



THE COMPANIES ACTS 1985 and 1989

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

MEMORANDUM

and

ARTICLES OF ASSOCIATION

As Amended by Written Resolutions passed on
28 January 1999, 25 March, 4 May 1999, 26 February 2001, 25 September 2001,
29 September 2003 and 27 September 2004

of

ATRIUM HOMES

(Reprinted 1 October 2004)

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MEMORANDUM OF ASSOCIATION

of

ATRIUM HOMES

1. The name of the Company is " Atrium Homes" ("the Company").
2. The Registered Office of the Company will be situated in Scotland.
3. The objects for which the Company is established are wholly charitable (within the meaning and for the purposes of section 505 of the Income and Corporation Taxes Act 1988 or any statutory amendment, extension, modification or re-enactment thereof for the time being in force) and to carry on for the benefit of the community:
 - 3.1 The business of providing housing, accommodation, and assistance to help house people and associated families, and providing associated facilities and amenities for poor people, and providing for the relief of aged, disabled, handicapped (whether physically or with a learning disability), or chronically sick people and as a means of achieving these objects:
 - 3.1.1 to provide, build and improve and manage housing and associated facilities specially designed and adapted for such people who are poor, old, sick, or who have a physical or learning disability.
 - 3.1.2 to provide or arrange home maintenance, repair and improvement services for such people who are poor, old, sick or who have a physical or learning disability.
 - 3.1.3 to carry out any activity allowed under Section 58 of the Housing (Scotland) Act 2001 which is charitable.
 - 3.1.4 to provide land and buildings to meet the needs of such people who are poor, old, sick or who have a physical or learning disability.
 - 3.1.5 to provide facilities and services for the benefit of such people either exclusively for them or together with other persons.
4. In furtherance only of the foregoing objects of the Company and not further or otherwise, the Company shall have the following powers:-

- 4.1 to seek recognition by the Inland Revenue as having the status of a charity;
- 4.2 to empower tenants and local communities so that they play a pro-active role in the provision and control of their housing;
- 4.3 to provide innovative housing solutions and thereby create greater flexibility and accessibility in the housing market;
- 4.4 to link the provision of housing with the social and economic regeneration of the community;
- 4.5 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;
- 4.6 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 and to submit to voluntary registration with Communities Scotland or its successor organisation;
- 4.7 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;
- 4.8 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;
- 4.9 to provide and arrange facilities for travel, accommodation and catering for persons involved in the Company's activities;
- 4.10 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, warrants, debentures and other negotiable or transferable instruments;
- 4.11 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;
- 4.12 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;

- 4.13 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 but so that no such conditions shall be inconsistent with the objects of the Company;
- 4.14 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;
- 4.15 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;
- 4.16 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;
- 4.17 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;
- 4.18 to operate, carry on and supply any ancillary businesses or services necessary or desirable in connection with the Company's activities;
- 4.19 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;

- 4.20 to employ or engage all such officers, employees, consultants, advisers and agents as may be required for the purposes of the Company;
- 4.21 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;
- 4.22 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;
- 4.23 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;
- 4.24 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;
- 4.25 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;
- 4.26 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

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.

Provided that -

- (i) in case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts;
- (ii) the objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers;
- (iii) in case the Company shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales the Company shall not sell, mortgage, charge or lease or otherwise dispose of any interest in the same without such authority, approval or consent as may be required by law, and as regards any such property the members of the board of the Company shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such members of the board have been if no incorporation had been effected and the incorporation of the Company shall not diminish or impair any control or authority exercisable by the Court of Session, the Chancery Division or the Charity Commissioners over such members of the board but they shall as regards any such property be subject jointly and separately to such control or authority as if the Company were not incorporated; and
- (iv) each and every Clause (including this Clause 4) of this Memorandum and each and every Article of the Articles of Association of the Company shall be read and interpreted as if there were embodied therein an overriding qualification to the effect that no expenditure of income by the Company shall be permitted for the purpose of carrying out any activities which are not wholly charitable within the meaning of section 505 of the Income and Corporation Taxes Act 1988, or any statutory amendment, extension, modification or re-enactment thereof for the time being in force, and that in all cases in which activities permitted by the objects of the Company are in their nature capable of being exercised for purposes which are not charitable or only partially so, as well as for the purposes which are wholly charitable, the powers exercisable by the Company in furtherance of its objects shall be held to limit such activities to those which will not prejudice the charitable status of the Company in terms of the said section 505.

