

Supersedes the Articles of Association

dated 25 April 2018

.....**Board Member**

.....**Board Member**

.....**Board Member**

.....**Secretary**

THE COMPANIES ACTS 1985 - 2006

COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION OF

AYRSHIRE HOUSING

SC185652

(adopted by special resolution on 6 September 2023)

DEFINITIONS AND INTERPRETATIONS

1 In these Articles:-

- (i) "the Act" means the Companies Act 2006 (and any reference in these Articles to a provision of the Act shall be deemed to include any statutory modification or re-enactment of that provision for the time being in force);
- "Benefit Area" means the former County of Ayr or such larger or smaller area as the Company may determine in general meeting from time to time;
- "the Board" the board of directors of the Company;
- "Board Member" means a director of the Company from time to time;
- "Local Community" means the inhabitants of the Benefit Area and those persons likely to benefit directly from the Company carrying its objects into effect;
- "Member Category" the Tenants Category and the Community Category referred to in Article 8;

"the Secretary" means the secretary of the Company or any other person appointed to perform the duties of the Secretary of the Company, including a joint assistant or deputy secretary;

"Taxes Acts" means the Income and Corporation Taxes Act 1998 or any other applicable tax legislation in force from time to time; and

"Tenant" a person who is, or in the case of a joint tenancy the persons who are, the tenant of a property owned or managed by the Company.

(ii) references to the masculine gender include the feminine and neuter genders and vice versa and references to the singular include the plural.

2 Any reference in these Articles to "clear days" in relation to a period of notice indicates that in calculating such period the day when the notice is given or is deemed to be given and the day for which it is given or on which it is due to take effect are to be excluded.

3 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act.

4 The Interpretation Act 1978 shall apply to these Articles as it applies to any Act of Parliament.

MEMBERSHIP

5 Persons who are recorded herein and/or are appointed or admitted as Members of the Company in accordance with these Articles shall be the members of the Company (herein "Members").

6 No Member shall be appointed and/or invited to apply to be admitted as a Member otherwise than as provided in these Articles.

7 Membership of the Company shall not be transferable and, in the case of a Member who is an individual, shall cease on his death.

8 Membership of the Company shall at all times be divided into two categories, namely the Tenants Category and the Community Category, constituted as follows:-

(a) the Tenants Category which shall comprise all Tenants who have received notice of their membership of the Company and have not subsequent thereto declined or resigned such membership (herein "Tenant Members"), and

(b) the Community Category which shall comprise persons whom the Board believes have appropriate expertise or experience to represent the Local Community and who are admitted as Members pursuant to these Articles (herein "Community Members")

9 Every Tenant Member and Community Member shall hold office as a Member until he resigns or is replaced or removed as a Member in the manner provided for in these Articles or until he dies.

10 For each accounting period of the Company in which a person is a Member of the Company, that person shall be entitled to receive from the Company a copy of the annual report and accounts of the Company filed with the Registrar of Companies in respect of that accounting period.

COMMUNITY MEMBERS

- 11 Any person who is eligible, invited and wishes to become a Community Member shall lodge with the Company a written and duly signed application to become a Member (in such form as the Board requires) and shall lodge with the Company such supporting personal information as the Board may require.
- 12 Each such application for membership shall be considered by the Board at the first meeting of the Board which is held after receipt by the Company of the written application and, if appropriate, supporting evidence required under the preceding Article. If the Board resolves at any meeting to admit or refuse to admit an applicant as a Member, the Board shall notify the applicant in writing accordingly within a period of seven days after the meeting.
- 13 The Board shall be entitled at its discretion to refuse to admit any person as a Community Member notwithstanding that the person fulfils one or more of the qualifications necessary to become a Community Member but the Board shall refuse to admit any person as a Member of the Company if the Board has reason to believe that the person will be likely to gain material financial advantage from becoming or being a Member of the Company.
- 14 Community Members shall not be Tenants.

REGISTER OF MEMBERS

- 15 In addition to the particulars required by Section 113 of the Act, there shall be entered in the Register of Members of the Company against the name of each Member the Member Category to which he belongs.
- 16 The Board may at any time by notice in writing request any Member to lodge with the Company such evidence as the Board may reasonably require with a view to establishing whether or not he fulfils the qualifications relevant to the Member Category to which he belongs and if a Member fails to comply with any such notice he shall be deemed not to fulfil any of such qualifications.

