



**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**

---

**ARTICLES OF ASSOCIATION**

of

**ATRIUM HOMES**  
**(Reprinted 6 November 2025)**

---

Supersedes Articles of Association adopted on 10 February 2015

Board Signatory

Board Signatory

Board Signatory

Secretary

## **PRELIMINARY**

- 1.1. The model articles of association as prescribed in Schedule 2 to the Companies (Model Articles) Regulations 2008 are excluded in respect of the Company.

## **INTERPRETATION**

- 1.2. In these Articles, unless the subject matter or context requires otherwise:-
- 1.2.1. "Act" means the Companies Act 2006;
  - 1.2.2. "Articles" means these Articles of Company as amended from time to time;
  - 1.2.3. "Board" shall mean the Board constituted in accordance with Articles 29 et seq and "Board Member" or "member of the Board" shall mean a member of the Board for the time being who shall for the purposes of the Act be a director of the Company;
  - 1.2.4. "a body corporate" is a legal body which exists separate and distinct from its members, including without limitation companies, building societies, industrial and provident societies, local authorities and bodies incorporated by Act of Parliament or charter, under declaration that unincorporated organisations such as social clubs, branches of political parties or trade unions are not bodies corporate for the purposes of these Articles;
  - 1.2.5. "Chairperson" shall mean the Board Member appointed from time to time to act as the Chairperson of the Company in accordance with Article 40;
  - 1.2.6. "Chairperson of the meeting" shall mean the Chairperson or any other Board Member or member elected to be the chairperson of a general meeting of the Company in accordance with Article 18.1;
  - 1.2.7. "Chief Executive" shall mean the person employed from time to time to act as the Chief Executive officer of the Company in accordance with Article 52.1;
  - 1.2.8. "clear days" shall mean in relation to the period of notice, that 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;
  - 1.2.9. "Close Relative" shall mean someone who is the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or is that person's parent, grandparent, child, stepchild, grandchild, brother or sister;
  - 1.2.10. "Company" shall mean Atrium Homes;
  - 1.2.11. "Electronic Communication" has the same meaning as is assigned to that expression in the Electronic Communications Act 2000;
  - 1.2.12. "Group Member" shall mean any other body corporate having the Company as its parent;
  - 1.2.13. "he", "she", "him", "her" (or derivatives of any of the foregoing) and "person" shall where appropriate include a body corporate;
  - 1.2.14. "member" shall mean one of the persons referred to in Article 3;
  - 1.2.15. "officer" shall include the Chairperson, the Chief Executive and the Secretary and any Board Member for the time being and such other officers as the Board may appoint under Article 52;

- 1.2.16. "property" shall include all heritable and moveable estate (including loan stock
- 1.2.17. "Scottish Housing Regulator" shall mean the body known as the Scottish Housing Regulator, established pursuant to Section 1 of the Housing (Scotland) Act 2010 or any other body which takes over all or substantially all of its regulatory and supervisory powers and responsibilities or any body which takes over any or all of its powers and responsibilities in each case in relation to the regulation of social housing in Scotland;
- 1.2.18. "Secretary" shall mean the person appointed from time to time by the Board to be the Secretary of the Company in accordance with Article 52.2;
- 1.2.19. "Taxes Acts" means Part 11 of the Corporation Tax Act 2010 as read with Schedule 6 of the Finance Act 2010 and any statute or statutory provision which amends, extends, consolidates or replaces the same; and
- 1.2.20. "these Articles" shall mean these Articles of the Company as amended from time to time.

- 1.3. Unless otherwise required by the context of these Articles, a reference to an Article shall be deemed to be a reference to an article of these Articles and words importing the singular only shall include the plural and vice versa. References to any statute or section of any statute shall include a reference to any statutory amendment, extension, modification or re-enactment thereof for the time being in force.

## **OBJECTS AND POWERS**

2. The objects for which the Company is established are:-
- 2.1. to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care; and
- 2.2. any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- 2.3. the Company shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of the foregoing objects of the Company and not further or otherwise. Without limiting this power, the Company shall have the following powers:-
- 2.3.1. to seek registration with the Office of the Scottish Charity Regulator and recognition by the Inland Revenue as having the status of a charity;
- 2.3.2. to empower tenants and local communities so that they play a pro-active role in the provision and control of their housing;
- 2.3.3. to provide innovative housing solutions and thereby create greater flexibility and accessibility in the housing market;
- 2.3.4. to link the provision of housing with the social and economic regeneration of the community;
- 2.3.5. to purchase, develop, take on lease or otherwise acquire and hold, sell, lease, mortgage, charge, hire or otherwise deal with or dispose of any lands, buildings, equipment, goods and other property, whether freehold, heritable, leasehold, moveable, real or personal, tangible or intangible or otherwise, and any rights or

privileges necessary or convenient for the purposes of the Company and to erect, construct, lay down, enlarge, alter and maintain and from time to time renew any buildings necessary or convenient for the purposes of the Company;

- 2.3.6. to apply for and hold all necessary permissions, licences and authorities which are necessary or desirable for or in connection with the carrying out of the Company's activities;
- 2.3.7. to make appeals for money, to receive and accept by way of gifts, donations, covenants, legacies, bequests, grants, subscriptions or otherwise money and property of any nature or description for the purpose of furthering the objects of the Company;
- 2.3.8. to undertake and organise schemes for the raising of money, other financial support and assistance in kind and appeals both public and private and resulting therefrom, to receive and accept by way of gifts, donations, legacies, bequests, grants, sponsorship, subscriptions or otherwise money, assistance in kind and property, both heritable and moveable, for the purpose of furthering the objects of the Company and to accept the same either unconditionally or subject to such conditions as may be agreed but so that no such conditions shall be inconsistent with the objects of the Company;
- 2.3.9. to provide and arrange facilities for travel, accommodation and catering for persons involved in the Company's activities;
- 2.3.10. to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, warrants, debentures and other negotiable or transferable instruments;
- 2.3.11. to undertake and execute any charitable trusts, gratuitously or otherwise, the undertaking whereof may be incidental to the attainment of the objects of the Company or any of them;
- 2.3.12. to print, publish, buy and sell books, magazines and other publications relating to or for the purposes of the Company, to hold conferences, meetings, lectures and exhibitions for the consideration and discussion of matters concerning or affecting or incidental to the objects of the Company and to issue reports of proceedings of conferences and meetings and generally to collect, collate, exchange and publish information and advice in furtherance of the objects of the Company;
- 2.3.13. to receive and raise money for the purposes of the Company by borrowing on such terms and whether by way of legal or equitable mortgage, fixed or floating charge or otherwise on such security as may be thought fit and by guarantees, gifts or donations in response to public or private appeals or otherwise in relation to such gifts or donations to accept the same either conditionally or subject to such conditions as may be agreed, subject to compliance with the Company's treasury management policy and the Regulatory Framework and Regulatory Guidance issued by the Scottish Housing Regulator from time to time, and provided that no such conditions shall be inconsistent with the objects of the Company;
- 2.3.14. to enter into and perform a Rate Cap Transaction, or a series of Rate Cap Transactions, or to enter into a Collar Transaction or a series of Collar Transactions or to enter into an Interest Swap Transaction or a series of Interest Swap Transactions (each of these terms being defined in Article 12 and each being a "Transaction") where in relation to any such Transaction the conditions set out in Article 12 are satisfied;
- 2.3.15. to amalgamate with or affiliate to the Company or acquire the assets of any

company, society, institution or person having any objects similar to those of the Company and that in such manner and on such terms and conditions as may be found expedient and as may be approved by the Company in general meeting, and/or to sell or otherwise dispose of the whole or any part of the property, undertaking and assets of the Company to any such company, society, institution or person and that in such manner and on such terms and conditions as may be approved by the Company in general meeting;

