (g) [up to [two] [**insert other number consistent with Article 20.2**] other persons (if any) as the directors may from time to time in their sole discretion co-opt to the board until the next annual general meeting, provided that the total number of directors at any one time shall not exceed the maximum number (if any) fixed by these Articles. Co-opted directors shall be entitled to vote at the meetings of the board [and may be co-opted beyond their initial term [with the approval of the members in general meeting].]

Article 22.2

(Companies) clubs should include any other named role in this list

Article 23

This article is included only for completeness and it can be quite useful to have the wording in place. Most clubs should not use it. This is because remuneration of Directors creates potential

conflicts of interest and can be complex.

It is recommended that a club intending to remunerate Directors seeks professional advice and reviews the situation regularly.

Regarding staff such as CFIs or Managers which for the proper management of the company the directors should include in meetings. The directors employ the staff. It is not appropriate that any director should employ themselves. Therefore, employees should not be directors. However, they can be non-voting members of a committee. The structure of the organisation in terms of sub-committees and management committees should be published so it is clear to members how the various bodies work together and report. The directors' power to delegate to sub-committees is set out in article 8.1.

Article 24

Ensure the wording reflects whether Article 23 (remuneration of directors) is being included or not

Articles 25 – 30

So how does your gliding club work? This is an opportunity to review the structure of what may be a fairly ancient organisation. Take a view on whether to adapt these articles to match your club and the way it functions, or to modernise, or a blend of both.

20.4 [The board may at its discretion award honoraria to such persons as it thinks fit [provided that the honoraria shall not to any extent be determined by or conditional upon the profits or losses derived from some or all of the activities of the company or by reference to the level of the company's gross income from some or all of its activities].] [***include wording in square brackets where company claims VAT exemption***]

20.5 All acts carried out in good faith at any meeting of the board or of any sub-committee, or by any person acting as a director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such person be as valid as if every such person had been duly appointed or had duly continued in office.

21. Elected directors

Each elected director shall serve for a [***insert period – 'one' is recommended***]-year term from the annual general meeting at which he is elected to the annual general meeting in the [***insert period***] year after his election, but shall be eligible for re-election for [one/two/three] further term[s] of [***insert period***] year[s]. The election for the office of elected directors shall be conducted in accordance with Article 31.

22. Termination of director's appointment

Without prejudice to the provisions of Section 168 of the 2006 Act, A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) unless the board resolves otherwise, that person shall without sufficient reason for more than three consecutive board meetings have been absent without permission of the board;

- (g) a majority of the members at a general meeting pass a resolution removing that person;
- (h) [that person is requested to resign by all the other members of the board acting together;]
- (i) [when his term of office expires and he is not re-elected;]
- (j) [that person ceases to be a member; or] [**include where directors are required to be members of the company**] notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.]

22.2 A person serving as [chairman], [vice-chairman], [treasurer] or [secretary] who is removed from office as a director for whatever reason shall be deemed to have resigned from his position as chairman, vice-chairman, treasurer or secretary (as appropriate) and the vacancy shall be filled in accordance with these Articles.

23. **[Directors' remuneration**

23.1 Directors may undertake any services for the company that the directors decide.

23.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

23.3 Subject to the articles, a director's remuneration may:

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

23.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.]

24. **Directors' expenses**

[Without prejudice to Article 23, t][T]he company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors,

- (b) general meetings, or
- (c) otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

Set out below are alternative provisions allowing for the election or appointment of a president, chairman, vice-chairman, treasurer and secretary. Again, consider whether the terminology is appropriate for your club.

25. [President]

25.1 At each annual general meeting the president shall retire but shall be eligible for re-election in accordance with these Articles. The election of the president shall be in accordance with Article 31. A person so elected shall hold office until the annual general meeting in the year after his election but shall be eligible for re-election in accordance with these Articles.

25.2 [The president [shall be a director by virtue of his office and shall have such rights and privileges as the [board][company in general meeting] shall from time to time prescribe.] **or** [The president shall have the right to attend and speak at general meetings but shall not be entitled to vote, and shall have such other rights and privileges as the board shall from time to time prescribe.]]