TERMINATION OF MEMBERSHIP

- 17 Any person who wishes to withdraw from being a Member shall lodge with the Company not less than twenty eight clear days' written notice of such withdrawal (in such form as the Board Members require) signed by him and, on the expiry of such notice, he shall cease to be a Member.
- 18 The Company may, by ordinary resolution, remove any person as a Member. Any person so removed as a Member shall cease to be a Member with effect from the time at which the relevant resolution is passed and shall not be re-admitted to membership without the approval of the Board.
- 19 A person shall cease to be a Member when:
 - (a) in the case of a Tenant Member, he ceases to be a Tenant; or
 - (b) in the case of a Community Member, the Board determines that he ceases to meet the membership criteria adopted by the Board for Community Members.

GENERAL MEETINGS

- 20 All general meetings other than annual general meetings shall be called general meetings.

- 21 A general meeting shall be convened by the Board on requisition by Members (under Section 303 of the Act) or on requisition by a resigning auditor (under Section 518 of the Act).
- 22 Subject to the preceding Article and to the requirements under Section 336 of the Act as to the holding of annual general meetings, the Board Members may convene general meetings whenever they think fit.

VIRTUAL ATTENDANCE AT GENERAL MEETINGS

- 23 Notwithstanding any other provisions of these Articles (which shall be subject to the terms of this Article 23) 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:
- (a) 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;
 - (b) 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 29; and
 - (c) 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 Board and which permits the Member's vote to be taken into account in determining whether or not a resolution is passed.

NOTICE OF GENERAL MEETING

- 24 All general meetings (whether annual general meetings or otherwise) shall be called by at least fourteen clear days' notice.
- 25 A notice convening a meeting shall specify the time and place of the meeting and whether the provisions of Article 23 relating to virtual attendance at any general meeting shall apply. Such notice shall also state the terms of any resolution which is to be proposed as a special resolution or ordinary resolution requiring special notice and shall indicate the general nature of any other business to be transacted at the meeting. The Company shall notify The Scottish Housing Regulator within 28 days of the passing of any resolution to amend or replace these Articles.
- 26 A notice convening an annual general meeting shall specify the meeting as an annual general meeting.
- 27 Notices of every general meeting shall be given to all the Members and Board Members and to the auditors.
- 28 The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 29 The Chairperson appointed under Article 70 shall be the Chairperson at each general meeting of the Company but, if he is not present at any such meeting, the members present shall elect one of their number who is present at the meeting to act as Chairperson at that general meeting.

- 30 No business shall be transacted at any meeting unless a quorum is present. The number of Members required for a quorum shall be six and shall be constituted by three or more Members from each of the Tenants Category and the Community Category being in attendance in person or by proxy
- 31 If the quorum required under the preceding Article is not present within half an hour after the time appointed for the meeting or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place within fourteen days after the date appointed for the meeting as shall be fixed by the Chairperson of the meeting. Notwithstanding Article 30, but provided that all Members of the aftermentioned Member Category have been given not less than seven clear days' notice of such adjourned meeting, for the purposes of forming a quorum at such adjourned meeting the attendance shall not be required of any of the Members of a Member Category none of whose Members attended the meeting which was adjourned.
- 32 The Chairperson may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.
- 33 No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting which was adjourned if the adjournment had not taken place
- 34 Where a meeting is adjourned for thirty days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of the business to be transacted; in any other case, it shall not be necessary to give any notice of an adjourned meeting.
- 35 A resolution put to the vote at a meeting shall be decided on a show of hands unless before, or on, the declaration of the result of the show of hands, a poll is demanded by the Chairperson or by at least two of the Members present in person at the meeting.
- 36 Unless a poll is demanded in accordance with the preceding Article, a declaration by the Chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 37 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairperson. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made nor the result of a show of hands declared after the demand is so withdrawn.
- 38 If a poll is demanded in accordance with Article 35, it shall be taken at once by means of a secret ballot of all the Members present and entitled to vote conducted in such manner as the Chairperson may direct. The result of such poll shall be declared at the meeting at which the poll was demanded.
- 39 A resolution in writing signed by all the Members shall be as effectual as if it had been passed at a general meeting duly convened and held; it may consist of several documents in the same form each signed by one or more Members.

VOTES OF MEMBERS

40 The Members shall have the following votes in respect of a resolution at any general meeting of the Company:

- (a) each Tenant Member shall have one vote unless more than five Tenant Members are present (in person or, in the case of a poll only, in person and by proxy) at a general meeting in which event each Tenant Member shall have the following number of votes (which may for the avoidance of doubt include a fraction of a vote):-

$\frac{5}{T}$ Where T is the number of Tenant Members in attendance (in person or, in the case of a poll, in person and by proxy) at the relevant general meeting.