- 2.3.16. to lend or advance money or give credit with or without security to such persons and companies and on such terms as may be thought fit and to guarantee and/or give security for the payment of money by, or the performance of obligations of any kind (including without prejudice to the generality hereof the payment or repayment of principal, interest, dividends and premiums on, and any other monies due in respect of, any stocks, shares, debentures, debenture stock or other securities or borrowings) by, the Company, but declaring that the Company shall not lend money to members of the Company;
- 2.3.17. to invest and reinvest the funds and assets of the Company not immediately required in such securities, shares, stocks, debentures, loan stock, other investments or property, whether freehold, heritable, leasehold, moveable, real or personal, tangible or intangible or otherwise as the Company shall think fit;
- 2.3.18. to form a guarantee fund or funds and to receive guarantees from public bodies, corporations, firms or other person, whether members of the Company or not, guaranteeing sums of money for the purposes of, or in connection with, the carrying out of the objects of the Company or promoting any entertainment function or event pursuant to the objects of the Company or any of them and defraying the expense incurred in promoting any such entertainment function or event or any loss resulting therefrom and that on such terms as the members of the board of the Company may think fit, and which guarantee may be in favour of the Company or of any bank corporation, firm or person who shall lend money to the Company;
- 2.3.19. to operate, carry on and supply any ancillary businesses or services necessary or desirable in connection with the Company's activities;
- 2.3.20. to grant, pay or provide or procure the grant, payment or provision of donations, allowances, pensions or emoluments to and to procure the establishment and maintenance of or to participate in, or contribute to any non-contributory or contributory pension or superannuation fund or arrangement or life assurance scheme or arrangement for the benefit of any persons who are or shall have been, at any time, in the employment or service of the Company for the spouses and surviving spouses, families or dependants of such persons; to establish, subsidise, subscribe to or support or procure the establishment or subsidy of or subscription to any institution, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid; to make payments for or towards the insurance of any such persons as aforesaid in respect of the performance of their duties to the Company and to do or procure to be done any of the matters foresaid by the Company either alone or in conjunction with any other Company or person;
- 2.3.21. to employ or engage all such officers, employees, consultants, advisers and agents as may be required for the purposes of the Company;
- 2.3.22. to enter into any agreements and/or arrangements with any government or authority, national, supreme, municipal, local or otherwise and to obtain from any such government or authority any rights, concessions, or privileges that may seem to further any or all of the Company's objects or any of them;
- 2.3.23. to enter into partnership or into any arrangement for joint, shared or mutual

promotion, investment or development, union of interests, reciprocal concessions or co-operation with any person, partnership or company carrying on, engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business capable of being conducted so as to directly or indirectly further the objects of the Company and to take or otherwise acquire and hold shares or stock in or securities of, and to make grants to or otherwise assist any such person, partnership or company and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stock or securities;

- 2.3.24. to make such charge for any of its services as the Company thinks fit including without prejudice to the foregoing generality interest charges on loans made by the Company;
- 2.3.25. to carry on any other activity which may seem to the Company capable of being conveniently carried on in connection with any activity which the Company is authorised to carry on or may seem to the Company calculated directly or indirectly to benefit the Company or to enhance the value of or render profitable any of the Company's properties or rights;
- 2.3.26. to pay all or any expenses incurred in connection with the promotion, formation, incorporation, conduct and winding up of the Company or to contract with any person to pay the same;
- 2.3.27. to promote or establish or concur in promoting or establishing any other company for any purpose which may, directly or indirectly, benefit or advance the objects or interests of the Company and to acquire and hold as investments of the Company or otherwise deal with as may be considered fit any shares, stock, debentures, debenture stock or securities or any such company; and
- 2.3.28. to do all such other acts and things as may be incidental or conducive to the attainment of the objects of the Company or any of them.

### **MEMBERSHIP**

- 3.1. The Company shall keep a proper register of members containing the names and addresses and such other particulars of members as is required by the Act. The persons whose names are entered in the register of members shall be the members of the Company.
- 3.2. The Board shall set, review and publish its membership policy for admitting new members. Subject to the provisions of Article 5.1 the following shall be eligible to become members, subject to them meeting the detailed eligibility criteria contained in the membership policy:-
  - 3.2.1. Tenants of the Company;
  - 3.2.2. Service users of the Company;
  - 3.2.3. Other persons who support the objects of the Company;
  - 3.2.4. Organisations sympathetic to the objects of the Company.
- 4. Any member who changes his/her main residence or a body corporate which changes its registered office is required to furnish in writing to the Company's registered office within three calendar months of such change the address of such new main residence or registered office.
- 5.1. Whilst it is the Company's intention to encourage membership, the Board has absolute discretion in deciding on applications for membership and the following shall constitute grounds for refusal of an application for membership:-

- 5.1.1. Where membership would be contrary to the Company's Articles or policies; or
- 5.1.2. Where a conflict of interest may exist which, even allowing for the disclosure of such an interest, may adversely affect the work of the Company; or
- 5.1.3. Where the Board considers that accepting the application would not be in the best interests of the Company.
- 5.2. An applicant for membership shall forward to the registered office an application for membership in such form as the Board requires executed and every application shall be considered by the Board at its next meeting after it is made, or so soon thereafter as it is practicable.
- 5.3. If the application is approved membership shall take effect from that time and within seven working days the name of the applicant shall be entered in the register of members.
- 5.4. A person who is a representative of a body corporate shall not be admitted into membership of the Company as an individual member of the Company.
- 5.5. The membership of an individual shall be suspended so long as he/she is a representative of a body corporate.
- 6. The minimum age for members is eighteen years, unless the member or applicant is an existing tenant of the Company or any subsidiary of the Company in which case the minimum age shall be sixteen years.
- 7. A member representing an unincorporated body shall for all purposes be treated as an individual member but shall have entered against his/her name in the register of members the name of the unincorporated body which he/she represents.

#### **WITHDRAWAL FROM MEMBERSHIP**

- 8.1. Any member may withdraw from the Company by giving to the Secretary one month's notice in writing of his/her intention to do so.
- 8.2.
  - 8.2.1. Where the Board is satisfied that a member has failed to notify the Company of a change in main residence (in the case of a member who is an individual) or change in registered office (in the case of a member who is a body corporate) as required under Article 4 that member shall be deemed to have withdrawn from membership of the Company.
  - 8.2.2. In circumstances where a member, who is also a tenant of the Company or of any subsidiary of the Company, changes his/her main residence by way of transfer or exchange of tenancy, he/she shall be deemed to have given the required notification under Article 4.
  - 8.2.3. All withdrawals of membership pursuant to this Article 8 shall be recorded in the register of members.
  - 8.2.4. The decision of the Board as to compliance with the terms of this Article 8 shall be final.
- 8.3. The rights and privileges of a member shall be personal to the member and not transferable by the member's own act or by operation of law and shall cease upon the member ceasing to be a member.
- 8.4. Any person ceasing to be a member shall remain liable to pay all sums for which he/she is

personally liable to the Company at the date of his/her ceasing to be a member.

## **EXPULSION OF MEMBERS**

9.

- 9.1. A member may be expelled by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at an extraordinary general meeting of the Company of which notice has been duly given, provided that a complaint in writing of conduct capable of being detrimental to the interests of the Company has been communicated to him/her by the Secretary not less than one calendar month before the meeting. Such complaint shall contain particulars of the conduct complained of and shall call upon the member to answer the complaint and to attend the meeting called under this Article 9.1. At the meeting the members shall consider evidence in support of the complaint and such evidence as the member may wish to place before them. If on due notice having been served upon him/her the member fails to attend the meeting without adequate reason being provided the meeting at its discretion may proceed in his/her absence.
- 9.2. No person who has been expelled from membership shall be re-admitted except by resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at any general meeting of which notice has been duly given.