Article 31.1

The rights attributed to classes of membership are defined and set out according to article 33.1 (types of membership)

Article 31.2

The optional wording in brackets makes it possible for the members to reject a candidate if they so wish. (In an ideal world, one of the other members would stand against an 'undesirable' candidate.)

Article 33.1

Note that the specific classes, including their rights and obligations are not specified within the articles. This means that any changes to them will not result in a lengthy correspondence and approval situation with Companies House (and HMRC if the club is a CASC). This is how a good set of articles should function – setting out how business is conducted, but leaving the

26. Chairman

26.1 At each annual general meeting the chairman shall retire but shall be eligible for re-election in accordance with these Articles. The election of the chairman shall be in accordance with Article 31. A person so elected shall hold office until the annual general meeting in the year after his election but shall be eligible for re-election in accordance with these Articles.

26.2 The chairman shall be a director by virtue of his office and shall have such rights and privileges as the company in general meeting shall from time to time prescribe.

26.3 The office of chairman shall be vacated with immediate effect if the person appointed as chairman ceases to be a director of the company.

27. Vice-Chairman

27.1 At each annual general meeting the vice-chairman shall retire but shall be eligible for re-election in accordance with these Articles. The election of the vice-chairman shall be in accordance with Article 31. A person so elected shall hold office until the annual general meeting

specific rules, regulations and details to be set out in other documents.

Article 33.2

Note the cross-reference to Article 19 (directors' discretion to make Rules and Regulations); here it is clear that changes can only be implemented following a decision made by the members.

Article 33.5 it is very important for the good administration of the company to keep the register of members up to date: failure to do so can result in a number of problems including serious difficulties with the calling of annual or general meetings. (In any case, an effective gliding club is in regular contact with members to encourage more people to fly and to take part in club activities.)

Article 34

These three clauses use wording acceptable for HMRC's CASC scheme.

Article 34.1 is required for the BGA's Junior Gliding Centre status and any modern, forward thinking club should include this clause

Article 34.2 HMRC publish the relevant level. There are separate figures for annual participation (i.e. membership and gliding activities, including the cost of flying) and maximum annual membership.

Articles 34.3 and 36.4 The club should have such a policy and review it on a regular basis. A generic version is included in the BGA's 'Club Policies Guidance Pack' which can be found in the club management section of the BGA's website, under 'sample club policies'.

in the year after his election but shall be eligible for re-election in accordance with these Articles.

27.2 The vice-chairman shall be a director by virtue of his office and shall have such rights and privileges as the company in general meeting shall from time to time prescribe.

27.3 The office of vice-chairman shall be vacated with immediate effect if the person appointed as vice-chairman ceases to be a director of the company.

28. Treasurer

28.1 At each annual general meeting the treasurer shall retire but shall be eligible for re-election in accordance with these Articles. The election of the treasurer shall be in accordance with Article 31. A person so elected shall hold office until the annual general meeting in the year after his election but shall be eligible for re-election in accordance with these Articles.

28.2 The treasurer shall be a director by virtue of his office.

29. Secretary

29.1 At each annual general meeting the secretary shall retire but shall be eligible for re-election in accordance with these Articles. The election of the secretary shall be in accordance with Article 31. A person so elected shall hold office until the annual general meeting in the year after his election but shall be eligible for re-election in accordance with these Articles.

29.2 The secretary shall be a director by virtue of his office and shall have such rights and privileges as the company in general meeting shall from time to time prescribe.

29.3 [The secretary shall also be the company secretary for the purposes of the Act.] [Include this Article if the secretary will also be the company secretary – NB companies are no longer required to appoint a company secretary]

30. [Company Secretary]

[Companies are no longer required to appoint a company secretary but if you wish to do so you should include this Article if the secretary will not also be the company secretary]

[Subject to the provisions of the Companies Acts, the company secretary shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit and any company secretary appointed may be removed by them.]

Article 37.1

A notice period of at least 14 days is a legal requirement. There is nothing to stop written notices of meetings being issued to members more than 14 clear days ahead of meetings.

Notice of a general meeting is required to include a statement setting out the rights of members to appoint a proxy (section 325 of the Companies Act 2006). Article 44.4 (44 = Voting) refers to this right and articles 49 and 50 (dealing with proxy notices) to the practicalities. Article 47 sets out provision for postal ballot.