In this Clause 4 unless the context otherwise requires: references to members of the board of the Company shall for the purposes of the Companies Act 1985 be deemed to be references to directors of the Company (this interpretation applying equally to Clause 6 hereof) and references to persons shall include companies and other bodies corporate, firms, associations, societies, institutions, organisations, clubs, funds, trusts, local authorities and other statutory, local and public bodies and authorities.

- 5. In furtherance of its objects the Company shall as landlord or managing agent have proper regard to the requirements of public accountability, to the proper use of the public or other monies loaned, granted or gifted to or held by it, to the welfare of the tenants or occupiers of the dwellings provided or managed by it.
- 6. 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 this Memorandum 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:-

- (a) 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;
- (b) of interest (at such rate as shall be determined by the board of the Company) on money lent to the Company;
- (c) 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
- (d) of reasonable and proper out-of-pocket expenses to any member, agent, officer or employee of the board of the Company.

7. The liability of the members is limited.

8. 8.1 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);

8.2 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 Clause 6 hereof, such institution or institutions to be determined by the members of the Company 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 as aforesaid.

We, the subscriber to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum.

NAME AND ADDRESS OF SUBSCRIBER

East Ayrshire Council
Council Headquarters
London Road
Kilmarnock KA3 7BU(Sgd)"....."

Dated this 8th day of October 1998

Witness to the above Signature:-

Rizwan Kadir Desai
70 Wellington Street
Glasgow
G2 6SB(Sgd)"....."

Occupation:- Solicitor

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(As Amended by Written Resolutions dated 28 January 1999,
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PRELIMINARY

1. (a) The Regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 shall not apply to the Company ("Table C"), under declaration that these Articles are in as near a form to Table C as the circumstances of the Company permit.
- (b) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 shall not apply to the Company.

INTERPRETATION

2. 2.1 In these Articles, unless the subject matter or context requires otherwise:-
 - (a) "Act" means the Companies Acts 1985 and 1989;
 - (b) "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;
 - (c) "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;

- (d) “Chairman” shall mean the Board member appointed from time to time to act as the Chairman of the Company in accordance with Article 41;
- (e) “Chairman of the meeting” shall mean the Chairman or any other Board member or member elected to be the chairman of a general meeting of the Company in accordance with Article 18(a);
- (f) “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;
- (g) “Close Relative” shall mean a person who is the spouse of, or who co-habits with either a tenant or an owner occupier (for the purposes of Article 3(b)) (whether the same or different sexes) or who is that tenant’s or owner occupier’s parent, grandparent, child, step-child, grandchild, brother or sister;
- (h) “Company” shall mean Atrium Homes;
- (i) “Director” shall mean the person employed from time to time to act as the Director of the Company in accordance with Article 53(a);
- (j) “he”, “she”, “him”, “her” (or derivatives of any of the foregoing) and “person” shall where appropriate include a body corporate;
- (k) “member” shall mean one of the persons referred to in Article 3;
- (l) “officer” shall include the Chairman, the Director and the Secretary and any Board member for the time being and such other officers as the Board may appoint under Article 53;
- (m) “property” shall include all heritable and moveable estate (including loan stock certificates, books and papers);
- (n) “these Articles” shall mean these Articles of Association as amended from time to time; and
- (o) “Secretary” shall mean the person appointed from time to time by the Board to be the Secretary of the Company in accordance with Article 53(b).

2.2 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.

MEMBERSHIP

3. 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. The Company shall have at any given time a minimum of seven members but there shall be no maximum. There shall be three categories of member:-

- (a) any person who is from time to time a tenant of a dwellinghouse under a lease entered into with the Company subject to each having first applied in writing to become a member in accordance with the provisions of Article 5(a) (“Tenant Members”)
- (b) persons or organisations from the local community in East Ayrshire who may include owner occupiers (an owner occupier being for this purpose a person who is the owner of a dwellinghouse situated within a housing estate which is owned or managed by the Company or a Close Relative of such an owner who is residing with him in the dwellinghouse), a Close Relative of a tenant of a dwellinghouse under a lease entered into with the Company who is residing with him in the dwellinghouse and representatives from community groups in East Ayrshire including residents associations, community councils, disability ©, ethnic minority groups or other community groups deemed acceptable by the Board (“Community Members”); and
- (c) business and professional persons or organisations with an interest in East Ayrshire including the local enterprise company, the chambers of commerce, the business partnership, the employment initiative, traders associations and such traders, other commercial enterprises and individuals with a particular professional interest or skill as is deemed acceptable by the Board (“Business Members”).