## **REPRESENTATIVES OF BODIES CORPORATE AND OTHER ORGANISATIONS**

10. For the purposes of these Articles a body corporate or other organisation which itself has been admitted to membership of the Company may by resolution of its governing body appoint and revoke the appointment of any person it thinks fit as its representative at meetings of the Company who shall during the continuance of his/her appointment as such representative be entitled to exercise at any general meeting of the Company all the rights and powers available to the body corporate or other organisation so appointing him/her. A copy of any such resolution signed by two members of the governing body or in the case of a local authority by the chief executive of that local authority shall be sent to the Secretary.

## **FUNDING AND BORROWING**

11.

- 11.1. The Company may accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the objects of the Company and take such steps (by way of personal or written appeals, public meetings or otherwise) as may be deemed expedient for the purpose of procuring contributions to the funds of the Company, whether by way of subscriptions, grants, loans, donations or otherwise.
- 11.2. The holder of loan stock may transfer all or any part thereof by instrument in writing in such form as the Board may approve.
- 11.3. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee and properly stamped, and upon delivery thereof at the registered office, the certificate of the loan stock and such evidence of identity or title as the Board may reasonably require, the transfer shall be registered.
- 11.4. A transfer of loan stock shall not be valid until registered.
- 11.5. The Company can lend money to an organisation which is a subsidiary of the Company within the meaning of the Act or the Co-operative and Community Benefit Societies Act 2014 at the market rate of interest as determined by the Board having regard to the terms of the loan.
12. With reference to the power in Article 2.3.14 to enter into Transactions, the applicable conditions are:

- 12.1. the relevant instruments relate solely to amounts denominated in Sterling or, if the Euro has been adopted as currency in the United Kingdom, its equivalent amount in Euros;
- 12.2. the relevant Transaction provides (in the case of an Interest Swap Transaction) for the Company to undertake to pay a specified fixed rate on an applicable notional sum denominated in Sterling or, if the Euro has been adopted as currency in the United Kingdom, its equivalent amount in Euros, but not otherwise;
- 12.3. the relevant Transaction (in the case of a Collar Transaction) provides for the simultaneous buying of an instrument relating to a rate cap and the selling of an instrument providing for a floor at a lower strike price to such cap;
- 12.4. any counterparty to the Transaction is one of the clearing banks in the United Kingdom (a "Clearing Bank"), or is otherwise a subsidiary undertaking or parent undertaking of any Clearing Bank, or is a subsidiary undertaking of any entity which also has a Clearing Bank as one of its subsidiary undertakings (with "undertaking" having the meaning given in section 1161 of the Companies Act 2006 and "parent undertaking" and "subsidiary undertaking" having the meanings given in section 1162 of the Companies Act 2006);
- 12.5. the Board or a duly authorised sub-committee considers the entry by the Company into such Transaction to be in the best interests of the Company;

PROVIDED that at the time of entry into any Transaction the sum of the Calculation Amount of any Transaction previously entered into and remaining in effect, and the Calculation Amount of the proposed Transaction shall not exceed (a) the aggregate amount of the Company's Variable Rate Borrowings either at the Effective Date or (b) having regard at the Effective Date to the Company's Variable Rate Borrowings, the amount of Variable Rate Borrowings which will be outstanding at any time on or prior to the proposed Termination Date;

- 12.6. before exercising its power under Article 2.3.14 the Company shall obtain and consider proper advice on the question whether the Transaction is satisfactory, having regard to:
  - 12.6.1. the possible fluctuations in the rate of interest payable by the Company on its Variable Rate Borrowings during the term of the relevant Transaction;
  - 12.6.2. the Company's ability to meet its payment obligations under such Borrowings during the term of the relevant Transaction if such Transaction was or were not entered into;
  - 12.6.3. the payment obligation under the relevant Transaction(s);
  - 12.6.4. the terms and conditions of the relevant Transaction(s); and
  - 12.6.5. the Company's actual and projected annual income and expenditure position.
- 12.7. For the purposes of Article 12.6 proper advice shall mean the advice of a person who is reasonably believed by the Board to be qualified by his ability in the practical experience of financial matters and the appropriate Transaction; and such advice may be given by a person notwithstanding that he gives it in the course of his employment as an officer of the Company.
- 12.8. A person entering into a relevant Transaction with the Company who has received a written certificate signed by the Secretary confirming the Company's compliance with Article 12.6 shall not be concerned to enquire further whether or not the Company has complied with the provisions of Article 12.6 and such Transaction shall be valid at the date it is entered into and throughout its terms in favour of such person (or any assignee or successor in title) whether or not the provisions of Article 12.6 have been complied with.
- 12.9. For the purposes of Articles 2.3.14 and 12.6:

- 12.9.1. "Calculation Amount", "Effective Date", "Floating Rate Payer", "Term" and "Termination Date" have the respective meanings given in the 2000 International Swaps and Derivatives Association ("ISDA") definitions as amended from time to time;
- 12.9.2. "Variable Rate Borrowings" means any borrowing by the Company in respect of which the rate of interest has not been fixed for a term in excess of twelve months and the term "fixed" shall exclude any borrowing where the rate of interest is indexed in accordance with a retail price index or other published index;
- 12.9.3. "Rate Cap Transaction", "Collar Transaction" and "Interest Rate Swap Transaction" mean respectively any transaction so designated within the meaning of the category "Swap Transaction" as defined in the 2000 ISDA Definitions as amended from time to time.

## **GENERAL MEETINGS**

13. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall approve. The functions of the annual general meeting shall be:-
- 13.1. to receive the Chairperson's report on the affairs of the Company for the preceding year;
- 13.2. to receive the accounts and balance sheet together with the report of the auditor thereon;
- 13.3. to elect Board Members as provided in Articles 32 et seq;
- 13.4. to appoint the auditor as provided in Articles 63, 64 and 65; and
- 13.5. to transact any other general business of the Company included in the notice convening the meeting.
- 14.
- 14.1. All general meetings other than annual general meetings shall be called extraordinary general meetings. They shall be convened by the Secretary either:-
- 14.1.1. upon an order of the Board, or
- 14.1.2. upon a written requisition signed by not less than ten per cent of the members, stating the purpose for which the meeting is to be convened.
- 14.2. Where an extraordinary general meeting is called for by a written requisition, the Secretary of the Company shall be under a duty to convene the meeting in accordance with Article 14.3 and without prejudice to said duty shall in consultation with the Board (or the Chairperson if practicable but if such consultation is not practicable at his/her own discretion) decide the time, date and place for the meeting.
- 14.3. Such meeting shall be held within twenty eight days after receipt of such order or requisition. Should the Secretary fail to give notice to convene an extraordinary general meeting within ten days after delivery to him/her of the order or requisition, the Board, or the members who signed the requisition, may themselves give notice and convene the meeting.
- 14.4. An extraordinary general meeting shall not transact any business other than that mentioned

in the notice convening the meeting.

15.

15.1. An annual general meeting and a meeting called for the passing of a special resolution (or any other resolution which in the terms of the Act requires a majority equivalent to that required to pass a special resolution) shall be called by the Secretary by notice in writing posted to every member at his/her registered address not less than twenty one clear days before the date of the meeting and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by the Secretary by notice in writing posted or sent by email to every member at his/her registered address not less than fourteen clear days before the date of the meeting. Each such notice shall state the time, date and place of the relevant meeting and the business for which it is convened. The Board may direct the Secretary to include with the notice or send separately to members in advance of the general meeting any relevant written reports or papers or annual accounts as specified in the notice as the case may be. The accidental omission to send notice of a general meeting or papers relating to the notice to any member, or the non-receipt of notice of a general meeting or papers relating to the notice by any member, shall not invalidate the proceedings of that general meeting.