Article 38.2 (c)

Note that auditors are only required for larger companies. Check the requirements for your company (club). In any case, accounts should be independently verified (which is cheaper than auditing).

Article 38.2 (e)

Check this list matches the roles that exist in real life

31. Elections

- 31.1 Any voting member may nominate another member to be an elected director. Any nomination must be made on the form prescribed from time to time by the directors and signed by the nominee. Any nomination must be seconded by another voting member. Members may only nominate or second one candidate for each post and the form must be completed and returned to the secretary not later than such date as the directors shall prescribe each year.
- 31.2 If there are the same number of candidates as there are vacancies for a post, those candidates shall be declared elected unopposed at the annual general meeting. (Unless at that meeting a member requests a vote in relation to such candidates. Such candidate shall not be elected to post if not approved by such vote.) In the event of there being more nominations than vacancies, there shall be an election at the annual general meeting. The results of any such election must be announced by the board.

32. Casual Vacancies

A casual vacancy arising among the offices of an elected director, may be filled by the board provided always that the person appointed to fill the vacancy shall hold office until such time as the person they replaced was due to retire but shall be eligible for re-election in accordance with these Articles.

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

33. Types of membership

- 33.1 Subject to Article 35.3, the directors may establish classes of membership with different rights and obligations and shall record the rights and obligations in the register of members.
- 33.2 The directors may not directly or indirectly alter the rights or obligations attached to a class of membership.
- 33.3 The rights attached to a class of membership may only be varied if:
- (a) Three-quarter of the members of that class consent in writing to the variation; or

(b) A special resolution is passed at a separate general meeting of the members of that class agreeing to the variation.

33.4 The provisions in the articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members.

33.5 The directors must keep a register of names and addresses of the members

34. Applications for membership

34.1 Membership of the company shall be open to anyone interested in the sport on application regardless of sex, age, disability, ethnicity, nationality, sexual orientation, religion or other beliefs. However, limitation of membership according to available facilities is allowable on a non-discriminatory basis.*

34.2 The company may have different classes of membership and subscription on a non-discriminatory and fair basis. The company will keep subscriptions at levels that will not pose a significant obstacle to people participating. *

34.3 The company directors may refuse membership, or remove it, only for good cause such as conduct or character likely to bring the company or sport into disrepute. Appeal against refusal or removal may be made to the members as set out under the company's 'Complaints and Disciplinary Procedures' [insert name of relevant policy or procedure document]. *

Articles 39.4 and 39.5

Make provision for electronic / remote attendance of meetings

Article 40.2

Insert the figure for a quorum. This should be set with care. If it is too high, any absences may make it difficult to have a valid meeting. If it is too low, a small minority may be able to impose its views unreasonably. Small gliding clubs should take particular care when setting their minimum number

Note that Article 43 (adjournment) sets out the procedure for dealing with situations where the meeting is inquorate

35. Conditions of membership

35.1 All members shall be subject to the Rules and Regulations.

35.2 The members shall pay any entrance fees and annual subscription set by the board under Article 19.2. Any member whose subscription and/or entrance fee is more than [*insert*] months in arrears shall be deemed to have resigned his membership of the company unless the [board] decides otherwise.

35.3 Only members who pay the annual subscription fees shall be members of the company

36. Termination of membership

36.1 A member may withdraw from membership of the company by giving 7 days' notice to the company in writing.

36.2 Membership is not transferable.

36.3 A person's membership terminates when that person dies.

36.4 Membership of the company may be withdrawn from any club member, as set out under the company's 'Complaints and Disciplinary Procedures' [insert name of relevant policy or procedure document].

ORGANISATION OF GENERAL MEETINGS

37. Notice of and calling general meetings

37.1 General meetings are called on at least 14 clear days' written notice

37.2 A general meeting may be called at any time by the directors or by the secretary acting on behalf of the directors or may be called on a written request to the directors from at least 5% of the members.

37.3 On receipt of a written request made pursuant to Article 37.2, the Secretary must call a general meeting within 21 days and the general meeting must be held not more than 28 days after the date of the notice calling the general meeting

38. Annual general meetings

[There is no longer an obligation for companies limited by guarantee to hold an AGM. However, it is likely to provide a useful opportunity for reporting to the members and dealing with administrative requirements]

38.1 The company shall hold a general meeting in every calendar year as its annual general meeting at such time and place as may be determined by the directors and shall specify the meeting as such in the notices calling it, provided that so long as the company holds its first annual general meeting within 18 months after its incorporation it need not hold it in the calendar year of its incorporation or in the following calendar year.