Representatives drawn from categories (a), (b) and (c) above shall apply to the Company for admittance to membership in accordance with Article 5.

- 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.
 - (a) 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.
 - (b) 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 in the appropriate membership category as determined by the Board.
 - (c) 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.
 - (d) 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 (a) 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.
- (b) (i) 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.
- (ii) 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.
- (iii) In circumstances where a Tenant Member ceases for any reason whatsoever to be such a tenant, he/she shall be deemed to have withdrawn from membership of the Company at the date of such cessation. Any such withdrawal shall be without prejudice to the right of such person to apply for admission to membership (in accordance with Article 5) in either of categories (b) or (c) of Article 3.
- (iv) In circumstances where a person who is a Community Member, having qualified for such membership by reason of being a Close Relative of a tenant or owner occupier and residing with the tenant or owner occupier in his dwellinghouse, ceases to reside with the tenant or owner occupier in such dwellinghouse, he/she shall be deemed to have withdrawn from membership of the company at the date of such cessation. Any such withdrawal shall be without prejudice to the right of such person to apply for admission to membership (in accordance with Article 5) in any of the categories set out in Article 3.
- (v) All withdrawals of membership pursuant to this Article 8 (b) shall be recorded in the register of members.
- (iv) The decision of the Board as to compliance with the terms of this Article 8(b) shall be final.
- (c) 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.
- (d) Where a member has obtained his/her membership by virtue of or in connection with

his/her association in any way with any of the parties referred to in Article 3(b) and (c) and he/she ceases to be so associated with that party for any reason whatsoever, he/she shall immediately upon the cessation of such association be deemed from the date of such cessation automatically to have withdrawn from membership of the Company, without any obligation on the part of either the Company or the relevant withdrawing member to intimate such withdrawal to the other.

- (e) 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 (a) 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(a). 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.
- (b) 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

10. For the purposes of these Articles a body corporate 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 or for membership of the Company and/or for membership of the Board 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 member of the Company so appointing him/her and/or who shall during the continuance of his/her appointment as such member be entitled to exercise at any general meeting of the Company all the rights and powers available to a member of the Company and/or who shall during the continuance of his/her appointment as such Board member be entitled to exercise at any Board meeting of the Company all the rights and powers available to a director under the Act (as the case may be). 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

11. 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.

12. (a) The holder of loan stock may transfer all or any part thereof by instrument in writing in such form as the Board may approve.
- (b) 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.
- (c) A transfer of loan stock shall not be valid until registered.
- (d) The Company can lend money to an organisation which is a subsidiary of the Company within the meaning of the Companies Act 1985 or the Friendly and Industrial and Provident Societies Act 1968 at the market rate of interest as determined by the Board having regard to the terms of the loan.

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. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. 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:-
 - (a) to receive the Chairman's report on the affairs of the Company for the preceding year;
 - (b) to receive the accounts and balance sheet together with the report of the auditor thereon;
 - (c) subject to Article 29(b) to elect Board members as provided in Articles 31 et seq;
 - (d) to appoint the auditor as provided in Articles 64, 65 and 66; and
 - (e) to transact any other general business of the Company included in the notice convening the meeting.
14. (a) All general meetings other than annual general meetings shall be called extraordinary general meetings. They shall be convened by the Secretary either:-
 - (i) upon an order of the Board, or
 - (ii) 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.
- (b) 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 paragraph (c) of this Article 14 and without prejudice to said duty shall in consultation with the Board (or the Chairman if practicable but if such consultation is not practicable at his/her own discretion) decide the time, date and place for the meeting.

- (c) 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.
 - (d) An extraordinary general meeting shall not transact any business other than that mentioned in the notice convening the meeting.
15. (a) 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 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.
- (b) 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.

PROCEEDINGS AT GENERAL MEETINGS

16. (a) 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.
- (b) 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. (a) The Chairman 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.