15.2. A notice sent by post shall be deemed to have been given on the day following that on which the envelope containing the notice was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. A notice sent by email shall be deemed to have been given on the day following that on which the email was sent. A delivery receipt or read receipt shall be conclusive evidence that notice was given by email.

15.3. Notwithstanding any other provisions of the Articles (which shall be subject to the terms of this Article 15.3.) a member cannot insist on attending a general meeting of the members, or voting at the meeting, by any particular means. Further, the following provisions shall apply to the conduct of general meetings when so determined by the Board:-

15.3.1. A general meeting need not be held in any particular place and the meeting may be held without any number of those participating in the meeting being together at the same place;

15.3.2. A general meeting may be held by any means which permits the members attending to hear and comment on the proceedings during the meeting. Members attending the meeting by such means shall be present at the meeting for the purposes of Article 16.1; and

15.3.3. A member is able to exercise the right to vote at a meeting (including if a poll is required) by such means as is determined by the Chairperson and which permits the member's vote to be taken into account in determining whether or not a resolution is passed.

#### **PROCEEDINGS AT GENERAL MEETINGS**

16.

16.1. No business shall be transacted at any general meeting of the Company unless a quorum of members is present in person at the time the meeting proceeds to business. Seven members shall form a quorum.

16.2. If no quorum is present within half an hour after the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting the members present shall be deemed to have formed a quorum.

- 17.
- 17.1. The Chairperson of the meeting may with the consent of a majority of the members present adjourn any meeting but no business shall be transacted at any adjourned meeting other than the business not reached or left unfinished at the meeting from which the adjournment took place.
- 17.2. Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. It shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 18.
- 18.1. At all general meetings of the Company the Chairperson shall preside as Chairperson of the meeting, or if there be no such Chairperson, or if he/she be not present, or is unwilling to act, the members present shall elect a member of the Board present to be the Chairperson of the meeting. In the absence of any members of the Board, the members present shall elect from their number a Chairperson of the meeting.
- 18.2. Should the Chairperson appear at a later time during the meeting, the acting Chairperson of the meeting at his/her discretion may continue in that position but only until the current or particular item on the agenda is disposed of before vacating the chair for the Chairperson.
19. Except in the case of a special resolution (or any other resolution which in the terms of the Act requires a majority equivalent to that required to pass a special resolution), which shall be decided by not less than a three-fourths majority of those voting, either upon a show of hands, or where a poll is agreed or directed, a resolution put to the vote of a general meeting shall be decided by a simple majority of those voting, either upon a show of hands, or where a poll is agreed or directed. In the case of a poll votes may be given personally or by a proxy who need not be a member of the Company.
20. At all general meetings of the Company every member present in person shall have one vote upon a show of hands. Where however an appointed proxy is present and so declares, the Chairperson of the meeting shall direct a poll. On a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes the Chairperson of the meeting shall have a second or casting vote.
21. Unless a poll be demanded, a declaration by the Chairperson of the meeting that a resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry made to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
- 22.
- 22.1. A poll may be demanded either before or immediately after a vote by a show of hands, by not less than one-tenth of the members present at the meeting (in person or by proxy), or may be directed by the Chairperson of the meeting whether pursuant to Article 20 or otherwise. A demand for a poll may be withdrawn.
- 22.2. If a poll is to take place, it shall be conducted forthwith at the meeting in such manner as the Chairperson of the meeting shall direct. The result of such a poll shall be deemed to be the resolution of the Company in general meeting.
- 23.

- 23.1. The instrument appointing a proxy shall be in the form set out in the Appendix attached to these Articles given under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a body corporate, under its official document execution procedures, and shall be deposited at the registered office of the Company not less than two clear days before the date fixed for holding the meeting at which the person named in such instrument is authorised to vote on behalf of the member so appointing. Any question as to the validity of a proxy shall be determined by the Chairperson of the meeting. The Chairperson shall not be entitled to act as a proxy for any other member.
- 23.2. The member who has appointed a proxy may revoke such proxy in the form set out in the Appendix attached to these Articles given under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a body corporate, under its official document execution procedures, and shall be deposited at the registered office of the Company not less than one clear day before the date fixed for holding the meeting at which the person named in the instrument appointing the proxy was authorised to vote on behalf of the member so appointing.
- 23.3. Only those instruments in the form set out in the Appendix appointing a proxy, which are properly completed as aforesaid, shall be treated as valid. The Chairperson of the meeting shall report to the meeting the details of those instruments of proxy which are void.
- 23.4. The maximum number of proxy votes that may be cast by any one person is 10.

#### **CONDUCT OF GENERAL MEETINGS**

24. All speakers shall address the Chairperson of the meeting and all members shall observe order in such instance. No member shall be allowed to speak more than once on any motion, unless on a point of clarification, until every other member has had the opportunity to speak on the same issue. He/she shall then have only the opportunity to speak a second time by permission of the Chairperson of the meeting unless he/she was the person who raised the point initially and wishes to have a final reply as regards his/her original position.
25. No amendments shall be made to any motion of business involving the passing of a special resolution (or any other resolution which in terms of the Act requires a majority equivalent to that required to pass a special resolution). Amendments to any original motion of business involving an ordinary resolution (that is, a resolution requiring a simple majority) may be made by a member verbally by addressing the Chairperson of the meeting. Amendments shall be taken in order of intimation; one amendment shall be disposed of before another is moved.
26. The time limit for speakers shall be at the discretion of the Chairperson of the meeting.
27. If any point arises which is not provided for in these Articles, the Chairperson of the meeting shall give an opinion on the point. Should his/her opinion not be accepted by a challenge which has a seconder, the Chairperson of the meeting shall then vacate the Chairperson and a vote shall be taken and the matter determined by a simple majority.

28. No meeting shall continue for more than four hours beyond the time for which the meeting is called, unless with approval of at least two-thirds of the members present, after the expiry of that time.

#### **NUMBER OF BOARD MEMBERS**

29.

- 29.1. The Board shall consist of not less than seven persons or more than twelve. The Company shall keep up to date a register of the names of the Board Members which shall be made available to any person at no cost. The names of Board Members will also be published by the Company on its website, and in its annual reports and other similar documentation.

- 29.2. Only persons who have attained 18 years of age shall be eligible to become Board Members.

- 29.3. An employee of the Company or of any other Group Member, or a close relative of such an employee, may not be a Board Member.

30.

- 30.1. The Board may from time to time co-opt for any period expiring not later than the commencement of the next annual general meeting of the Company any suitable persons, whether members of the Company or not, to serve on the Board and may remove such persons.

- 30.2. Co-opted persons shall not comprise more than one-third of the Board at any one time and the attendance of such persons at meetings of the Board shall not count towards determining a quorum as defined under Article 38.

- 30.3. Co-opted persons may take part in the deliberations of the Board and vote at any meetings thereof, on all matters excepting those directly affecting membership of the Company or the election of its officers.

- 30.4. For the purposes of these Articles, co-opted persons shall be included in the expressions "Board Member" or "member of the Board".

- 30.5. Each of the Board Members shall, in exercising his/her role as a Board Member, act in the best interests of the Company, its tenants and service users and will not place any personal or other interests ahead of his/her primary duty to the Company; and, in particular, must:-

30.5.1. seek, in good faith, to ensure that the Company acts in a manner which is in accordance with its objects.

30.5.2. act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person.

30.5.3. in circumstances giving rise to the possibility of a conflict of interest between the Company and any other party:-

30.5.3.1. put the interests of the Company before that of the other party, in taking decisions as a Board Member;

30.5.3.2. where any other duty prevents him/her from doing so, disclose the conflicting interest to the Company and refrain from participating in any discussions or decisions involving the other Board Members with regard to the matter in question.