38.2 The annual general meeting shall be held for the following purposes:

- (a) to receive from the board the company's accounts;
- (b) to receive from the board a report of the activities of the company since the previous annual general meeting;
- (c) [to appoint the company's auditors;]
- (d) [to receive a report from the president;]
- (e) to appoint (as appropriate) the [president], [vice-chairman], [treasurer], [secretary] and the chairman;
- (f) to elect the elected directors in place of those retiring; and
- (g) to transact such other business as may be brought before it.

Article 43.3

This is a discretionary power for the members present in person or by proxy to adjourn a quorate meeting. This differs from the adjournment provisions in Article 43.1 which are not discretionary and must be used where a general meeting is not quorate.

Article 43.6

This provision permits the rescheduled meeting to

proceed without a quorum (as set out at 40.2) being present within half an hour of the specified start time.

Article 44

This section should be checked against the membership rights and classes of membership as set out under article 33 (types of membership) and any of the company's (club's) related publications.

Article 44.4

This relates to proxy votes in the event that a member cannot attend.

Articles 44.2 and 46

This sets out how votes may be taken. A poll is a formal count of votes on a resolution. It can be useful where a show of hands is inconclusive: it is also sensible where the votes of certain categories of member count for more than those of others and where there is a concern that this would not be recognised on a show of hands where a result is close.

38.3 All general meetings, other than annual general meetings, shall be called general meetings.

39. Attendance and speaking at general meetings

39.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

39.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

39.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

39.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

39.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

40. Quorum for general meetings

40.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

40.2 [Subject to Article 43.6,][**Insert number, 10 is suggested**] members or [**Insert number, 10 is suggested**]% of the membership (whichever is the greater) present in person or by proxy shall be a quorum.***[it is generally preferable to set a figure to reflect the number of members who attend the AGM. This figure should not be set so high that it will be difficult to hold a quorate meeting]***

41. Chairing general meetings

41.1 The [chairman] [***insert other person if applicable***] shall chair general meetings if present and willing to do so. If the [chairman] shall be absent, or if at any meeting he is

Article 46.5

Where it is decided that a poll is to take place in these circumstances after a general meeting, all the members with voting rights are entitled to vote.

Article 47

This makes provision for proxy voting. Members of a company have a legal right to appoint proxies under section 324 of the Companies Act 2006. A statement about this right must be contained in a notice calling a meeting of the company (section 325 of the Companies Act 2006). Article 37 deals with such notices.

The provision for proxies is based on the provisions in Schedule 2 of the Companies (Model Articles) Regulations 2008.

Article 47.2

A generic template version of the form can be found in the BGA's 'Effective Club Management Guide' on the club management section of the BGA website or from the BGA Development Officer.

not present within fifteen minutes after the time appointed for holding the same, the [vice-chairman] [**insert other person if applicable**] shall preside. If the [vice-chairman] is also not present or is unwilling to preside within fifteen minutes of the time at which a meeting was due to start:

- (a) the directors present, or
- (b) (if no directors are present), the meeting, must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

41.2 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

42. Attendance and speaking by directors and non-members

42.1 Directors may attend and speak at general meetings.

42.2 The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

43. Adjournment

43.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

43.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

43.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

43.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

43.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the

company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

43.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place provided that if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting [*insert a number (not less than 2)*] members shall be a quorum.

VOTING AT GENERAL MEETINGS

44. Voting: general

- 44.1 Every voting member shall be entitled to receive notice of, attend general meetings and cast one vote.
- 44.2 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles. Except where otherwise provided by the Companies Act, every resolution is decided by a majority of votes cast.
- 44.3 [In the event of an equality of votes either on a show of hands or a poll, the chairman is entitled to a casting vote in addition to any other vote he may have.] [***You may only include a chairman's casting vote if your Articles provided for this prior to 1 October 2007. The terms of the casting vote must remain the same.***]
- 44.4 [Every voting member is entitled to send a representative as a proxy to general meetings and each of those representatives shall have a vote, provided that the proxy form has been delivered and executed in accordance with Articles 47 and 48.]