- (b) each Community Member shall have one vote unless more than five Community Members are present (in person or, in the case of a poll, in person and by proxy) at a general meeting in which event each Community Member shall have the following number of votes (which may for the avoidance of doubt include a fraction):-

$\frac{5}{C}$ Where C is the number of Community Members in attendance (in person or, in the case of a poll, in person and by proxy) at the relevant general meeting.

41 Votes shall be given personally either by the Member or by his proxy or corporate representative. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting shall be entitled to a casting vote in addition to any other vote he may have but this does not apply if, in accordance with the Articles, the Chairperson or other Board Member is not to be counted as participating in the decision-making process for quorum or voting purposes.

42 No objection may be raised as to the validity of any vote except at the meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid; any such objection shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

THE BOARD OF THE COMPANY

43 Subject to Articles 49 and 50 below, the Board shall consist of twelve Board Members comprising six Board Members representing Tenant Members (in these Articles referred to as the "Tenant Board Members") and six Board Members representing the Community Members (in these Articles referred to as the "Community Board Members").

APPOINTMENT, RETIRAL, REPLACEMENT, RE-APPOINTMENT OF BOARD MEMBERS

44 At the commencement of each annual general meeting of the Company two Tenant Board Members who shall at that time have been in office for a period of two years or more shall retire from office as directors of the Company subject to Article 45 and as aftermentioned in this Article. Subject to the provisions of Article 69, the Tenant Board Members to so retire shall, in the absence of Tenant Board Members standing down voluntarily, either be the Tenant Board Members who have been longest in office since the date of their appointment or re-election in terms of these Articles or, in the case of Tenant Board Members who have been in office for equal periods, shall, in the absence of agreement, be drawn by lot. The Tenant Board Members who are due to retire from office in terms of this Article 44 are hereinafter referred to as "the Retiring Tenant Board Members").

- 45 The Board shall publicly advertise and/or communicate directly to all Tenant Members the vacancies for Tenant Board Members at least fifty six clear days prior to the annual general meeting at which the Company seeks to fill the vacancies. At the same time those Tenant Board Members due to retire at such meeting shall be asked in writing if they wish to stand for re-election. If, by the date occurring forty days prior to the annual general meeting, there are more persons who have notified the Board that they wish to be elected or re-elected as Tenant Board Members than there are vacancies in the complement of Tenant Board Members (taking into account the retirals at such meeting), the Company shall prior to that annual general meeting, hold a postal or electronic ballot of Tenant Members to elect new Tenant Board Members or to re-elect any Retiring Tenant Board Member from the list of persons who have so notified the Company. Those nominees with the highest number of votes in the postal ballot shall take office to fill the vacancies in question at the commencement of the annual general meeting.
- 46 At the commencement of each annual general meeting of the Company two Community Board Members who shall at that time have been in office for a period of two years or more shall retire from office as directors of the Company subject to Article 47 and as aftermentioned in this Article. Subject to the provisions of Article 69, the Community Board Members to so retire shall, in the absence of Community Board Members standing down voluntarily, either be the Community Board Members who have been longest in office since the date of their appointment or re-election in terms of these Articles or, in the case of Community Board Members who have been in office for equal periods, shall, in the absence of agreement, be drawn by lot. The Community Board Members who are due to retire from office in terms of this Article 46 are hereinafter referred to as "the Retiring Community Board Members".
- 47 The Board shall publicly advertise the vacancies for Community Board Members at least fifty six clear days prior to the annual general meeting at which the Company seeks to fill the vacancies. At the same time those Community Board Members due to retire at such meeting shall be asked in writing if they wish to stand for re-election. If, by the date occurring forty days to the annual general meeting, there are more persons who have notified the Board that they wish (i) to be re-elected as Community Board Members; or (ii) to be appointed as Community Board Members and have been approved by the Board as suitable for admission as a Member and Board Member of the Company, than there are vacancies in the complement of Community Board Members (taking into account the retirals at such meeting), the Company shall prior to the annual general meeting, hold a postal or electronic ballot of Community Members to elect new Community Board Members or to re-elect any Retiring Community Board Member from the list of persons who have so notified the Company. At the commencement of the annual general meeting, the nominees with the highest number of votes in the postal ballot shall take office to fill the vacancies in Community Board Members and, if not already Members, shall be admitted as Community Members.
- 48 To fill a casual vacancy, the Board may at any time appoint any person to be a Board Member (providing he is willing to act). A Board Member appointed under this Article 48 shall be designated to the particular vacancy which he or she is filling and shall be deemed to vacate office with immediate effect and without notice or other procedure at the commencement of the annual general meeting of the Company which is first held after his appointment in terms of this Article 48.
- 49 In addition to the number of Board Members prescribed by Article 43, the Board or the Members in general meeting may appoint one person who is employed in a full-time senior management position in the Company to act as a Board Member and any person so appointed may similarly be removed by the Board or the Members in general meeting.