30.5.4. ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

- 30.6. The Board can require that a Board Member who is being investigated for a potential breach of the Company's Code of Conduct for Board Members take leave of absence and not attend any meeting in his or her capacity as a Board Member until the Board has completed its consideration of the potential breach. When on such leave of absence, the Board Member will not be entitled to receive minutes and/or documents in his or her capacity as a Board Member relating to the business of the Company.

### **ELECTION OF BOARD MEMBERS**

31.

- 31.1. At the conclusion of every annual general meeting one-third or the nearest number thereto of Board Members shall retire from office.

- 31.2. The Board Members required to retire are those who:-

31.2.1. have filled casual vacancies under Article 33; and

31.2.2. do not require to retire under the foregoing provision of this Article but who have been longest in office since they last became Board Members but as between those who became Board Members on the same day shall be selected by lot unless otherwise agreed amongst themselves.

- 31.3. A retiring Board Member shall be eligible for re-election without nomination.

32.

- 32.1. If at any annual general meeting at which Board Members retire the Board Members offering themselves for re-election together with any members of the Company and others duly nominated for election to the Board do not exceed the number of Board Members and the number of others to be elected those persons shall be declared by the Chairperson of the meeting to have been duly elected or re-elected. If the said Board Members and persons nominated together exceed the said numbers (or either of them) the general meeting shall elect from amongst them the persons to serve on the Board by ballot to be taken at the general meeting in the manner directed by the Chairperson of the meeting. Each member present in person or by proxy shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate.

- 32.2. Nominations for the Board shall be made by members of the Company, in writing and shall be delivered to the Secretary or left at the registered office not later than seven days before the date appointed for the annual general meeting, or a meeting called for the purpose of Article 34. Each nomination shall include the following:-

32.2.1. the full name, address and occupation of the person nominated;

32.2.2. a signed statement by the person nominated of his/her willingness to be elected; and

32.2.3. the signature of the person or body corporate making the nomination.

- 32.3. A nomination for election to the Board can be rejected by a decision by not fewer than three quarters of the Board Members on one or more of the following grounds:-

32.3.1. where election to the Board would be contrary to the Company's Articles or policies; or

32.3.2. where a conflict of interest may exist which, even allowing for the disclosure of such an interest may adversely affect the work of the Company; or

32.3.3. where there is clear evidence of relevant circumstances from which it is concluded that election to the Board would not be in the best interests of the Company.

32.4. The rejection of a nomination for election to the Board shall be notified to the member concerned in writing at any time prior to the date of the relevant annual general meeting.

32.5. The eligibility criteria in respect of a person to be nominated for election to the Board shall be determined from time to time by a majority decision of the Board. A nomination will not be considered validated unless and until the eligibility criteria have been fully satisfied.

32.6. The Board shall assess annually the skills, knowledge, diversity and objectivity that it needs for its decision making and what is contributed by the Board Members by way of annual performance reviews. The Board must satisfy itself that any Board Member seeking re-election to the Board after service as a Board Member for a continuous period of 9 years or more can demonstrate his/her continued effectiveness as a Board Member.

33.

33.1. A casual vacancy occurring on the Board may be filled by the Board, subject to the provisions of Article 33.2 below and that person shall be a Board Member for the purposes of these Articles until the next annual general meeting of the Company,

33.2. Nominations to fill any casual vacancy on the Board shall be made in writing, by a Board member and shall state the full name, address and occupation of the person nominated. Nominations shall also contain a signed statement by the person nominated of his/her willingness to be elected and must be delivered to the Secretary or left at the registered office. At the next quorate meeting of the Board the Chairperson shall propose the nominee or nominees who shall, in order to be appointed, require to be approved by a majority vote of the Board members present. Such appointments shall take effect from the date of the Board meeting at which they are proposed and approved.

34.

34.1. A Board Member must leave the Board if the majority of members voting at a general meeting decide this. The members may then elect someone to take his/her place. If a replacement is not elected at the meeting, the Board may appoint a Board Member.

34.2. A Board Member must leave the Board if a simple majority of the remaining Board Members vote in favour of this at an extraordinary meeting of the Board convened for the purpose. The vote must relate to one of the following issues:

34.2.1. failure to perform to the published standards laid down by the Scottish Housing Regulator or its successor body adopted and operated by the Company;

34.2.2. failure to sign or failure to comply with the Company's Code of Conduct for Board Members

34.2.3. a breach of the Company's Constitution or standing orders.

35.

35.1. A person shall not be eligible for election or re-election to the Board, and a Board Member shall be deemed to have vacated his/her office, if:-

35.1.1. he/she has been adjudged bankrupt, has granted a trust deed for or entered into an arrangement with creditors or his/her estate has been sequestrated and has not been discharged, or is in a current debt payment plan under the Debt Arrangement Scheme; or

- 35.1.2. he/she has been convicted of an offence involving dishonesty which is not spent by virtue of the Rehabilitation of Offenders Act 1974 or an offence under the Charities and Trustee Investment (Scotland) Act 2005; or
  - 35.1.3. he/she is a party to any legal proceedings in any Court of Law by or against the Company; or
  - 35.1.4. he/she is or will be unable to attend the Board Meetings for a period of 12 months; or
  - 35.1.5. he/she has been removed from the Board of another registered social landlord within the previous five years; or
  - 35.1.6. he/she has resigned from the Board in the previous five years in circumstances where the resignation was submitted after the date of his/her receipt of notice of a special Board meeting convened to consider a resolution for his/her removal from the Board in terms of Article 34.2; or
  - 35.1.7. he/she has been removed from the Board in terms of Articles 34.1 or 34.2 within the previous five years; or
  - 35.1.8. he/she has been removed or suspended from a position of management or control of a charity under the provisions of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 or the Charities and Trustee Investment (Scotland) Act 2005; or
  - 35.1.9. he/she has been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commissioners for England and Wales or by Her Majesty's High Court of Justice in England on the grounds of any misconduct in the administration of the charity for which he/she were responsible or to which he/she were privy, or which his/her conduct contributed to or facilitated; or
  - 35.1.10. a disqualification order or disqualification undertaking has been made against that person under the Company Directors' Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (which relate to the power of a Court to prevent someone from being a director, liquidator or administrator of a company or a receiver or manager of company property or being involved in the promotion, formation or management of a company); or
  - 35.1.11. at an annual general meeting, he/she has served as a Board Member for a continuous period of nine years or more and the Board has not resolved to permit him/her to stand again or otherwise be nominated for re-election; or
  - 35.1.12. his/her nomination for election to the Board has been rejected in accordance with Article 32.3 during the period between the return of the completed nomination form and the commencement of the relevant Annual General Meeting.
- 35.2. A Board Member shall cease immediately and automatically to be a member of the Board if:-
- 35.2.1. he/she resigns his/her office by notice in writing to the Secretary;
  - 35.2.2. in the case of a Board Member who is also a member of the Company, he/she ceases to be a member of the Company;
  - 35.2.3. the majority of members voting at a general meeting decide this pursuant to Article 34.1;
  - 35.2.4. a vote of the other Board Members decides this pursuant to Article 34.2;

35.2.5. if he/she absents himself/herself from four consecutive meetings of the Board without special leave of absence previously granted by the Board either at his/her request or by exercise of the Board's discretion.

35.3. No Board Member may act as such until they have agreed to and signed the Company's code of conduct for Board Members.

36.

36.1. No Board Member or person co-opted to the Board or any sub-committee shall have any financial interest personally or as a member of a firm or as a director or other officer of a business trading for profit or in any other way whatsoever in any contract or other transaction with the Company or any subsidiary thereof and the Company shall not make any payment, except where reimbursement requires to be made to such Board Member under Article 48.1.6 or grant any benefit including a tenancy to a Board Member or co-opted person, except as may be permitted by, and in accordance with the terms of, the Company's policy on payments and benefits. The Board shall set and periodically review its policy on payments and benefits. If a person is a Member, employee of the Company or serves on the Board or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Company shall act at all times with transparency, honesty and propriety.