- (b) 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. (a) At all general meetings of the Company the Chairman shall preside as Chairman of the meeting, or if there be no such Chairman, 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 Chairman of the meeting. In the absence of any members of the Board, the members present shall elect from their number a Chairman of the meeting.
- (b) Should the Chairman appear at a later time during the meeting, the acting Chairman 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 Chairman.
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 Chairman 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 Chairman of the meeting shall have a second or casting vote.
21. Unless a poll be demanded, a declaration by the Chairman 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. (a) 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 Chairman of the meeting whether pursuant to Article 20 or otherwise. A demand for a poll may be withdrawn.
- (b) If a poll is to take place, it shall be conducted forthwith at the meeting in such manner as the Chairman 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. (a) 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 Chairman of the meeting.

- (b) 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.
- (c) 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 Chairman of the meeting shall report to the meeting the details of those instruments of proxy which are void.
- (d) 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 Chairman 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 Chairman 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 Chairman 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 Chairman of the meeting.
- 27. If any point arises which is not provided for in these Articles, the Chairman 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 Chairman of the meeting shall then vacate the Chair 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. (a) The Board shall consist of not less than seven persons or more than fifteen .
- (b) The Board shall include at any given time and from time to time (i) up to five persons elected from the Tenant Members (“Tenant Board Members”), (ii) up to five persons elected from the Community Members (“Community Board Members”), and (iii) up to five persons elected from the Business Members (“Business Board Members”) The membership categories shall be represented equally in terms of numbers of Board Members in so far as is reasonably possible.
- (c) Only persons who have attained 18 years of age shall be eligible to become Board members.
- (d) An employee of the Company, or a close relative of an employee, may not be a Board Member.
30. (a) Subject to Articles 30(b) 31(b) and 31(c) 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.
- (b) 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 39.
- (c) 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.
- (d) For the purposes of these Articles, co-opted persons shall not be included in the expressions "Board member" or "member of the Board".

ELECTION OF BOARD MEMBERS

31. (a) At the conclusion of every annual general meeting one-third or the nearest number thereto of Board members shall retire from office. Of the Board members so retiring there shall require to be at least one such Board member drawn from each of the Tenant Board Members, the Community Board Members and the Business Board Members:
- (b) The Board members required to retire are those who:-
- (i) have filled casual vacancies under Article 34; and
- (ii) 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.
- (c) A retiring Board member shall be eligible for re-election without nomination.

- (d) A person may be appointed as a Board Member notwithstanding that he shall have attained the age of seventy years or any other age and no Board Member shall be liable to retire from his/her position by reason of his/her attaining that or any other age nor shall special notice be required of any resolution appointing or approving the appointment of such Board Member or any notice be required to state the age of the person to whom such resolution relates.
- 32.
- (a) Subject to Article 29(b) 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 Chairman 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 Chairman 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.
 - (b) 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 35. Each nomination shall include the following:-
 - (i) the full name, address and occupation of the person nominated;
 - (ii) the membership category in which the member is nominated (i.e. pursuant to Article 29(b) (i) (ii) or (iii))
 - (iii) a signed statement by the person nominated of his/her willingness to be elected; and
 - (iv) the signature of the person or body corporate making the nomination and the category in which the signatory is a member of the Company.
 - (c) The proceedings of the Board shall not at any time be invalidated due to the fact that the number of representatives on the Board from the parties specified in Article 29(b) is less than the maximum provided for in such Article 29(b).
 - (d) 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.
- 33.
- (a) A casual vacancy occurring on the Board may be filled by the Board, subject to the provisions of Article 33(b) below and that person shall be a Board member for the purposes of these Articles until the next annual general meeting of the Company, provided always that the maximum number of representatives from the parties specified for in Article 29(b) shall not be exceeded.
 - (b) 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 statement of the membership category in