50 In addition to the number of Board Members prescribed by Articles 43 and 49, for so long as the Company is a registered social landlord, the Scottish Housing Regulator shall have the right, by notice in writing to the Company, to require the Company to appoint one or more persons specified in the notice as Board Members (in addition to those appointed pursuant to the other provisions of these Articles) where it has determined, acting reasonably, that such appointment is necessary for the proper management of the Company's affairs. Subject only to Article 51, any person appointed pursuant to this Article 50 shall hold office as Board Member for such reasonable period as the Scottish Housing Regulator shall specify in the said notice or for such longer period as the Scottish Housing Regulator may reasonably specify and upon the expiry of such period (or longer period) the person shall vacate, and be deemed without further notice to have vacated, office as Board Member of the Company.

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

51 A person shall vacate, and be deemed without further notice to have vacated, office as Board Member of the Company forthwith if:-

- (a) he ceases to be eligible to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a Board Member; or
- (b) he is or becomes apparently insolvent within the meaning of the Bankruptcy (Scotland) Act 1985, becomes bankrupt or enters into a formal arrangement or composition with his creditors; or
- (c) in the opinion of the Board he is or becomes incapable for medical reasons of fulfilling the duties of his office and such incapacity is expected to continue for a period of more than six months; or
- (d) he resigns office by not less than one month's notice to the Company; or
- (e) he is absent for a period of more than six months (without permission of the Board Members) from meetings of the Board held during that period and the Board resolves to remove him from office; or
- (f) he is found guilty of a criminal offence not being a traffic offence which, in the Board's opinion, is of a minor nature; or
- (g) in the case of a Tenant Board Member or a Community Board Member, on the passing of a resolution at a general meeting of the Company for his removal; or
- (h) he has been removed from the board or governing body of another social landlord in the United Kingdom; or
- (i) he is or becomes party to legal proceedings by or against the Company; or
- (j) he fails to sign his acceptance of the Company's Code of Conduct before the first meeting of the Board that he is entitled to attend after his appointment or election; or
- (k) the Board determines that the person has gained or will be likely to gain material financial advantage from being or becoming a Board Member of the Company.

BOARD MEMBERS' INTERESTS

52 Except as otherwise provided in these Articles and subject to the provisions of the Act and of the Memorandum of Association and provided that he has disclosed to the other Board Members the nature and extent of any material interest which he has, a Board Member notwithstanding his office:-

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a Board Member or other officer of, or employed by, or a party in any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reasons of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate;

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

53 Any Board Member who has any interest financial or otherwise or any conflict of interest either personally or as a member or partner of a firm or as a director or other officer of a business trading for profit or in any other way in any contract or other transaction with the Company about to be discussed at a meeting of the Board Members shall disclose the nature of his interest to the meeting and shall withdraw from and leave, and shall not be entitled to vote at, the meeting (or any meeting of a committee of Board Members) on any resolution concerning the matter in which he has declared such an interest.

For the purposes of this Article:-

- (a) a general notice given to the Board Members that a Board Member is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Board Member has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a Board Member has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of that Board Member,
- (c) an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the Company), connected with a Board Member shall be treated as an interest of the Board Member; and
- (d) subject to the provisions of Article 72, if a question arises at a meeting of Board Members or at a meeting of a committee of Board Members as to the right of a Board Member to vote, the question may, before the conclusion of the meeting, be referred to the Chairperson of the meeting; his ruling in relation to any Board Member other than himself shall be final and conclusive.

BOARD MEMBERS CONFLICTS OF INTEREST

54 For the purposes of section 175 of the Act, the Board Members shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (**Conflict Authorisation**), any matter

proposed to them in accordance with these articles which would, or might, if not so authorised, constitute or give rise to a situation in which a Board Member (**relevant Board Member**) has, or could have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (**Conflict Situation**). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised.

Where Board Members give a Conflict Authorisation:

- (a) the terms of such Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded);
- (b) the Board Members may revoke or vary such Conflict Authorisation at any time but this will not affect anything done by the relevant Board Member prior to such revocation or variation in accordance with the terms of such authorisation; and
- (c) the relevant Board Member shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject.