36.2. If a person serves on the Board or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the Charities and Trustee Investment (Scotland) Act 2005 and as set out in the Company's policy referred to in Article 36.1. He/she shall also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 in respect of any conflict of interest that might arise.

37.

37.1. Any Board Member or person co-opted to the Board or any sub-committee of the Board having an interest, other than a financial interest, or any conflict or duality of interest, in any contract or other transaction about to be discussed at a meeting shall disclose the nature of his/her interest to the Board and shall not (unless requested so to do by the other members of the Board) remain during its discussion of the matter nor vote upon the matter and if by inadvertence he/she does so remain and vote, his/her vote shall not be counted.

37.2. Any Board Member or person co-opted to the Board or any sub-committee of the Board who has any financial interest as described in Article 36.1 and who does not disclose it to the Board or who has accepted a payment, other than under Article 48.1.6, or the grant of a benefit from the Company (under the terms of Article 36), shall be deemed by resolution of the Board to have vacated his/her office. Any Board Member or co-opted person who fails to disclose any interest he/she is required to disclose under Article 37.1 shall vacate his/her office if required to do so by a majority of the remaining members of the Board at a Board meeting specially convened for that purpose.

## **PROCEEDINGS OF BOARD**

38. Subject to the provisions of these Articles and the Act and to any direction given by special resolution of the Company the Board may regulate its proceedings as it thinks fit. Meetings of the Board shall be held at such times and places as the Board shall from time to time decide but not less than six meetings shall be held in each calendar year. Five Board Members shall form a quorum.

39. Notwithstanding any vacancies on the Board the remaining Board Members may continue to act, but if at any time the number of Board Members fall below seven the Board may act by a majority of its remaining members for a maximum period of two months. If at the end of that period the Board has not filled such vacancies to make up the membership to seven the

only power which the Board may thereafter exercise shall be that of filling such vacancies as may be required to bring the number of members of the Board up to seven.

40.

40.1. The members of the Board shall, at a specially convened meeting immediately following each annual general meeting, elect a Chairperson from their own number to hold office until the conclusion of the next annual general meeting, unless he/she shall cease in the meantime to be a Board Member. He/she shall be the Chairperson of the Company and shall be removable from the office of Chairperson only by a vote of two-thirds of those members of the Board present at a special meeting called for that purpose. If at any meeting of the Board the Chairperson is absent or unwilling to act the members of the Board present shall elect another Board Member to be Chairperson for that meeting. In any case of an equality of votes the Chairperson of the relevant Board meeting shall have a second or casting vote.

40.2. The Chairperson may resign his/her office by notice in writing to the Secretary and shall vacate his/her office if for any reason he/she is deemed to have vacated his/her office as a Board Member or he/she ceases to be a member of the Board and in any of these events the Board shall forthwith elect any Board Member to be Chairperson in his/her place.

40.3. The Chairperson may be re-elected but may not hold office continuously for more than five consecutive annual general meetings. On the expiry of five continuous terms of office, the retiring Chairperson shall not be eligible for election as Chairperson during the ensuing twelve months.

40.4. The Chairperson is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, the Articles and the standing orders of the Company. The Chairperson will be delegated such powers as is required to allow the Chairperson to properly discharge the responsibilities of the office. Among the responsibilities of the Chairperson are that:-

40.4.1. the Board works effectively with the senior staff;

40.4.2. an overview of business of the Company is maintained;

40.4.3. the agenda for each meeting is set;

40.4.4. meetings are conducted effectively;

40.4.5. minutes are approved and decisions and actions arising from meetings are implemented;

40.4.6. the standing orders, code of conduct for Board Members and other relevant policies and procedures affecting the governance of the Company are complied with;

40.4.7. where necessary, decisions are made under delegated authority for the effective operation of the Company between meetings;

40.4.8. the Board monitors the use of delegated powers;

40.4.9. the Board receives professional advice when it is needed;

40.4.10. the Company is represented at external events appropriately;

40.4.11. appraisal of the performance of Board Members is undertaken, and that the senior staff officer's appraisal is carried out in accordance with the agreed policies and procedures of the Company; and

40.4.12. the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.

41. A special meeting of the Board may be called by a notice in writing given to the Secretary by the Chairperson of the Board, or by two Board Members, specifying the business to be transacted. The Secretary shall send a copy of the notice to all Board Members and persons co-opted to the Board within three days of receiving it, and the meeting shall be held at the ordinary place for meetings of the Board not earlier than ten days and not later than fourteen days after the receipt by the Secretary of the notice. No other business shall be done at the meeting than the business named in the notice. Should the Secretary fail to convene the special meeting as prescribed above, the Chairperson or the Board Members who have given the notice may call the meeting. If the Chairperson or the two Board Members call the meeting the notice shall be sent to all Board Members and persons co-opted to the Board not less than seven days before the date of the meeting.

### **CONDUCT OF BOARD MEETINGS**

42. All speakers shall address the Chairperson and all members shall observe order in such instance. The selection of, and time limit for, speakers shall be at the discretion of the Chairperson.
43. If any point arises which is not provided for in these Articles, the Chairperson shall give a ruling on the point and his/her decision shall be final.
44. Notice of meetings of the Board shall be sent to the Board Members not less than seven days before the date of the meeting.
45. All matters of business for the agenda shall be in the hands of the Secretary not later than 4 pm on the day preceding that on which the notice of meeting is issued, unless in relation to a matter of urgency and accepted by the majority of the meeting as such, but where urgency is known or anticipated before a meeting, notice in writing of the urgent business of the motion shall be transmitted to the Secretary as early as practicable before the meeting. The term "urgency" shall be interpreted by the Chairperson who shall have due regard to the reasonable intent of this Article.
46. Proceedings at any meeting shall not be invalidated by an accidental omission to send notice of the meeting to any member.

### **POWERS OF THE BOARD**

47. The business of the Company shall be conducted by the Board which may exercise all such powers as may be exercised by the Company and are not prohibited by these Articles or by the Act or by any directions given by special resolution of the Company required to be exercised by the Company in general meeting. In conducting the business of the Company each Board Member shall be bound by these Articles. Any person acting in good faith and without prior notice shall not be concerned to see or inquire whether the powers of the Board have been restricted by any other regulations so made unless he/she had prior knowledge of the existence of some such restriction. The Board shall in all things act for and in the name of the Company. The Board is responsible for the leadership, strategic direction and control of the Company with the aim of achieving good outcomes for its tenants and other service users in accordance with Regulatory Standards and Guidance issued by the Scottish Housing Regulator from time to time. The Board is responsible for ensuring that the Company can demonstrate its governance and financial arrangements are such as to allow the Scottish Housing Regulator to regulate effectively and exercise its full regulatory powers.
48. Without prejudice to its general powers conferred by these Articles the Board may exercise the following powers:-

- 48.1.1. to purchase, sell, feu, build upon, lease or excamb any land, including the agreeing or accepting of any liability for any expenses whatsoever in connection therewith and to enter into any contracts and settle the terms thereof;
- 48.1.2. to settle the terms of engagement and remuneration of the Chief Executive, the Secretary and/or other officers of the Company appointed under Article 52 and of any consultant, agent or employee employed in connection with the construction, improvement or management of dwellings provided or to be provided or managed or to be managed by the Company;
- 48.1.3. to grant heritable securities over any land and floating charges over the whole or any part of the undertaking property and assets of the Company both present and future including the agreeing or accepting of any liability for any expenses whatsoever in connection therewith;
- 48.1.4. to determine from time to time the terms and conditions upon which the property of the Company is to be let, managed or otherwise disposed of, and to make, revoke, and alter and at all times enforce as it thinks fit such terms and conditions;
- 48.1.5. to appoint and remove all solicitors, architects, surveyors and other consultants, managing agents and employees of every description;
- 48.1.6. to reimburse such out of pocket expenses including travelling expenses as are reasonable and proper and incurred by a Board Member or person co-opted to the Board or a sub-committee of the Board in the execution of his/her duties;
- 48.1.7. to compromise, settle, conduct, enforce or resist either in a court of law or by arbitration any suit, liability or claim by or against the Company;
- 48.1.8. to affiliate the Company to any other organisation having objects similar to the objects of the Company;
- 48.1.9. to promote or establish or concur in promoting or establishing any company for any purpose which may, directly or indirectly, benefit or advance the objects or interests of the Company and to acquire and hold as investments of the Company or otherwise deal with as may be considered fit any shares, stock, debentures, debenture stock or securities of any such company.