which the member is nominated and 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 Chairman 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. During any period in which the Company is party to a contract with Communities Scotland for registration of the Company as a Social Landlord, Communities Scotland may, in accordance with the terms of that contract, by written notice to the Secretary of the Company, remove any Board Member and separately may appoint any person nominated by them to be a Board Member and to remove any person so appointed and to appoint another person in their place.
35. (a) 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.
- (b) A Board Member must leave the Board if two thirds 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:
- (i) failure to perform to the published standards laid down by the Scottish Federation of Housing Associations and/or Communities Scotland adopted and operated by the Company;
 - (ii) failure to sign or failure to comply with the Company's Code of Conduct for Board Members
 - (iii) a serious breach of the Company's Constitution or standing orders
 - (iv) a breach of Schedule 7 Part 1 of the Housing (Scotland) Act 2001.
36. (a) 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:-
- (i) he/she is apparently insolvent within the meaning of the Bankruptcy (Scotland) Act 1985;
 - (ii) he/she is a party to an arrangement with his/her creditors;
 - (iii) he/she is in the opinion of a qualified physician unable to attend Board meetings for the next 12 months due to incapacity by physical or mental illness;
 - (iv) he/she is imprisoned by due process of law for a period exceeding one month or is or has been convicted of a crime of dishonesty for which the rehabilitation period, in terms of the Rehabilitation of Offenders Act 1974, has not expired or for which rehabilitation is excluded in terms of the said Act;

- (v) he/she is a party to civil proceedings by or against the Company; and/or
 - (vi) he/she is disqualified from acting as a director of a Company by reason of the provisions on disqualification in the Company Directors Disqualification Act 1986 or removal from the board of directors or management of any Social Landlord by Communities Scotland, the Housing Corporation or Tai Cymru.
 - (vii) he/she is or will be away for a period of 12 months and are thus unable to attend the Board Meetings
 - (viii) he/she has been removed by Communities Scotland from the Board of another registered social landlord.
 - (ix) he/she has been removed from a charity under Section 7 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 (in connection with the power of a Court to remove or suspend any person any person who is concerned in the management or control of a charity).”
- (b) A Board member shall cease immediately and automatically to be a member of the Board if:-
- (i) he/she resigns his/her office by notice in writing to the Secretary;
 - (ii) in the case of a Board member who is a representative of any of the parties specified in Article 29(b) his/her appointment by a body corporate is revoked in accordance with Article 10 (or, if he/she is not a representative of a body corporate his/her representation is withdrawn by notice in writing to the Secretary by the relevant party) or he/she ceases to be connected in any way whatsoever (whether in terms of membership, employment, appointment or otherwise) with such parties;
 - (iii) 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; and/or
 - (iv) if he/she absents himself/herself from four consecutive meetings of the Board without special leave of absence previously granted by the Board.
- (c) No Board Member may act as such until they have agreed to and signed a code of conduct for Board Members.
37. 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 49(f) or grant any benefit including a tenancy to a Board Member or co-opted person, except as agreed unanimously by the Board subject to the overriding proviso that such decision by the Board is in compliance with the provisions of the Memorandum of Association of the Company, these Articles and the Act and with any directions given by special resolution of the Company.

38. (a) 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.
- (b) 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 37 and who does not disclose it to the Board or who has accepted a payment, other than under Article 49(f), or the grant of a benefit from the Company (under the terms of Article 37), 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 38(a) 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

39. Subject to the provisions of the Memorandum of Association of the Company, 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.
40. 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 six 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 .
41. (a) The members of the Board shall, at a specially convened meeting immediately following each annual general meeting, elect a Chairman 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 Chairman of the Company and shall be removable from the office of Chairman 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 Chairman is absent or unwilling to act the members of the Board present shall elect another Board member to be Chairman for that meeting. In any case of an equality of votes the Chairman of the relevant Board meeting shall have a second or casting vote.
- (b) The Chairman 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 Chairman in his/her place.
- (c) The Chairman may be re-elected but may not normally hold office continuously for more than five consecutive annual general meetings. On the expiry of five continuous

terms of office, the retiring Chairman shall not normally be eligible for election as Chairman during the ensuing twelve months.

42. A special meeting of the Board may be called by a notice in writing given to the Secretary by the Chairman 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 Chairman or the Board members who have given the notice may call the meeting. If the Chairman 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

43. All speakers shall address the Chairman and all members shall observe order in such instance. The selection of, and time limit for, speakers shall be at the discretion of the Chairman.
44. If any point arises which is not provided for in these Articles, the Chairman shall give a ruling on the point and his/her decision shall be final.
45. Notice of meetings of the Board shall be sent to the Board members not less than seven days before the date of the meeting.
46. 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 Chairman who shall have due regard to the reasonable intent of this Article.
47. 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

48. 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 by the Memorandum of Association of the Company and 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.
49. Without prejudice to its general powers conferred by these Articles the Board may exercise the following powers:-

- (a) 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;
 - (b) to settle the terms of engagement and remuneration of the Director, the Secretary and/or other officers of the Company (but not, for the avoidance of doubt, members of the Board) appointed under Article 53 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;
 - (c) 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;
 - (d) 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;
 - (e) to appoint and remove all solicitors, architects, surveyors and other consultants, managing agents and employees of every description;
 - (f) 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;
 - (g) 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;
 - (h) to affiliate the Company to any other organisation having objects similar to the objects of the Company;
 - (i) 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.
50. (a) 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.