Any Conflict Authorisation will be effective only if:

- (d) at the meeting of the Board Members at which the Conflict Situation is considered, any requirement as to quorum is met without counting the relevant Board Member or any other interested Board Member; and
- (e) it is agreed to without the relevant Board Member or any other interested Board Member voting, or would have been agreed to if the votes of the relevant Board Member or any other interested Board Member had not been counted.

Any terms to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to this article 54) provision that:

- (f) where the relevant Board Member obtains (other than in his capacity as a Board Member of the Company or as its employee or agent or, if the Board Member so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party; and/or
- (g) the relevant Board Member may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter; and/or
- (h) the relevant Board Member be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at Board meetings or otherwise) related to the relevant matter,
- (i) and the Company will not treat anything done (or omitted to be done) by the relevant Board Member in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under this article 54) as a breach by him of his duties under sections 172 to 174 of the Act

BENEFITS, REMUNERATION AND EXPENSES

55 Except as expressly provided in the Memorandum of Association, no Board Member (other than any Board Member appointed pursuant to Article 49) shall be eligible to be paid remuneration, whether in respect of his office as Board Member or as holder of any office under the Company. In addition and without prejudice to the foregoing generality, the Company shall not make a payment or grant a benefit to:-

- (a) a Board Member or other officer or an employee of the Company; or
- (b) a person who at any time within the preceding 12 months has been a person who falls within Article 55(a); or
- (c) a close relative of a person who falls within Articles 55(a) or 55(b) above; or
- (d) a business trading for profit of which a person who falls within Articles 55(a) to 55(c) (inclusive) is a principal proprietor or in the management of which such a person is directly concerned

except that the Company may make any of the following payments or grant any of the following benefits:-

- (e) payments made or benefits granted to an officer or employee of the Company under his contract of employment;
- (f) payment of proper and reasonable expenses actually incurred in carrying out the business of the Company to a Board Member or other officer who does not have a contract of employment with the Company;
- (g) payment of interest on capital loaned to the Company by a Board Member; and
- (h) where a tenancy of a house owned by the Company has been granted to a person, or close relative of a person, who later becomes a Board Member or officer or employee of the Company, the grant to that tenant of a new tenancy, whether of the same house or another house

56 A Board Member may be paid all travelling and other expenses properly incurred by him (and vouched to the satisfaction of the Board Members) in connection with his attendance at meetings of Board Members, general meetings, meetings of committees of Board Members or otherwise in connection with the discharge of his duties.

POWERS OF BOARD MEMBERS

57 Subject to the provisions of the Act, the Memorandum of Association and these Articles and to any directions given by ordinary or special resolution, the business of the Company shall be managed by the Board Members who may exercise all powers of the Company.

58 No alteration to the Memorandum of Association or these Articles and no direction given by ordinary or special resolution shall invalidate any prior act of the Board Members which would have been valid if that alteration had not been made or that direction had not been given.

59 The powers conferred by Article 57 shall not be limited by any special power conferred on the Board Members by these Articles.

- 60 A meeting of Board Members at which a quorum is present may exercise all powers exercisable by the Board Members.
- 61 The Board Members may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purpose and on such conditions as they may determine, including, authority for the agent to delegate all or any of his powers.

PROCEEDINGS OF BOARD MEMBERS

- 62 Subject to the provisions of these Articles, the Board Members may regulate their proceedings as they think fit.
- 63 Any Board Member may call a meeting of the Board Members or request the Secretary to call a meeting of the Board Members. Save in the case of emergency, all meetings of Board Members shall be convened by the giving to the Board Members of not less than seven days prior written notice of the meeting. Meetings of Board Members shall take place no fewer than 6 times between consecutive annual general meetings.
- 64 The Secretary shall be bound, on the expiry of a period of twenty eight days after receipt of a written application for admission as a Member (and, if appropriate, supporting evidence) complying with Article 11, call a meeting of the Board Members if no meeting of the Board Members has been held within that period. Any meeting called by the Secretary under this Article shall be held not later than seven days after the expiry of the four week period.
- 65 No notice of a meeting of Board Members need be given to a Board Member who is absent from the United Kingdom.
- 66 Questions arising at a meeting of Board Members shall be decided by a majority of votes; in the case of an equality of votes, the Chairperson shall have a second or casting vote.
- 67 The quorum for the transaction of the business of the Board may be fixed by the unanimous decision of all Board Members and, unless so fixed at any other number, four or more Board Members (not counting any Board Member appointed pursuant to Article 49) present in person shall be a quorum provided at least one Board Member from each Member Category is present declaring however that, notwithstanding any other provision of these Articles, a meeting which was quorate will not cease to be quorate (provided always that a minimum of three Board Members remains present) by virtue of any one or more Board Members being required to leave the meeting as a result of having disclosed an interest pursuant to Article 53.
- 68 The continuing Board Members or a sole continuing Board Member may act notwithstanding vacancies but (i) if the number of remaining Board Members is less than the number fixed as the quorum, they or he may act only for the purpose of filling vacancies or of calling a general meeting to appoint additional Board Members, and (ii) without prejudice to (i), if the number of remaining Board Members is less than seven, they may act for a two month period only after which they may act only for the purpose of filling vacancies or of calling a general meeting to appoint additional Board Members.
- 69 At the first meeting of the Board following each annual general meeting of the Company, the Board Members shall on a simple majority appoint one of their number (not being a Board Member appointed pursuant to Article 49 or Article 50) to be the Chairperson of the Board who will provide leadership to the Board in accordance with the Company's standing orders from time to time in force and such person shall, subject to the remaining provisions of this Article 69, hold such office until the first meeting of the Board following the next annual general meeting of the Company unless the Board shall, during the Chairperson's tenure of office, decide on a