49.

- 49.1. The Board may delegate any of its powers to sub-committees of the Board consisting of such Board Members and other persons as it thinks fit which shall in the functions entrusted to them conform to the instructions given to them in writing by the Board. The meetings and proceedings of sub-committees of the Board shall be governed by the provisions in these Articles for regulating the meetings and proceedings of the Board so far as they are applicable and by any other regulations which may be imposed on it by the Board and any decision made by sub-committees of the Board shall be reported to the next meeting of the Board. Taken as a fraction of the number of Board Members who compose a sub-committee of the Board, co-opted persons shall not comprise more than one third of other persons who shall serve on the sub-committee of the Board. Co-optees shall not form part of any quorum required for the meeting but may vote upon all matters except those directly affecting membership of the Company or election of its officers.

- 49.2. The Board may additionally delegate any of its powers to any officer of the Company as it thinks fit who shall in the functions entrusted to him/her conform to the instructions given to him/her in writing by the Board.

- 50. All acts done in good faith by any meeting of the Board or of any sub-committee of the Board

shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any Board Member or Board Members or that any one or more of them were disqualified, be as valid as if every Board Member had been duly appointed and was duly qualified to serve.

51. A resolution in writing signed by all Board Members or by all the Board Members of a sub-committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or sub-committee of the Board duly called and constituted.

#### **CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS**

52.

- 52.1. The Board may appoint such person as it deems appropriate to the office of Chief Executive of the Company (it being confirmed, for the avoidance of doubt, that the Chief Executive will be the senior member of staff of the Company, and is not to be confused with any elected or appointed or co-opted Board Member of the Company) and, subject to the provisions of these Articles and the Act and to any directions given by special resolution of the Company, any such appointment may be made for such terms, at such remuneration and on such other conditions as the Board thinks fit.
- 52.2. The Company shall have a Secretary and such other officers as the Board may from time to time determine who shall be appointed and may be removed by the Board and any such appointment or removal may be on such terms (including, in the case of appointment, those as to remuneration) and on such other conditions as the Board thinks fit.
- 52.3. In circumstances where the Secretary is unavailable to carry out his/her functions the Board or in cases of emergency the Chairperson may appoint any officer or employee to carry out the Secretary's functions until such time as the Secretary is able or available to recommence his/her duties.
- 52.4. The Secretary and other officers, if any, shall act under the superintendence, control and direction of the Board, and without prejudice thereto the Secretary shall in particular:-
- 52.4.1. summon and attend all general meetings of the Company and all meetings of the Board and keep the minutes referred to in Article 55;
- 52.4.2. as regards Article 52.4.1, issue the notice together with any relevant reports or papers;
- 52.4.3. prepare and send all returns required to be made to the Registrar of Companies; and
- 52.4.4. unless the Board otherwise directs, keep the register of members and other registers required to be kept by these Articles and by the Act, keep all the books of accounts and receive all contributions and other payments due to the Company and pay over the amount so received as the Board directs.
- 52.5. The Secretary or other officer shall produce or give up all books, registers, documents and property of the Company in his/her possession whenever required so to do by a resolution of the Board or by a resolution of a general meeting.

## **SECURITY BY OFFICERS/INSURANCE**

53. The Board shall take out and continue a fidelity guarantee and/or indemnity insurance in respect of all officers (including, for the avoidance of doubt, Board Members) and employees having receipt or charge of money or alternatively shall require such officers and employees to become bound either with or without a surety as the Board determines in a bond or to give security in such sum as the Board directs conditioned for his/her rendering a just and true account of all monies received by him/her on account of the Company as a general meeting or the Board require him/her to do and for the payment by him/her of all sums due from him/her to the Company.
54. No officer shall be liable for any loss suffered by the Company through the execution of the duties of his/her office, unless the loss be the consequence of his/her gross negligence or his/her dishonesty and in the latter case the Company shall inform the police or other appropriate authority and shall seek to recover any loss it has suffered.

## **MINUTES, REGISTERS AND BOOKS**

55. Minutes of every general meeting and of every meeting of the Board and any sub-committee of the Board shall be kept and such minutes shall be read at the next of such meetings respectively and signed by the Chairperson of the meeting at which they are so read and all minutes so signed shall be conclusive evidence of any fact stated therein as between the Company and every member.
56. The Company shall keep at its registered office:-
- 56.1. a register of members in which shall be entered the following particulars:-
- 56.1.1. the names and addresses of the members and the category in which they are deemed to be members;
  - 56.1.2. a statement of other property in the Company whether in loans or loan stock held by each member;
  - 56.1.3. the date at which each person was entered in the register as a member and the date at which any person ceased to be a member;
  - 56.1.4. the names and addresses of the officers of the Company with the offices held by them respectively and the dates on which they assumed and vacated office;
- 56.2. a register of loan stock and of the holders thereof;
- 56.3. a register in which shall be entered particulars of all loans and charges on land of the Company; and
- 56.4. all other registers as may be required under the Act.
57. The registered name of the Company shall be kept painted or affixed in a conspicuous position in letters easily legible on the outside of every office or place in which the business of the Company is carried on and the registered name of the Company shall be mentioned in legible characters in all business letters of the Company, notices, advertisements and other official publications of the Company and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods, purporting to be signed by or on behalf of the Company and in all bills, invoices, receipts and letters of credit of the Company.
58. All books of account, registers, securities and documents of the Company shall be kept at the registered office or such other place and in such manner and with such provision for their security as the Board shall from time to time determine.

59. At the last meeting of the Board before the annual general meeting the Secretary shall to the extent within his/her knowledge confirm in writing to the Board that all the requirements of Articles 55 to 58 have been complied with or if they have not been complied with the Secretary shall report in writing to the Board the reasons for such non-compliance. The confirmation or report required by this Article 59 shall be recorded in the minutes of the meeting.

## **ACCOUNTS**

60. The Company shall keep proper books of accounts with respect to its transactions and to its assets and liabilities and shall establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances.
61. The Board shall submit the Company's accounts and Statement of Financial Position for audit to the Company's auditor and the auditor shall make a report to the Company on the accounts examined by him/her and on the revenue account or accounts and the Statement of Financial Position for the year of account in respect of which he/she is appointed.
62. The Company shall furnish to the Scottish Housing Regulator or its successor body and to such other organisations as the Board deems appropriate a copy of its accounts and auditor's report within six months of the end of the period to which they relate.