- (b) 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.
51. 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.
52. 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.

DIRECTOR, SECRETARY AND OTHER OFFICERS

53. (a) The Board may appoint such person as it deems appropriate to the office of Director of the Company (it being confirmed, for the avoidance of doubt, that the Director 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 the Memorandum of Association of the Company, 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.
- (b) 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.
- (c) In circumstances where the Secretary is unavailable to carry out his/her functions the Board or in cases of emergency the Chairman 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.
- (d) 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:-
- (i) summon and attend all general meetings of the Company and all meetings of the Board and keep the minutes referred to in Article 56;
 - (ii) as regards Article 53(d)(i), issue the notice together with any relevant reports or papers;
 - (iii) prepare and send all returns required to be made to the Registrar of Companies; and

- (iv) 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.
- (e) 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

- 54. 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.
- 55. 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

- 56. 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 Chairman 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.
- 57. The Company shall keep at its registered office:-
 - (a) a register of members in which shall be entered the following particulars:-
 - (i) the names and addresses of the members and the category in which they are deemed to be members;
 - (ii) a statement of other property in the Company whether in loans or loan stock held by each member;
 - (iii) 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;
 - (iv) 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;
 - (b) a register of loan stock and of the holders thereof;

- (c) a register in which shall be entered particulars of all loans and charges on land of the Company; and
 - (d) all other registers as may be required under the Act.
58. 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.
59. 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.
60. 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 56 to 59 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 60 shall be recorded in the minutes of the meeting.

ACCOUNTS

61. 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.
62. The Board shall submit the Company's accounts and balance sheet 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 balance sheet for the year of account in respect of which he/she is appointed.
63. The Company shall furnish to Communities Scotland 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

64. (a) There shall be appointed in each year of account a qualified auditor to audit the Company's accounts and balance sheet for that year.
- (b) None of the following persons shall be appointed or re-appointed as auditor of the Company:-
- (i) an officer or servant of the Company; or
 - (ii) a person who is a partner of or in the employment of or who employs an officer, servant or agent of the Company.

- (c) Nothing in this Article 64 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.
65. Every appointment of an auditor shall be made by resolution of a general meeting of the Company or otherwise as permitted by the Act.
66. (a) 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:-
- (i) 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
 - (ii) he/she has given to the Company notice in writing of his/her unwillingness to be re-appointed, or
 - (iii) he/she is not a qualified auditor or is a person mentioned in Article 64 (b), or
 - (iv) 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 66(b) 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 64(b).

- (b) (i) 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.
- (ii) 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.
- (iii) 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 BALANCE SHEET

67. 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.

68. 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 balance sheet contained in the return.
69. The Company shall keep a copy of the last balance sheet for the time being together with the report made thereon by the auditor always hung up in a conspicuous place at its registered office.
70. The Company shall, upon receipt of the form of annual return from Communities Scotland, duly complete the form and send it to Communities Scotland within the period which Communities Scotland may direct.

PROFITS

71. (a) The profits of the Company shall not be distributed either directly or indirectly in any way whatsoever among members of the Company.
- (b) An annual general meeting may out of the net profits:-
- (i) 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
- (ii) 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.
- (c) Any part of the profits not set aside or allocated in accordance with the preceding paragraph shall be carried forward.

INSPECTION OF BOOKS

72. 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

73. 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.

WINDING UP

74. The provisions of Clause 8 of the Memorandum of Association of the Company relating to the winding up and dissolution of the Company shall have effect as if the same were repeated in these Articles.

NAME AND ADDRESS OF SUBSCRIBER

East Ayrshire Council
 Council Headquarters
 London Road
 Kilmarnock KA3 7BU(Sgd)""

Dated this 8th day of October 1998

Witness to the above Signature:-

Rizwan Kadi Desai
 70 Wellington Street
 Glasgow
 G2 6SB(Sgd)"Rizwan Desai"

Occupation: Solicitor

**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 24 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