simple majority to appoint the Chairperson for a specified period (which is in compliance with the Board Effectiveness Policy in force from time to time) and does not exceed any maximum period set out in the Board Effectiveness Policy. The Board shall be entitled to decide by simple majority, to (i) appoint the Chairperson for a specified period (such period to be in compliance with the policy on Board Effectiveness in force from time to time) and does not exceed any maximum period specified in such policy on Board Effectiveness and (ii) replace the Chairperson at an earlier date than the end of the relevant specified period. A Board Member shall not hold office as Chairperson continuously beyond the fifth annual general meeting after the annual general meeting of the Company at which such Chairperson was appointed. Any Chairperson appointed for a specified period of longer than 1 year, shall not be subject to the retirement provisions of Articles 44 and 46.

- 70 If the said Chairperson is unwilling to act as Chairperson or is not present within fifteen minutes after the time appointed for the meeting, the Board Members present may appoint one of their number to be Chairperson of the meeting.
- 71 All acts done by a meeting of Board Members or by a meeting of a committee of Board Members or by a person acting as a Board Member shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any Board Member or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.
- 72 A resolution in writing signed by all the Board Members entitled to receive notice of a meeting of Board Members or of a committee of Board Members shall be as valid and effectual as if it had been passed at a meeting of Board Members or (as the case may be) a committee of Board Members duly convened and held; it may consist of several documents in the same form each signed by one or more Board Members.
- 73 Any Board Member may participate in a meeting of the Company or of any committee thereof of which they are a member by conference, telephone, video or similar communications equipment by means of which all the persons participating in such meeting can hear each other at the same time. Participation in a meeting in this manner shall be deemed to be presence in person at the meeting by such Board Member.

DELEGATION TO BOARD MEMBERS AND SUB-COMMITTEES

- 74 Notwithstanding any other provision of these Articles, no Board Member shall be entitled to vote upon or attend any meeting at which the remuneration or benefits of such Board Member are to be discussed or voted upon.
- 75 The Board Members may delegate any of their powers to any committee consisting of one or more Board Members. The Board may delegate any of its powers to sub-committees (the members of which sub-committees may or may not be Board Members but the Chairperson of each such sub-committee shall, unless the Board decides otherwise, be a Board Member).
- 76 Any delegation of powers under the preceding article may be made subject to such conditions as the Board Members may impose and either collateral with or to the exclusion of their own powers and may be revoked or altered.
- 77 Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more Board Members shall be governed by the Articles regulating the proceedings of meetings of Board Members so far as they are capable of applying.

SECRETARY

- 78 Subject to the provisions of the Act, the Secretary shall be appointed by the Board Members for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

MINUTES

- 79 The Board Members shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings of the Company, meetings at sub-committees of the Company, meetings of the Board Members and meetings of committees of Board Members. A minute of a meeting of a sub-committee of the Company or of Board Members or of a committee of Board Members shall include the names of the Board Members present.

ACCOUNTS

- 80 The Company shall publish audited accounts in accordance with the requirements of statute. A copy of the accounts with an auditor's report shall be provided to the Scottish Housing Regulator within 6 months of the end of the period to which relate. No Member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or as authorised by the Board Members or by ordinary resolution of the Company.