## **APPOINTMENT AND DUTIES OF AUDITOR**

- 63.
- 63.1. There shall be appointed in each year of account a qualified auditor to audit the Company's accounts and balance sheet for that year.
- 63.2. None of the following persons shall be appointed or re-appointed as auditor of the Company:-
- 63.2.1. an officer or servant of the Company; or
- 63.2.2. a person who is a partner of or in the employment of or who employs an officer, servant or agent of the Company.
- 63.3. Nothing in this Article 63 shall prevent the appointment as auditor of the Company of a Scottish firm provided none of the partners of the firm is ineligible for appointment as auditor of the Company by virtue of any of the provisions of this Article.
- 63.4. The Board shall take such steps as it considers necessary to ensure the continuing independence of the Company's auditor including the periodic review of the need for audit rotation.
64. Every appointment of an auditor shall be made by resolution of a general meeting of the Company or otherwise as permitted by the Act.
- 65.
- 65.1. An auditor appointed to audit the accounts and balance sheet of the Company for the preceding year of account (whether by a general meeting or by the Board) shall be re-appointed as auditor of the Company for the current year of account (whether or not any resolution expressly re-appointing him/her has been passed) unless:-
- 65.1.1. a resolution has been passed at a general meeting of the Company appointing somebody instead of him/her or providing expressly that he/she shall not be re-appointed, or

- 65.1.2. he/she has given to the Company notice in writing of his/her unwillingness to be re-appointed, or
- 65.1.3. he/she is not a qualified auditor or is a person mentioned in Article 63.2, or
- 65.1.4. he/she has ceased to act as auditor to the Company by reason of incapacity.

Provided that a retiring auditor shall not be automatically re-appointed if notice of an intended resolution to appoint another person in his/her place has been given in accordance with Article 65.2 and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or is a person mentioned in Article 63.2.

## 65.2.

- 65.2.1. A resolution at a general meeting of the Company appointing another person as auditor in place of a retiring auditor or providing expressly that a retiring qualified auditor shall not be re-appointed shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty eight days before the meeting at which it is to be moved.
- 65.2.2. Where such proper notice has been given the Company shall forthwith send a copy to the retiring auditor, and if it is practicable to do so, shall give notice to its members of the intended resolution at the same time and in the same manner as it gives notice in accordance with these Articles of the meeting at which the resolution is to be moved or, if that is not practicable, by advertisement not less than fourteen days before the said meeting in a newspaper circulating in the area in which the Company conducts its business.
- 65.2.3. Where the retiring auditor makes representations to the Company or notifies the Company that he/she intends to make representations with respect to the intended resolution the Company shall notify its members.

## **ANNUAL RETURNS AND STATEMENT OF FINANCIAL POSITION**

- 66. Every year within the time allowed by law the Secretary shall send to the Registrar of Companies the annual return in the form prescribed by the Registrar together with all such documentation as is required under the Act.
- 67. The Company shall supply free of charge to every member or person interested in the funds of the Company on his/her application a copy of the last annual return of the Company together with a copy of the report of the auditor on the accounts and Statement of Financial Position contained in the return.
- 68. The Company shall publish a copy of the last Statement of Financial Position for the time being together with the report made thereon by the auditor on its website.
- 69. The Company shall, upon receipt of the form of annual return from the Scottish Housing Regulator or its successor body, duly complete the form and send it to the Scottish Housing Regulator or its successor body within the period which the Scottish Housing Regulator or its successor body may direct.

## **PROFITS**

- 70. The Company shall not trade for profit. Accordingly, the income and property of the Company whencesoever derived shall be applied solely towards the promotion of its objects as set forth in these Articles and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to members of the

Company and no member of the Board of the Company shall be appointed to any office of the Company paid by remuneration or other benefit in money or monies worth from the Company

Provided that nothing herein shall prevent any payment in good faith by the Company:-

- 70.1. of reasonable and proper remuneration to any member, agent, officer or employee of the Company (not being a member of the Board of the Company except as specified above) for any services rendered to the Company;
- 70.2. of interest (at such rate as shall be determined by the Board of the Company) on money lent to the Company;
- 70.3. of reasonable and proper rent for premises let by any member of the Company or any of the members of the Board of the Company; and
- 70.4. of reasonable and proper out-of-pocket expenses to any member, agent, officer or employee of the Board of the Company.
- 70.5. An annual general meeting may out of the net profits:-
  - 70.5.1. set aside to reserve such amount (not exceeding the amount recommended by the Board) as it may direct which may be applied in or towards carrying out the objects of the Company, and
  - 70.5.2. if any amount has been set aside by the annual general meeting to reserve as aforesaid, allocate to a common fund out of any balance remaining such amount (not exceeding the amount recommended by the Board) as it may direct which may be used in the furtherance of the Company's objects and purposes for such charitable purposes.
- 70.6. Any part of the profits not set aside or allocated in accordance with the preceding paragraph shall be carried forward.

### **INSPECTION OF BOOKS**

- 71. Any member or person having an interest in the funds of the Company shall be allowed to inspect his/her own account and the books containing the names of the members, including all particulars in the register of members, at all reasonable hours at the registered office of the Company or at any place where the same are kept, subject to such conditions as to the time and manner of such inspection as may be made from time to time by the Board.

### **PROCEEDINGS ON DEATH OF A MEMBER**

- 72. Upon a claim being made by the personal representative of a deceased member, or the trustee in bankruptcy of a bankrupt member, to any property in the Company belonging to the deceased or bankrupt member, the Board shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.

### **DISPUTES**

- 73. Every dispute between the Company or the Board and:-
  - 73.1. a member; or
  - 73.2. a person aggrieved who has ceased to be a member within the previous six months; or

- 73.3. a person claiming under the Articles of the Company shall be dealt with in accordance with these Articles and any procedures determined by the Board from time to time but without prejudice to all rights which any person may have to raise an action on the matter in any court with competent jurisdiction, including without prejudice the Sheriff Court in the Sheriffdom in which the Company's registered office is located.

### **WINDING UP**

74. Every member of the Company undertakes to contribute to the Company's assets if it should be wound up while he/she/it is a member or within one year after he/she/it ceases to be a member for payment of the Company's debts and liabilities contracted before he/she/it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound (£1);
75. If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Company but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Company and which prohibit the distribution of its or their income or property amongst its or their members to an extent at least as great as is imposed on the Company under or by virtue of these Articles, such institution or institutions to be determined by the Scottish Housing Regulator at or before the time of dissolution. If and in so far as effect cannot be given to the foregoing provisions, the said property shall be given or transferred to some other charitable object determined by the Scottish Housing Regulator.

### **COMMUNICATIONS**

76. 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 Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company, including, without limitation, by sending or supplying documents or information by making them available on a website.
77. Subject to the Articles, any notice or document to be sent or supplied to a Board Member in connection with the taking of decisions by Board Members may also be sent or supplied by the means by which that Board Member has asked to be sent or supplied with such notices or documents for the time being.
78. A Board Member may agree with the Company that notices or documents sent to that Board Member 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.
79. For the purposes of these Articles, a person shall be deemed to be "present" or "present in person" at a meeting if such person is participating in the meeting by virtue of some form of Electronic Communication, including, without limitation, by way of: telephone; video link; internet video facility; or any other similar communications system by means of which all persons participating in the meeting are able to communicate with each other.
-

**THIS IS THE APPENDIX REFERRED TO IN THE FOREGOING  
ARTICLES OF ASSOCIATION  
OF  
ATRIUM HOMES**

**FORMS OF INSTRUMENTS**

**PROXY**

The instrument referred to in Article 23 shall be in the following form:-

I, \_\_\_\_\_ residing at \_\_\_\_\_ being a  
member of Atrium Homes, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as  
my proxy to vote for me and on my behalf at the annual/extraordinary general meeting of the Company  
to be held on the \_\_\_\_\_ day of \_\_\_\_\_ and at any adjournment  
thereof.

Signed .....

Date .....

**REVOCATION**

I, \_\_\_\_\_ residing at \_\_\_\_\_ being a  
member of Atrium Homes hereby revoke the instrument of proxy made by me on the \_\_\_\_\_ day  
of \_\_\_\_\_ .

Signed .....

Date .....