45. Errors and disputes

- 45.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 45.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

Article 50

This complies with the Companies Act 2006 which provides that if certain requirements are met members may agree written ordinary and special resolutions (sections 288 – 298). What constitutes an authenticated document is explained in section 1146 of the Companies Act 2006. A document sent in hard form is sufficiently authenticated by a signature of the person sending or supplying it. A document sent in electronic form is sufficiently authenticated (a) if the identity of the sender is confirmed in a manner specified by the company, or (b) where no such manner has been specified, if the communication contains or is accompanied by a statement of the identity of the sender and the company has no reason to doubt the truth of that statement.

It is useful to have provision for this, although it wouldn't generally be used.

Article 52

There are detailed requirements with regard to electronic communications contained in the Companies Act 2006. Sections 308 – 309 deal with the manner in which notice is to be given and the content of any notice on a website. Section 333 relates to

46. Poll votes

46.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

46.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

46.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

46.4 Polls shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

46.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

46.6 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

47. Content of proxy notices

47.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

sending documents relating to meetings etc in electronic form. Sections 1143 – 1148 and Schedules 4 and 5 deal with sending or supplying documents or information. Section 1168 contains definitions of 'hard copy' and 'electronic form' and other relevant terms.

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

47.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

47.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

47.4 Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Article 53 (optional)

Company seals are a relic to an earlier time of sealing documents to authenticate them. These articles are included for completeness, however modern structures and new companies are unlikely to create or use a company seal.

48. Delivery of proxy notices

48.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

48.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

48.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

48.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

49. Amendments to resolutions

Article 55 is only relevant where the company has employees, or is likely to have employees

Article 56
The wording in this article is required by HMRC for (companies) clubs registered in the CASC scheme

Article 57
The wording in this article is required by HMRC for clubs registered in the CASC scheme. For other clubs, it is helpful to include it as it formally sets the tone of the way the club (company) goes about its business.

Article 58

- 49.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 49.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 49.3 With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer at any time before the resolution is voted upon.
- 49.4 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

50. Written Resolution

- 50.1 Subject to Article 58.3, a resolution in writing agreed by the appropriate majority of members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that a copy of the proposed resolution has been sent to every eligible member (including in electronic form) and the appropriate majority of members has signified its agreement to the resolution in an authenticated document which has been received at the registered office within the period of 28 day beginning with the circulation date. A resolution in writing may comprise several copies to which one or more members have signified their agreement.
- 50.2 In Article 50.1, the "appropriate majority" is:
- (a) in the case of an ordinary resolution, a simple majority of the members;
 - (b) in the case of a special resolution, 75% or more of the members.
- 50.3 The following may not be passed as a written resolution:
- (a) a resolution to remove a director before his period of office expires; and
 - (b) a resolution to remove an auditor before his period of office expires.

This provision is about the extent to which the directors should be protected ('indemnified') from liability. It reflects changes in the law made by the Companies Act 2006. There are a variety of ways of indemnifying directors and it will be helpful to take appropriate legal advice to ensure the most appropriate approach for your gliding club is adopted.

Article 59.1 gliding clubs should purchase relevant insurance and also consider extending that to cover all officers of the company if there are any which are not also directors. This article gives the discretion to the directors whilst the power to do so is set out in article 4 (powers)

Article 60

Ensure that the wording here corresponds with Articles 19 and 19.2 so that it is clear who has decision making authority on which areas of company (i.e. club) business and that this reflects what happens in reality. The Articles should be the servant of the club. If there is variation either the way the club operates needs to be amended or the wording of the articles of association.

PART 4

ADMINISTRATIVE ARRANGEMENTS

51. Accounts

- 51.1 The directors must prepare for each financial year accounts as required by the Companies Acts. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.
- 51.2 The directors must keep accounting records as required by the Companies Act.

52. Means of communication to be used

- 52.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 52.2 The applicable address shall be:
- (a) in the case of a voting member at his registered address as it appears in the register of members or by giving notice using electronic communications to an address for the time being notified to the company by the voting member; and
 - (b) in the case of a non-voting member, at his last known address.
- 52.3 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 52.4 Any voting member described in the register of members by an address not within Great Britain, who shall from time to time give the company an address within England at which notices may be served upon him, shall be entitled to have notices served upon him at such address, or an address to which notices may be sent using electronic communications, but, save as aforesaid and as provided by the Act, only those members who are described in the register of members by an address within England shall be entitled to receive notices from the company.