NOTICES

- 81 Any notice to be given in pursuance of these Articles shall be in writing; the Company may give any such notice to a Member either personally or by sending it by post in a pre-paid envelope addressed to the Member at his or its registered address or by leaving it at that address.
- 82 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four hours after posting. For the purpose of proving that any such notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 83 A Member present at any meeting of the Company shall be deemed to have received notice of the meeting, and where requisite, of the purposes for which it was called.

WINDING UP

- 84 If the Company is wound up, the liquidator shall transfer the assets of the Company to an appropriate body in accordance with the provisions of the Memorandum of Association. The Company may not pass a resolution for amalgamation, transfer of engagements, voluntary winding up or dissolution without the prior written consent of the Scottish Housing Regulator.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 85 (1) Subject to paragraph (b), a relevant Board Member may be indemnified out of the Company's assets against:
- (i) any liability incurred by that Board Member in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,

- (ii) any liability incurred by that Board Member 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),
 - (iii) any other liability incurred by that Board Member as an officer of the Company or an associated company including, without prejudice to that generality, any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- (b) 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.
- (c) In this article:
- (i) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (ii) a relevant Board Member means any Board Member or former Board Member of the Company or an associated company.

Insurance

- 86 (1) The Board Members may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Board Member in respect of any relevant loss.
- (a) In this article:
- (i) a relevant **Board Member** means any Board Member or former Board Member of the Company or an associated company,
 - (ii) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant Board Member in connection with that Board Member'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
 - (iii) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

PROXIES

Content of proxy notices

- 87 (1) Proxies may only validly be appointed by a notice in writing (**proxy notice**) which:
- (i) states the name and address of the Member appointing the proxy;
 - (ii) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

- (iii) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Board Members may determine; and
 - (iv) 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.
- (b) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
 - (c) 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.
 - (d) Unless a proxy notice indicates otherwise, it must be treated as:
 - (i) 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
 - (ii) 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.

Delivery of proxy notices

- 88
- (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.
 - (a) 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.
 - (b) 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.
 - (c) 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.

Amendments to resolutions

- 89
- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (i) 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
 - (ii) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
 - (b) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

- (i) the Chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (ii) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (c) If the Chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairperson's error does not invalidate the vote on that resolution.

PART 4

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 90 (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.
- (a) 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.
 - (b) 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.

No right to inspect accounts and other records

- 91 Except as provided by law or authorised by the Board Members 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.

Provision for employees on cessation of business

- 92 The Board Members 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 Board Member or former Board Member) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

OBJECTS

- 93 This clause shall be interpreted as if it incorporated an over-riding qualification to the effect that in any case in which an activity permitted under this clause is in its nature charitable or only partially so as well as for wholly charitable purposes, (the expression "charitable purposes" shall mean a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005, which is also regarded as a charitable purpose in relation to the Taxes Acts, including any statutory amendment or re-enactment for the time being in force (which meaning shall be assigned to the word "charitable" wherever it appears in these Articles)), the powers of the Company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the carrying on of such activity in such a manner as will not prejudice the charitable

status of the Company under the statutory provisions referred to above. Subject to that overriding qualification, the Company's objects are to carry on, in order to relieve the poverty of the inhabitants of the former county of Ayr or such larger or smaller area as the Company may determine in general meeting from time to time (the "Benefit Area"), the following activities within the United Kingdom:-

- (a) providing, constructing, improving or managing, or encouraging or facilitating the provision, construction, improvement or management of, affordable housing for persons in necessitous circumstances;
 - (b) providing, constructing, improving or managing, for persons who are aged or infirm or disabled or handicapped (whether mentally or physically) and in need thereof, affordable housing and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
 - (c) providing services of any description in arranging or carrying out works of maintenance, repair or improvement to their houses, and encouraging or facilitating the carrying out of such works, for persons in necessitous circumstances who require those services;
 - (d) promoting and implementing community benefit or social welfare schemes or activities which are of a charitable nature within the Benefit Area;
 - (e) providing training opportunities;
- carrying on any other activity which may advantageously be carried on in connection with any of the foregoing objects of the Company.

94 In furtherance only of the foregoing objects of the Company, but not otherwise, the Company shall have the following powers:-

- (a) To provide, manage and develop necessary housing and support services and facilities;
- (b) To acquire and take over the whole or any part of the undertaking and liabilities of any person entitled to any property or rights suitable for any of the objects of the Company;
- (c) To purchase, take on feu, lease, hire, take in exchange and otherwise acquire any property and rights which may be advantageous for the purposes of the activities of the Company;
- (d) To improve, manage, exploit, develop, turn to account and otherwise deal with all or any part of the undertaking, property and rights of the Company;
- (e) To sell, fee, let, hire, licence, give in exchange and otherwise dispose of all or any part of the undertaking, property and rights of the Company;
- (f) To lend money and give credit to any person, with or without security, and to grant guarantees and contracts of indemnity on behalf of any person or company;
- (g) To borrow money and give security for the payment of money by or the performance of other obligations of the Company and to execute and enter into such contracts, instruments, agreements and other arrangements as may be thought expedient by the Company in respect of the hedging of borrowed funds against adverse movements in interest and or currency rates;

- (h) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- (i) To remunerate any individual in the employment of the Company and to establish, maintain and contribute to any pension or superannuation fund for the benefit of, and to give or procure the giving of any donation, pension, allowance or remuneration to, and to make any payment for or towards the insurance of, any individual, who is or was at any time in the employment of the Company, and the spouse, widow or widower, relatives and dependants of any such individual; to establish, subsidise and subscribe to any institution, association, club or fund which may benefit any such person;
- (j) To promote any private Act of Parliament, Provisional Order or other authority to enable the Company to carry on its business, alter its constitution or achieve any other purpose which may promote the Company's interests, and to oppose or object to any application or proceedings which may prejudice the Company's interests;
- (k) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the Company and to obtain from any such organisation, government or authority any charter, right, privilege or concession;
- (l) To enter into partnership or any other arrangement for sharing profit, co-operation or mutual assistance with any charitable body, whether incorporated or unincorporated;
- (m) To give any debentures or securities and accept any shares, debentures or securities as consideration for any business, property and rights acquired or disposed of;
- (n) To effect insurance against risks of all kinds;
- (o) To invest monies of the Company not immediately required for the purposes of its activities in such investments and securities (including land in any part of the world) and that in such manner as may from time to time be considered advantageous (subject to compliance with any applicable legal requirement) and to dispose of and vary such investments and securities;
- (p) To establish and support any association or other unincorporated body having objects altogether or in part similar to those of the Company and to promote any Company or other incorporated body formed for the purpose of carrying on any activity which the Company is authorised to carry on;
- (q) To amalgamate with any charitable body, incorporated or unincorporated, having objects altogether or in part similar to those of the Company;
- (r) To subscribe for, take, purchase and otherwise acquire and hold shares, stocks, debentures and other interests in any company with which the Company is authorised to amalgamate and to acquire and take over the whole or any part of the undertaking, assets and liabilities of any body, incorporated or unincorporated, with which the Company is authorised to amalgamate;
- (s) To transfer all or any part of the undertaking, property and rights of the Company to any body, incorporated or unincorporated, with which the Company is authorised to amalgamate;

- (t) To subscribe and make contributions to or otherwise support charitable bodies, whether incorporated or unincorporated, and to make donations for any purpose connected with the activities of the Company or with the furtherance of its objects;
- (u) To accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditional or in trust, for any of the objects of the Company;
- (v) To 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;
- (w) To carry out any of these objects in any part of the world as principal, agent, contractor, trustee or in any other capacity including through an agent, contractor, sub-contractor, trustee or any person acting in any other capacity and either alone or in conjunction with others; and
- (x) To do anything which may be incidental or conducive to the attainment of any of the objects of the Company.

And it is declared that in this clause where the context so admits, "property" means any property, heritable or moveable, real or personal, wherever situated.

95 Subject to Article 96:-

- (a) the income and property of the Company shall be applied solely towards the promotion of its objects as set out in Article 93;
- (b) no part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, to the Members of the Company;
- (c) subject to Article 96 below, no benefit in money or money's worth shall be given by the Company to any Board Member except repayment of out-of-pocket expenses

96 The Company shall, notwithstanding the provisions of Article 95, be entitled:-

- (a) to pay reasonable and proper remuneration to any Board Member or Member of the Company in return for services actually rendered to the Company including payments to any pension, life assurance or superannuation fund for the benefit of the Board Member and the spouse, widow or widower, relatives and dependants of such Board Member;
- (b) to pay interest at a rate not exceeding a commercial rate on money lent to the Company by any Board Member or Member of the Company;
- (c) to pay rent at a rate not exceeding the open market rent for premises let to the Company by any Board Member or Member of the Company; and
- (d) to purchase assets from, or sell assets to, any Board Member or Member of the Company providing such purchase or sale is at market value.

97 Any dispute between the Company and one or more of its Members shall be dealt with in accordance with these Articles and any procedures determined by the Board from time to time but without prejudice always to any rights a person may have.