Article 60.4

Required for gliding clubs which wish to join the CASC scheme – it comes from the BWB list

Article 61

It is good practice to include provisions for dealing with any disputes that arise between members of the company. Litigation can be expensive.

Article 62 is required for clubs registered with HMRC under the CASC scheme.

Article 62.2

Cross reference with the powers under article 4 to ensure that the directors have explicit powers to take responsibility for carrying out these actions; i.e. can they close bank accounts and realise assets?

Article 62.3 (a) and (b)

The directors need to refer to Article 3 before making an appropriate decision about how best to dispose of any remaining assets.

52.5 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

53. [Company seals

Where a company operates by use of a company seal, then:

53.1 Any common seal may only be used by the authority of the directors.

53.2 The directors may decide by what means and in what form any common seal is to be used.

Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

53.3 For the purposes of this article, an authorised person is:

- (a) any director of the company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.]

54. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

55. [Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.]

56. Property and funds

56.1 The property and funds of the company cannot be used for the direct or indirect private benefit of members other than as reasonably allowed by the rules (under Article 60) and all surplus income or profits are reinvested in the club. *

56.2 The company may provide sporting and related social facilities, sporting equipment, coaching, courses, insurance cover, medical treatment, competition expenses, refreshments and other ordinary benefits of Community Amateur Sports Clubs as provided for in the Finance Act 2002. *

56.3 The company may also in connection with the sports purposes of the company:

- (a) sell and supply food, drink and related sports clothing and equipment;
- (b) employ members (though not for playing) and remunerate them for providing goods and services, on fair terms set by the directors without the person concerned being present;
- (c) pay for reasonable hospitality for visiting teams and guests;
- (d) indemnify the committee and members acting properly in the course of the running of the company against any liability incurred in the proper running of the company (but only to the extent of its assets). *

57. Disability discrimination and child protection

The directors will have due regard to the law on disability discrimination and child protection. *

DIRECTORS' INDEMNITY AND INSURANCE

58. Indemnity

58.1 Subject to paragraph 58.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

58.2 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 provision of law.

58.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a “relevant director” means any director or former director of the company or an associated company.

59. Insurance

59.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

59.2 In this article:

- (a) a “relevant director” means any director or former director of the company or an associated company,
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

60. [Rules and Regulations]

60.1 Only the members in a general meeting may from time to time adopt, make, vary and revoke Rules and Regulations which have been adopted, made, varied or revoked previously by the board.

60.2 The creation, variation and revocation of the Rules and Regulations will only be passed by a vote of a simple majority of the members present and voting at a general meeting.

60.3 Rules and Regulations made pursuant to Article 60.1 must be compliant with the Companies Acts and these Articles in order to be valid.]

60.4 Interpretation of all the Rules and Regulations must be consistent with the statutory requirements for CASCs (which means Community Amateur Sports Clubs as first provided for by the Finance Act 2002.)]

61. Disputes

If a dispute arises between members of the company about the validity or propriety of anything done by the members of the charity under these articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

62. Dissolution

- 62.1 The members may vote to wind up the company if not less than three quarters of those present and voting support that proposal at a properly convened general meeting. *
- 62.2 The directors will then be responsible for the orderly winding up of the company's affairs, realising assets as appropriate. *
- 62.3 After settling all liabilities of the company, the directors shall dispose of the net assets remaining to one or more of the following:
- (a) to another company with similar sports purposes which is a registered charity and/or
 - (b) to another company with similar sports purposes which is a registered CASC and/or
 - (c) to the company's governing body for use by them for related community sports. *

Source docs:

- Model_articles_private_ltd_by_guarantee (Companies House)
- FARDM1-#1665014-v1-SAMPLE_ARTICLES_CCPR (Farrer & Co for S&RA for NGBs)
- CASC MODEL CLAUSES.DOC (BWB in relation to CASC Scheme, as approved by HMRC)
- CC Articles gd1textc (Charity Commission)